

FIC GLOBAL, INC.
PARENT COMPANY ONLY FINANCIAL
STATEMENTS AND INDEPENDENT AUDITORS’
REPORT
DECEMBER 31, 2022 AND 2021

- For the convenience of readers and for information purpose only, the independent auditors’ report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. 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 independent auditors’ report and financial statements shall prevail.

FIC GLOBAL, INC.
DECEMBER 31, 2022 AND 2021 PARENT COMPANY ONLY FINANCIAL
STATEMENTS AND INDEPENDENT AUDITORS' REPORT
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INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of FIC Global, Inc.

Opinion

We have audited the accompanying parent company only balance sheets of FIC Global, Inc. (the "FICG") as at December 31, 2022 and 2021, and the related parent company only statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the parent company only financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the reports of other auditors (refer to the Other matter section), the accompanying parent company only financial statements present fairly, in all material respects, the financial position of FICG as at December 31, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements section of our report. We are independent of FICG 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. Based on our audits and the reports of the other independent auditors, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of FICG's 2022 parent company only financial statements. These matters were addressed in the context of our audit of the 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 FICG's 2022 financial statements are stated as follows:

Valuation of investments accounted for under equity method

Refer to Note 4(10) for accounting policy on investments accounted for using equity method and Note 6(3) for details of investments accounted for using equity method.

As at December 31, 2022, the balance of FICG's investments in its subsidiaries amounted to \$3,327,186 thousand, constituting 92% of the total assets. As the balance of investments in subsidiaries is material to the financial statements, we considered the valuation of investments accounted for under equity method a key audit matter. Accordingly, we determined that the key audit matters of FICG's investments accounted for using equity method - existence of revenue from newly listed top ten sales customers and evaluation of inventories, are also applicable as key areas of focus for this year's audit of FICG.

Investments accounted for using equity method - existence of revenue from newly listed top ten sales customers

Description

Refer to Note 4(31) of the consolidated financial statements for accounting policies on revenue recognition, and Note 6(23) of the consolidated financial statements for details of operating revenue.

FICG's subsidiaries are primarily engaged in the research and development, production and sales of automotive electronics, surveillance products and industrial computers, electronic contract manufacturing of computers and server products. Since product orders are affected by project cycles and the subsidiaries will have to focus on accepting orders of new projects, there will be changes in the top ten sales customers, which has a significant impact on the consolidated operating revenue. Thus, the existence of FICG's subsidiaries' sales revenue from newly listed top ten sales customers has been identified as one of the key audit matters.

How our audit addressed the matter

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

1. Obtained an understanding of, and assessed FICG's subsidiaries' internal controls over sales transactions.
2. Examined the relevant industry background information of newly listed top ten sales customers.
3. Selected samples of sales transactions from the newly listed top ten sales customers and verified against related vouchers to ascertain existence of sales revenue.

Investments accounted for using equity method - evaluation of inventories

Description

Refer to Note 4(13) of the consolidated financial statements for the accounting policies on the evaluation of inventories, Note 5(2) of the consolidated financial statements for the uncertainty of accounting estimates and assumptions for evaluation of inventories, and Note 6(6) of the consolidated financial statements for the details of inventory.

Due to the rapid technological innovations and competition within the industry, frequent releases of new products result in potential price fluctuations and product marginalization in the market. Additionally, it also affects the estimation of net realizable values of inventories.

In response to changing markets and its development strategies, FICG's subsidiaries adjust their inventory levels. As a result, the related inventory levels for the product line as mentioned above are significant. Inventories are stated at the lower of cost and net realizable value. Since the evaluation of inventories is subject to management's judgement and the accounting estimations will have significant influence on the inventory values, the evaluation of inventories has been identified as one of the key audit matters.

How our audit addressed the matter

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

1. Assessed the policy on allowance for inventory valuation loss based on our understanding of the operations and industry of FICG's subsidiaries.
2. Inspected the management's individually identified out-of-date inventory list and checked the related supporting documents.
3. Tested the basis of market value used in calculating the net realizable values of inventory and validated the accuracy of net realizable value calculation of selected samples.

Other matter – reference to the audits of other independent auditors

We did not audit the financial statements of certain investments accounted for under the equity method. The balance of these investments accounted for under the equity method amounted to NT\$387,223 thousand and NT\$326,697 thousand, constituting 11% and 10% of total assets as of December 31, 2022 and 2021, respectively, and the share of profit of associates accounted for under the equity method amounted to NT\$49,732 thousand and NT\$44,650 thousand, constituting 10% and 19% of total comprehensive income for the years then ended, respectively. The financial statements of these investees were audited by other independent auditors whose reports thereon have been furnished to us, and our opinion expressed herein, insofar as it relates to the amounts included in the financial statements relative to these investees is based solely on the audit reports of the other independent 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 the 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 FICG'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 FICG or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the audit committee, are responsible for overseeing FICG'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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these parent company only financial

statements.

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

1. 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.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of FICG's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on FICG'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 FICG to cease to continue as a going concern.
5. 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.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within FICG 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.

Chang, Shu-Chiung

Lin, Po-Chuan

For and on Behalf of PricewaterhouseCoopers, Taiwan

March 30, 2023

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

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

FIC GLOBAL, INC.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan Dollars)

Assets		Notes	December 31, 2022		December 31, 2021	
			AMOUNT	%	AMOUNT	%
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 237,909	7	\$ 141,107	5
1110	Current financial assets at fair value	6(2)				
	through profit or loss		1,129	-	1,887	-
1180	Accounts receivable due from related	7				
	parties, net		515	-	525	-
1200	Other receivables		138	-	1	-
1210	Other receivables due from related	7				
	parties		-	-	326,570	10
1470	Other current assets		641	-	453	-
11XX	Total current assets		240,332	7	470,543	15
Non-current assets						
1550	Investments accounted for using	6(3) and 7				
	equity method		3,356,897	93	2,769,357	85
1600	Property, plant and equipment		24	-	-	-
1780	Intangible assets		1,944	-	-	-
1900	Other non-current assets		-	-	1,400	-
15XX	Total non-current assets		3,358,865	93	2,770,757	85
1XXX	Total assets		\$ 3,599,197	100	\$ 3,241,300	100

(Continued)

FIC GLOBAL, INC.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan Dollars)

Liabilities and Equity		Notes	December 31, 2022		December 31, 2021	
			AMOUNT	%	AMOUNT	%
Current liabilities						
2200	Other payables	6(4)	\$ 24,350	1	\$ 18,704	1
2220	Other payables to related parties	7	123,200	3	140,000	4
2230	Current tax liabilities		9,529	-	-	-
2320	Long-term liabilities, current portion	6(5)	210,726	6	-	-
2399	Other current liabilities		37	-	20	-
21XX	Total current liabilities		367,842	10	158,724	5
Non-current liabilities						
2530	Bonds payable	6(5)	-	-	285,734	9
2620	Long-term notes and accounts payable to related parties	7	-	-	51,000	1
25XX	Total non-current liabilities		-	-	336,734	10
2XXX	Total liabilities		367,842	10	495,458	15
Equity						
	Share capital	6(7)				
3110	Ordinary share		2,151,721	60	2,109,305	65
	Capital surplus	6(8)				
3200	Capital surplus		439,563	12	393,596	13
	Retained earnings	6(9)				
3310	Legal reserve		52,361	1	28,827	1
3320	Special reserve		290,770	8	269,545	8
3350	Unappropriated retained earnings		676,830	19	235,339	7
	Other equity interest					
3400	Other equity interest		(379,890)	(10)	(290,770)	(9)
3XXX	Total equity		3,231,355	90	2,745,842	85
	Significant contingent liabilities and unrecognised contract commitments	9				
	Significant events after the balance sheet date	11				
3X2X	Total liabilities and equity		\$ 3,599,197	100	\$ 3,241,300	100

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

FIC GLOBAL, INC.
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan Dollars, except for earnings per share amount)

		Year ended December 31			
		2022		2021	
Items	Notes	AMOUNT	%	AMOUNT	%
4000 Operating revenue	6(10) and 7	\$ 503,080	100	\$ 266,759	100
Operating expenses	6(14) and 7				
6200 General and administrative expenses		(19,346)	(4)	(15,713)	(6)
6900 Net operating income		483,734	96	251,046	94
Non-operating income and expenses					
7100 Interest income	6(11) and 7	3,001	1	3,557	2
7010 Other income		400	-	126	-
7020 Other gains and losses	6(12)	3,440	1	3,534	1
7050 Finance costs	6(13) and 7	(4,576)	(1)	(6,289)	(2)
7000 Total non-operating income and expenses		2,265	1	928	1
7900 Profit before income tax		485,999	97	251,974	95
7950 Tax (expense) benefit	6(15)	(9,529)	(2)	4	-
8200 Profit for the year		\$ 476,470	95	\$ 251,978	95
Other comprehensive income					
Components of other comprehensive income that will not be reclassified to profit or loss					
8330 Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss		\$ 10,962	2	\$ 4,540	2
8310 Other comprehensive income that will not be reclassified to profit or loss		10,962	2	4,540	2
Components of other comprehensive income that will be reclassified to profit or loss					
8361 Exchange differences on translation		(14,168)	(3)	(22,225)	(9)
8380 Share of other comprehensive income (loss) of associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss		721	-	(346)	-
8360 Other comprehensive loss that will be reclassified to profit or loss		(13,447)	(3)	(22,571)	(9)
8300 Other comprehensive loss		(\$ 2,485)	(1)	(\$ 18,031)	(7)
8500 Total comprehensive income		\$ 473,985	94	\$ 233,947	88
Earnings per share (in dollars)					
9750 Basic earnings per share	6(16)	\$ 2.23		\$ 1.32	
9850 Diluted earnings per share		\$ 2.10		\$ 1.26	

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

FIC GLOBAL, INC.
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan Dollars)

				Retained Earnings			Other Equity Interest		
		Share capital – common stock	Total capital surplus, additional paid-in capital			Unappropriated retained earnings	Exchange differences on translation of foreign financial statements	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	Total
	Notes			Legal reserve	Special reserve				
<u>Year ended December 31, 2021</u>									
Balance, January 1, 2021		\$ 1,903,446	\$ 189,853	\$ 28,827	\$ 302,261	(\$ 32,830)	(\$ 263,028)	(\$ 6,517)	\$ 2,122,012
Net income for the year		-	-	-	-	251,978	-	-	251,978
Other comprehensive income (loss) for the year		-	-	-	-	1,238	(22,571)	3,302	(18,031)
Total comprehensive income (loss)		-	-	-	-	253,216	(22,571)	3,302	233,947
Appropriation of 2020 earnings:	6(9)								
Reversal of special reserve		-	-	-	(32,716)	32,716	-	-	-
Changes in ownership interests in subsidiaries	6(3)	-	(2,314)	-	-	(18,853)	-	-	(21,167)
Due to recognition of equity component of convertible bonds issued	6(5)	-	38,198	-	-	-	-	-	38,198
Conversion of convertible bonds	6(7)(8)	205,859	172,928	-	-	-	-	-	378,787
Changes in equity of associates and joint ventures accounted for using equity method		-	(36)	-	-	1,090	-	(1,090)	(36)
Disposal of investments accounted for using equity method		-	(5,011)	-	-	-	(866)	-	(5,877)
Difference between consideration and carrying amount of subsidiaries acquired or disposed		-	(22)	-	-	-	-	-	(22)
Balance, December 31, 2021		<u>\$ 2,109,305</u>	<u>\$ 393,596</u>	<u>\$ 28,827</u>	<u>\$ 269,545</u>	<u>\$ 235,339</u>	<u>(\$ 286,465)</u>	<u>(\$ 4,305)</u>	<u>\$ 2,745,842</u>
<u>Year ended December 31, 2022</u>									
Balance, January 1, 2022		\$ 2,109,305	\$ 393,596	\$ 28,827	\$ 269,545	\$ 235,339	(\$ 286,465)	(\$ 4,305)	\$ 2,745,842
Net income for the year		-	-	-	-	476,470	-	-	476,470
Other comprehensive income (loss) for the year		-	-	-	-	9,780	(13,447)	1,182	(2,485)
Total comprehensive income (loss)		-	-	-	-	486,250	(13,447)	1,182	473,985
Appropriations of 2021 earnings:	6(9)								
Legal reserve		-	-	23,534	-	(23,534)	-	-	-
Special reserve		-	-	-	21,225	(21,225)	-	-	-
Changes in ownership interests in subsidiaries		-	8,311	-	-	-	-	-	8,311
Conversion of convertible bonds	6(7)(8)	42,416	35,950	-	-	-	-	-	78,366
Difference between consideration and carrying amount of subsidiaries acquired or disposed	6(3)	-	1,710	-	-	-	-	-	1,710
Changes in equity of associates and joint ventures accounted for using equity method		-	(4)	-	-	-	-	-	(4)
Disposal of subsidiaries		-	-	-	-	-	(76,855)	-	(76,855)
Balance, December 31, 2022		<u>\$ 2,151,721</u>	<u>\$ 439,563</u>	<u>\$ 52,361</u>	<u>\$ 290,770</u>	<u>\$ 676,830</u>	<u>(\$ 376,767)</u>	<u>(\$ 3,123)</u>	<u>\$ 3,231,355</u>

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

FIC GLOBAL, INC.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan Dollars)

		Year ended December 31	
	Notes	2022	2021
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Profit before tax		\$ 485,999	\$ 251,974
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6(14)	2	-
Amortization	6(14)	56	-
Net loss (gain) on financial assets or liabilities at fair value through profit or loss	6(2)(12)	95	(3,640)
Interest expense	6(13)	4,576	6,289
Interest income	6(11)	(3,001)	(3,557)
Share of profit of subsidiaries and associates accounted for using equity method	6(3)(10)	(483,113)	(247,681)
Changes in operating assets and liabilities			
Changes in operating assets			
Accounts receivable - related parties		10	(5)
Other receivables		-	(1)
Other current assets		(8)	-
Changes in operating liabilities			
Other payables		5,645	5,134
Other payables - related parties		(7,074)	-
Other current liabilities		17	(29)
Cash inflow generated from operations		3,204	8,484
Interest received		2,864	3,557
Interest paid		(555)	(3,270)
Dividends received		3,377	3,104
Income taxes paid		(180)	(349)
Net cash flows from operating activities		8,710	11,526
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Decrease (increase) in financing receivable from related parties		226,570	(437,000)
Acquisition of investments accounted for using equity method	6(3)	(74,228)	-
Proceeds from disposal of investments accounted for using equity method		4,176	-
Acquisition of property and equipment		(26)	-
Proceeds from capital reduction of investments accounted for using equity method		-	1
Acquisition of intangible assets		(600)	-
Increase in other non-current assets		-	(1,400)
Net cash flows from (used in) investing activities		155,892	(438,399)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Decrease in current borrowings	6(17)	-	(135,000)
Decrease in financing payable to related parties	6(17)	(16,800)	(20,000)
Proceeds from issuing bonds	6(17)	-	701,452
Decrease in long-term notes and accounts payable to related parties	6(17)	(51,000)	-
Net cash flows (used in) from financing activities		(67,800)	546,452
Net increase in cash and cash equivalents		96,802	119,579
Cash and cash equivalents at beginning of year		141,107	21,528
Cash and cash equivalents at end of year		\$ 237,909	\$ 141,107

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

FIC GLOBAL, INC.
NOTES TO THE PARENT COMPANY ONLY FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan Dollars, except as otherwise indicated)

1. History and Organisation

FIC Global, Inc. (“FICG” or “the Company”) is an investment holding company established by First International Computer, Inc. through a share conversion on August 30, 2004. The Company is primarily engaged in investment holdings. The stocks of the Company have been listed on the Taiwan Stock Exchange Corporation since August 30, 2004.

2. The Date of Authorisation for Issuance of the Financial Statements and Procedures for Authorisation

These parent company only financial statements were authorised for issuance by the Board of Directors on March 29, 2023.

3. Application of New Standards, Amendments and Interpretations

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

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

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
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.

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

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

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

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

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

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

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

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

4. Summary of Significant Accounting Policies

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

(1) Compliance statement

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

(2) Basis of preparation

- A. Except for the financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss, the parent company only financial statements have been prepared under the historical cost convention.
- B. The preparation of financial statements in conformity with International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the FSC (collectively referred herein as the “IFRSs”) requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the parent company only financial statements are disclosed in Note 5.

(3) Foreign currency translation

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

A. Foreign currency transactions and balances

- (a) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in profit or loss in the period in which they arise.
- (b) Monetary assets and liabilities denominated in foreign currencies at the period end are re-translated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognised in profit or loss.

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

B. Translation of foreign operations

- (a) The operating results and financial position of all the Company entities and associates that have a functional currency different from the presentation currency are translated into the presentation currency as follows:
 - i. Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet;
 - ii. Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and
 - iii. All resulting exchange differences are recognised in other comprehensive income.
- (b) When the foreign operation partially disposed of or sold is an associate, exchange differences that were recorded in other comprehensive income are proportionately reclassified to profit or loss as part of the gain or loss on sale. In addition, even when the Company retains partial interest in the former foreign associate after losing significant influence over the former foreign associate, such transactions should be accounted for as disposal of all interest in these foreign operations.
- (c) When the foreign operation partially disposed of or sold is a subsidiary, cumulative exchange differences that were recorded in other comprehensive income are proportionately transferred to the non-controlling interest in this foreign operation. In addition, even when the Company 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.

(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 settle 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 settled within the normal operating cycle;
 - (b) Liabilities arising mainly from trading activities;
 - (c) Liabilities that are to be settled 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 equivalents

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

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

- A. Financial assets at fair value through profit or loss are financial assets that are not measured at amortised cost or fair value through other comprehensive income.
- B. On a regular way purchase or sale basis, financial assets at fair value through profit or loss are recognised and derecognised using trade date accounting.
- C. At initial recognition, the Group measures the financial assets at fair value and recognises the transaction costs in profit or loss. The Group subsequently measures the financial assets at fair value, and recognises the gain or loss in profit or loss.

(7) Accounts receivable

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

(8) Impairment of financial assets

For financial assets at amortised cost including accounts receivable that have a significant financing component, 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 that do not contain a significant financing component, the Company recognises the impairment provision for lifetime ECLs.

(9) Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to receive the cash flows from the financial asset expire.

(10) Investments accounted for using 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 the Company and subsidiaries 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 continues to recognise losses proportionate 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 using 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 legal or constructive obligations or made payments on behalf of the associate.
- H. When changes in an associate's equity do not arise from 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 Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.
- C. Land is not depreciated. Other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. Each part of an item of property, plant, and equipment with a cost that is significant in relation to the total cost of the item must be depreciated separately.
- D. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year-end. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', from the date of the change. The estimated useful lives of property, plant and equipment are as follows:

Office equipment	4 years
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(12) Intangible assets

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

(13) Impairment of non-financial assets

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. When the circumstances or reasons for recognising impairment loss for an asset in prior years no longer exist or diminish, the impairment loss is reversed. The increased carrying amount due to reversal should not be more than what the depreciated or amortised historical cost would have been if the impairment had not been recognised.

(14) Borrowings

Borrowings comprise long-term and short-term bank borrowings and other long-term and short-term loans. 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.

(15) Convertible bonds payable

Convertible bonds issued by the Company contain conversion options (that is, the bondholders have the right to convert the bonds into the Company's common shares by exchanging a fixed amount of cash for a fixed number of common shares), call options and put options. the Company classifies the bonds payable upon issuance as a financial asset, a financial liability or an equity instrument ('capital surplus - share options') in accordance with the contract terms. They are accounted for as follows:

- A. The embedded call options and put options are recognised initially at net fair value as 'financial assets at fair value through profit or loss'. They are subsequently remeasured and stated at fair value on each balance sheet date; the gain or loss is recognised as 'gain or loss on valuation of financial assets or financial liabilities at fair value through profit or loss'.
- B. The host contracts of bonds are initially recognised at fair value. Any difference between the initial recognition and the redemption value is accounted for as the discount on bonds payable and subsequently is amortised in profit or loss as an adjustment to 'finance costs' over the period of circulation using the effective interest method.
- C. The embedded conversion options which meet the definition of an equity instrument are initially recognised in 'capital surplus - share options' at the residual amount of total issue price less the amount of financial assets at fair value through profit or loss and bonds payable as stated above. Conversion options are not subsequently remeasured.
- D. Any transaction costs directly attributable to the issuance are allocated to each liability or equity component in proportion to the initial carrying amount of each abovementioned item.

- E. When bondholders exercise conversion options, the liability component of the bonds (including 'bonds payable' and 'financial assets or financial liabilities at fair value through profit or loss') shall be remeasured on the conversion date. The issuance cost of converted common shares is the total book value of the abovementioned liability component and 'capital surplus - share options'.

(16) Derecognition of financial liabilities

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

(17) Employee benefits

A. Salaries and other short-term employee benefits

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

B. Pensions

Defined contribution plan

For defined contribution plan, the contributions are recognised as pension expense 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.

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

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

(18) 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 expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders resolve to retain the earnings.
- C. Deferred tax is 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 balance sheet. However, the deferred tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.
- D. Deferred 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 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 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.

(19) Dividends

Dividends are recorded in the Company's financial statements in the period in which they are resolved 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.

(20) Revenue recognition

Revenue from a consulting service contract in which the Company bills a fixed amount for service provided is recognised at the amount to which the Company has the right to invoice.

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:

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

None.

(2) Critical accounting estimates and assumptions

None.

6. Details of Significant Accounts

(1) Cash and cash equivalents

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Checking accounts and demand deposits	\$ 45,051	\$ 141,107
Time deposits	192,858	-
	<u>\$ 237,909</u>	<u>\$ 141,107</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.

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

<u>Items</u>	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Financial assets mandatorily measured at fair value through profit or loss - current		
Derivative instruments		
- Call/put options of convertible bonds	<u>\$ 1,129</u>	<u>\$ 1,887</u>

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

	<u>Year ended December 31,</u>	
	<u>2022</u>	<u>2021</u>
Financial assets and liabilities mandatorily measured at fair value through profit or loss		
Derivative instruments	<u>(\$ 95)</u>	<u>\$ 3,640</u>

(3) Investments accounted for using equity method

	<u>December 31, 2022</u>		<u>December 31, 2021</u>	
	<u>Ownership (%)</u>	<u>Carrying amount</u>	<u>Ownership (%)</u>	<u>Carrying amount</u>
Subsidiaries:				
First International Computer, Inc.	100	\$ 970,987	100	\$ 843,461
FICTA Technology Inc.	69	357,512	69	299,250
Ubiqconn Technology,	52	598,337	51	325,867
3CEMS Corporation	36	1,400,350	36	1,273,332
Associates:				
LEO Systems, Inc.	2	29,080	2	26,846
Formosa21 Inc.	-	5	-	5
Geointelligence Systems, Inc.	1	626	1	596
		<u>\$ 3,356,897</u>		<u>\$ 2,769,357</u>

Investment profit or loss (shown as operating revenue) recognized by the Company for the years ended December 31, 2022 and 2021 are listed below:

	<u>Year ended December 31,</u>	
	<u>2022</u>	<u>2021</u>
Subsidiaries:		
First International Computer, Inc.	\$ 176,336	\$ 64,918
FICTA Technology Inc.	44,665	37,462
Ubiqconn Technology, Inc.	105,978	50,529
3CEMS Corporation	150,230	90,844
Associates:		
LEO Systems, Inc.	5,794	3,831
Formosa21 Inc.	-	6
Geointelligence Systems, Inc.	110	91
	<u>\$ 483,113</u>	<u>\$ 247,681</u>

A. Subsidiaries

- (a) Refer to Note 4(3) of the consolidated financial statements for the year ended December 31, 2022 for the information regarding the Company's subsidiaries.

- (b) In January 2022, the Company sold 232 thousand shares of its subsidiary, Ubiquonn Technology, Inc., to 13 employees of the Group at a price of \$4,176 for the Company's operation needs and the Group's operating plan requirements, and it was ratified and approved by the Board of Directors on March 24, 2022. The carrying amount of non-controlling interest in Ubiquonn Technology, Inc. was \$2,466 at the disposal date. This transaction resulted in an increase in the non-controlling interest by \$2,466 and an increase in the equity attributable to owners of the parent by \$1,710, therefore, the transaction was regarded as an equity transaction. Refer to Note 6(31) of the consolidated financial statements for details.
- (c) In December 2021, Ubiquonn Technology, Inc. increased its cash capital by issuing new shares. The Company used \$245,430 of monetary claims to pay for the shares and another subsidiary, FICTA Technology Inc., subscribed for \$36,000 in cash. As the Company did not acquire shares proportionately to its interest, the comprehensive shareholding ratio increased from 63% to 68%. This transaction resulted in an increase in the non-controlling interest by \$21,167 and a decrease in the equity attributable to owners of the parent by \$21,167. Since the transaction did not change the Company's control over it, it was regarded as an equity transaction. Refer to Note 6(31) of the consolidated financial statements for details.
- (d) In August 2022, Ubiquonn Technology, Inc. increased its cash capital by issuing new shares. The Company used \$74,228 in cash and \$100,000 of monetary claims to pay for the shares. As the Company did not acquire shares proportionately to its interest, the comprehensive shareholding ratio decreased from 68% to 67%. This transaction resulted in a decrease in the non-controlling interest by \$14,395 and an increase in the equity attributable to owners of the parent by \$14,395. Since the transaction did not change the Company's control over it, it was regarded as an equity transaction. Refer to Note 6(31) of the consolidated financial statements for details.

B. Associates

- (a) As the Company has significant influence over LEO Systems, Inc., Formosa21 Inc. and Geointelligence Systems, Inc., these associates are accounted for under equity method although its shareholding ratios in these associates were less than 20%.
- (b) The Company sold part of the shares that it held in LEO Systems, Inc. to FICTA Technology Inc. in 2010 at a consideration of \$178,394. The book value of the shares disposed was \$77,962, resulting to a gain on disposal of \$100,432. As it was an affiliate downstream transaction, as of December 31, 2022, unrealised gain on sale of the portion that has not been resold to the third parties amounting to \$42,078 shall be deferred. The amount will be recognised after FICTA Technology Inc. sells the abovementioned shares held in the coming years.

- (c) The carrying amount of the Company's interests in all individually immaterial associates and the Company's share of the operating results are summarised below:

As of December 31, 2022 and 2021, the carrying amount of the Company's individually immaterial associates amounted to \$29,711 and \$27,447, respectively.

	Year ended December 31,	
	2022	2021
Profit for the year	\$ 5,904	\$ 3,928
Other comprehensive (loss) income, net of income tax	(259)	1,079
Total comprehensive income	<u>\$ 5,645</u>	<u>\$ 5,007</u>

- (d) The fair value of the Company's associates with quoted market prices is as follows:

	December 31, 2022	December 31, 2021
LEO Systems, Inc.	<u>\$ 58,447</u>	<u>\$ 45,488</u>

(4) Other payables

	December 31, 2022	December 31, 2021
Shares payable	\$ 12,142	\$ 12,175
Employees' compensation and directors' and supervisors' remuneration payable	10,933	5,141
Wages, salaries and bonuses payable	511	740
Others	764	648
	<u>\$ 24,350</u>	<u>\$ 18,704</u>

(5) Bonds payable

	December 31, 2022	December 31, 2021
Bonds payable	\$ 217,100	\$ 299,600
Less: Discount on bonds payable	(6,374)	(13,866)
	210,726	285,734
Less: Current portion of put options	(210,726)	-
	<u>\$ -</u>	<u>\$ 285,734</u>

A. The Company issued the first domestic unsecured convertible bonds (referred herein as the 'first convertible bonds') for a total issue amount of \$700,000 based on 101% of the face value on September 10, 2021. The issuance terms are as follows:

- (a) Issuance period: 3 years (September 10, 2021 to September 10, 2024)
(b) Coupon rate: 0% fixed per annum

(c) Repayment term:

The first convertible bonds will be redeemed in cash at face value at the maturity date by the Company except for those which had been repurchased in advance and repurchased and retired through a securities firm by the Company or the bondholders had exercised conversion of options and put options.

(d) Conversion period:

The bondholders have the right to ask the Company for conversion of the convertible bonds into common shares of the Company during the period from the date after three months of the first convertible bonds issue, except for those which had been repurchased in advance and repurchased and retired through a securities firm by the Company or the stop transfer period as specified in the laws/regulations or the consignment contract.

(e) Conversion price:

The conversion price of the first convertible bonds is \$19.45 (in dollars) which is 105.36% of the reference price. The reference price was based on one of the simple arithmetic average of the closing prices of the Company's common shares on the Taiwan Stock Exchange for the one business day, three business days and five business days prior to the effective date set by the Company. The conversion price of the bonds is subject to adjustments if the condition of the anti-dilution provisions occurs subsequently. The conversion price will be reset based on the pricing model specified in the terms of the bonds on each effective date regulated by the terms.

(f) Put options:

The bondholders have the right to require the Company to redeem the first convertible bonds at the price of the bonds' face value plus 1.0025% of the face value as interests upon two years from the issue date.

(g) Call options:

The Company may repurchase the first convertible bonds in advance after the following events occur:

- i. The closing price of the Company common shares is above the then conversion price by 30% for 30 consecutive trading days during the period from the date after three months of the bonds issue to 40 days before the maturity date.
- ii. the Company may repurchase all the bonds outstanding in cash at the bonds' face value at any time after the outstanding balance of the bonds is less than 10% of total initial issue amount during the period from the date after three months of the bonds issue to 40 days before the maturity date.

- B. For the year ended December 31, 2022, the first convertible bonds totaling \$82,500 had been converted into 4,241 thousand shares of common stock. As of December 31, 2022, the first convertible bonds totaling \$482,900 (face value) had been converted into 24,827 thousand shares of common stock.
- C. Regarding the issuance of convertible bonds, the equity conversion options amounting to \$38,198 were separated from the liability component and were recognised in ‘capital surplus - share options’ in accordance with IAS 32. The call options and put options embedded in bonds payable were separated from their host contracts and were recognised in ‘financial assets at fair value through profit or loss’ in net amount in accordance with IFRS 9 because the economic characteristics and risks of the embedded derivatives were not closely related to those of the host contracts. The effective interest rate of the bonds payable after such separation was 1.77%.

(6) Pensions

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

The pension costs under the defined contribution pension plan of the Company for the years ended December 31, 2022 and 2021 were \$170 and \$160, respectively.

(7) Share capital

- A. As of December 31, 2022, the Company’s authorised capital was \$25,000,000, and the paid-in capital was \$2,151,721 with a par value of \$10 (in dollars) per share. All proceeds from shares issued have been collected.

Movements in the number of the Company’s ordinary shares (in thousands) outstanding are as follows:

	2022	2021
January 1	210,931	190,345
Conversion of convertible bonds	4,241	20,586
December 31	\$ 215,172	\$ 210,931

- B. The Company’s convertible bonds totalling \$1,000 (face value) had been converted into 51 thousand shares of common stock in the fourth quarter of 2022. The registration procedure is still in process.

- C. The Company's convertible bonds totalling \$28,900 (face value) had been converted into 1,486 thousand shares of common stock in the third quarter of 2022. The registration was completed on November 9, 2022.
- D. The Company's convertible bonds totalling \$52,600 (face value) had been converted into 2,704 thousand shares of common stock in the first and second quarter of 2022. The registration was completed on July 29, 2022.
- E. The Company's convertible bonds totalling \$400,400 (face value) had been converted into 20,586 thousand shares of common stock for the year ended December 31, 2021. The registration was completed on March 28, 2022.
- F. 21,000 thousand shares of the share capital issued as of December 31, 2022 and 2021 were private placement marketable securities that the Company conducted in 2007. The transfer of such marketable securities shall be restricted by Article 43-8 of the Securities and Exchange Act. After three full years have lapsed since the delivery date, a letter of approval issued by the Taiwan Stock Exchange that meets the listing standards must be obtained before applying to the Securities and Futures Bureau of the Financial Supervisory Commission for supplemental public issuance.

(8) 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 Act requires that the amount of capital surplus to be capitalised mentioned above should not exceed 10% of the paid-in capital each year. Capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.

	Share premium	Difference between consideration and carrying amount of subsidiaries acquired or disposed	Changes in ownership interests in subsidiaries	Net change in equity of associates	Options	Total
At January 1	\$ 215,939	\$ 160,688	\$ -	\$ 620	\$ 16,349	\$ 393,596
Conversion of convertible bonds	40,452	-	-	- (	4,502)	35,950
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	1,710	-	-	-	1,710
Changes in ownership interests in subsidiaries	-	-	8,311	-	-	8,311
Changes in equity of associates and joint ventures accounted for using equity method	-	-	-	(4)	-	(4)
At December 31	<u>\$ 256,391</u>	<u>\$ 162,398</u>	<u>\$ 8,311</u>	<u>\$ 616</u>	<u>\$ 11,847</u>	<u>\$ 439,563</u>

	2021					
	Share premium	Difference between consideration and carrying amount of subsidiaries acquired or disposed	Changes in ownership interests in subsidiaries	Net change in equity of associates	Options	Total
At January 1	\$ 21,162	\$ 160,688	\$ 2,314	\$ 5,689	\$ -	\$ 189,853
Equity component recognised due to issuance of convertible bonds	-	-	-	-	38,198	38,198
Conversion of convertible bonds	194,777	-	-	- (	21,849)	172,928
Changes in ownership interests in subsidiaries	-	- (	2,314)	-	- (	2,314)
Changes in equity of associates and joint ventures accounted for using equity method	-	-	- (	36)	- (	36)
Disposal of investments accounted for using equity method				(5,011)		
Effect on investments accounted for using equity method due to not subscribing proportionately to its interest	-	-	- (	22)	- (	22)
At December 31	<u>\$ 215,939</u>	<u>\$ 160,688</u>	<u>\$ -</u>	<u>\$ 620</u>	<u>\$ 16,349</u>	<u>\$ 398,607</u>

(9) Retained earnings

- A. Under 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 until the legal reserve equals the paid-in capital. After that, special reserve shall be set aside or reverse in accordance with Article 41 of Securities and Exchange Act. The remainder, if any, along with accumulated undistributed earnings shall be proposed by the Board of Directors and resolved by the shareholders.
- B. In order to take the capital needs into account, strengthen the financial structure and appropriately meet the shareholders' demand for cash inflow, the Company shall consider the principle of maintaining the stability of dividends for the distribution of dividends and distribute cash and stocks in an appropriate proportion.
- 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 distribution of the reserve is limited to the portion in excess of 25% of the Company's paid-in capital.
- D. 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.
- E. The appropriations of 2021 and 2020 earnings as resolved by the shareholders on June 23, 2022 and August 4, 2021, respectively are as follows:

	2021	2020
Legal reserve	\$ 23,534	\$ -
(Reversal of) special reserve	21,225	(32,716)
	<u>\$ 44,759</u>	<u>(\$ 32,716)</u>

The appropriations of 2021 and 2020 earnings are in agreement with those amounts proposed by the Board of Directors of the Company.

F. The appropriations of 2022 earnings had been proposed by the Board of Directors on March 29, 2023. Details are summarized as follows:

	Year ended December 31, 2022	
	Amounts	Dividends per share (in dollars)
Legal reserve	\$ 48,625	
Special reserve	89,120	
Cash dividends	107,792	\$ 0.50
	<u>\$ 245,537</u>	

As of March 29, 2023, the appropriations of 2022 earnings stated above has not yet been resolved by the shareholders.

(10) Operating revenue

	Year ended December 31,	
	2022	2021
Investment revenue	\$ 483,113	\$ 247,681
Service revenue	19,967	19,078
	<u>\$ 503,080</u>	<u>\$ 266,759</u>

(11) Interest income

	Year ended December 31,	
	2022	2021
Interest income from bank deposits	\$ 1,194	\$ 26
Interest income from loans to related parties	1,807	3,531
	<u>\$ 3,001</u>	<u>\$ 3,557</u>

(12) Other gains and losses

	Year ended December 31,	
	2022	2021
Foreign exchange gains (losses)	\$ 3,547	(\$ 106)
(Losses) gains on financial assets at fair value through profit or loss	(95)	3,640
Other losses	(12)	-
	<u>\$ 3,440</u>	<u>\$ 3,534</u>

(13) Finance costs

	Year ended December 31,	
	2022	2021
Loans from related parties	\$ 555	\$ 2,276
Bank borrowings	-	994
Bonds payable	4,021	3,019
	<u>\$ 4,576</u>	<u>\$ 6,289</u>

(14) Employee benefit expense

	Year ended December 31,	
	2022	2021
Wages and salaries	\$ 8,927	\$ 8,329
Labour and health insurance fees	277	238
Pension costs	170	160
Directors' remuneration	1,264	275
Other personnel expenses	358	160
Depreciation	2	-
Amortization	56	-

A. In accordance with the Articles of Incorporation of the Company, a ratio of distributable profit of the current year, if any, shall be distributed as employees' compensation and directors' remuneration. The ratio shall be 2%~10% for employees' compensation and shall not be higher than 1.5% for directors' remuneration. However, if the Company has accumulated deficit, earnings shall be reserved to cover accumulated losses in advance.

B. Employees' compensation and directors' remuneration of the Company were accrued as follows:

	Year ended December 31,	
	2022	2021
Employees' compensation	\$ 9,939	\$ 5,141
Directors' remuneration	994	-
	<u>\$ 10,933</u>	<u>\$ 5,141</u>

For the years ended December 31, 2022 and 2021, the employees' compensation and directors' remuneration were estimated and accrued based on 2%, 0.2%, 2% and 0% of distributable profit of current year as of the end of reporting year. Employees' compensation was accrued at \$9,939 and \$5,141, respectively; while directors' remuneration was accrued at \$994 and \$0, respectively. The aforementioned amounts were recognised in salary expenses.

The employees' compensation and directors' remuneration resolved by the Board of Directors on March 29, 2023 were \$14,908 and \$994, respectively, and the employees' compensation will be distributed in the form of cash.

For 2022, the employees' compensation and directors' remuneration resolved by the Board of Directors amounted to \$14,908 and \$994, respectively. The difference of underestimation of \$4,969 between the amounts resolved by the Board of Directors and the employees' compensation of \$9,939 and directors' remuneration of \$994 recognised in the 2022 financial statements, due to changes in accounting estimates, had been adjusted in the profit or loss for 2023.

For 2021, the employees' compensation and directors' remuneration resolved by the Board of Directors amounted to \$7,710 and \$514, respectively. The difference of underestimation of \$3,083 between the amounts resolved by the Board of Directors and the employees' compensation of \$5,141 and directors' remuneration of \$0 recognised in the 2021 financial statements, due to changes in accounting estimates, had been adjusted in the profit or loss for 2022.

- C. Information about employees' compensation and directors' remuneration of the Company as resolved at the meeting of Board of Directors will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.
- D. As at December 31, 2022 and 2021, the Company had 10 employees, including 7 non-employee directors for both years.
- E. The Company's stock has been listed for trading on the stock exchange, therefore, the following information is additionally disclosed:
 - (a) Average employee benefit expense for the years ended December 31, 2022 and 2021 were \$3,244 and \$2,962, respectively. After taking into consideration employees' compensation (including amount resolved to be distributed to employees of subsidiaries), average employee benefit expense for the years ended December 31, 2022 and 2021 were \$1,645 and \$1,249, respectively.
 - (b) Average employees salaries for the years ended December 31, 2022 and 2021 were \$2,976 and \$2,776, respectively. After taking into consideration employees' compensation (including amount resolved to be distributed to employees of subsidiaries), average employees salaries for the years ended December 31, 2022 and 2021 were \$1,376 and \$1,063, respectively.
 - (c) Adjustments of average employees salaries was 7%. After taking into consideration, employees' compensation (including amount resolved to be distributed to employees of subsidiaries), adjustments of average employees salaries was 29%.

- (d) As the Company has set up an audit committee, there is no supervisory application and there is no need to disclose supervisors' remuneration information.

F. Salary and remuneration policy of the Company

- (a) The overall salary and remuneration level of employees takes into account external competition and internal fair trading as important considerations and can effectively attract and retain talents.
- (b) Through the performance management system, it connects employees' salary and remuneration, provides motivation for employee development and drives the Company's positive development.
- (c) Link the Company's long-term and short-term goals, personal investment time, positions held and overall work performance to achieve the purpose of motivating employees.
- (d) Set up a salary and remuneration committee to effectively measure the overall salary and remuneration of the Company's directors and managers.

(15) Income tax (gains)

A. Income tax expense

	Year ended December 31,	
	2022	2021
Current tax:		
Additional income tax on unappropriated earnings	\$ 9,529	\$ -
Prior year income tax overestimation	-	(4)
Income tax expenses (profits)	<u>\$ 9,529</u>	<u>(\$ 4)</u>

B. Reconciliation between income tax expense and accounting profit

	Year ended December 31,	
	2022	2021
Tax calculated based on profit before tax and statutory tax rate	\$ 97,200	\$ 50,395
Expenses disallowed by tax regulation	13,606	5,927
Tax exempt income by tax regulation	(77,226)	(35,960)
Temporary difference not recognised as deferred tax assets	187	434
Temporary difference not recognised as deferred tax liabilities	(30,046)	(18,169)
Change in assessment of realisation of deferred tax assets	(3,721)	(2,627)
Prior year income tax overestimation	-	(4)
Additional income tax on unappropriated earnings	9,529	-
Income tax expense	<u>\$ 9,529</u>	<u>(\$ 4)</u>

C. Expiration dates of unused tax losses and amounts of unrecognised deferred tax assets are as follows:

December 31, 2022				
Year incurred	Amount filed/ assessed	Unused amount	Unrecognised deferred tax assets	Expiry year
2017	<u>\$ 1,910,423</u>	<u>\$ 1,881,587</u>	<u>\$ 1,881,587</u>	2027

December 31, 2021				
Year incurred	Amount filed/ assessed	Unused amount	Unrecognised deferred tax assets	Expiry year
2017	<u>\$ 1,910,423</u>	<u>\$ 1,897,288</u>	<u>\$ 1,897,288</u>	2027

D. The Company has not recognised taxable temporary differences associated with investment in subsidiaries as deferred tax liabilities. As of December 31, 2022 and 2021, the amounts of temporary difference unrecognised as deferred tax liabilities were \$150,230 and \$90,844, respectively.

E. The Company's income tax returns through 2021 have been assessed and approved by the Tax Authority.

(16) Earnings per share

Year ended December 31, 2022			
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	<u>\$ 476,470</u>	<u>214,106</u>	<u>\$ 2.23</u>
<u>Diluted earnings per share</u>			
Assumed conversion of all dilutive potential ordinary shares			
Convertible bonds	\$ 3,293	14,346	
Employees' compensation	<u>-</u>	<u>301</u>	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	<u>\$ 479,763</u>	<u>228,753</u>	<u>\$ 2.10</u>
Year ended December 31, 2021			
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	<u>\$ 251,978</u>	<u>191,529</u>	<u>\$ 1.32</u>
<u>Diluted earnings per share</u>			
Assumed conversion of all dilutive potential ordinary shares			
Convertible bonds	\$ 2,415	9,871	
Employees' compensation	<u>-</u>	<u>68</u>	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	<u>\$ 254,393</u>	<u>201,470</u>	<u>\$ 1.26</u>

(17) Changes in liabilities from financing activities

	January 1, 2022	Cash flows	Changes in other non-cash items	December 31, 2022
Bonds payable (including current portion)	\$ 285,734	\$ -	(\$ 75,008)	\$ 210,726
Other payables to related parties	140,000	(16,800)	-	123,200
Long-term accounts payable	51,000	(51,000)	-	-
	<u>\$ 476,734</u>	<u>(\$ 67,800)</u>	<u>(\$ 75,008)</u>	<u>\$ 333,926</u>

	January 1, 2021	Cash flows	Changes in other non-cash items	December 31, 2021
Short-term borrowings	\$ 135,000	(\$ 135,000)	\$ -	\$ -
Bonds payable	-	701,452	(415,718)	285,734
Other payables to related parties	160,000	(20,000)	-	140,000
Long-term accounts payable	51,000	-	-	51,000
	<u>\$ 346,000</u>	<u>\$ 546,452</u>	<u>(\$ 415,718)</u>	<u>\$ 476,734</u>

7. Related Party Transactions

(1) Names of related parties and relationship

Names of related parties	Relationship with FICG
FICTA Technology Inc. (FICTA)	Subsidiary
First International Computer, Inc. (FIC, Inc.)	"
Prime Foundation Inc. (Prime)	"
Perfect Union Global Inc. (PUG)	"
Ubiqconn Technology, Inc. (Ubiqconn)	"
LEO Systems, Inc. (LEO Systems)	Associate
Geointelligence Systems, Inc. (Geointelligence)	"
Formosa21 Inc.(Formosa21)	"
First Communication Inc. (First Communication)	Other related party (Note)
Wang Yi De, etc.	"
Zong Jing Investment Inc. (Zong Jing)	Other related party (major shareholder)
Ho Mon Investment Inc. (Ho Mon)	"

Note: First Communication was previously an associate of the Group, and became other related party of the Group since 2021 because the Group lost its significant influence.

(2) Significant related party transactions

A. Operating revenue-service revenue

	Year ended December 31,	
	2022	2021
Subsidiaries		
Prime	\$ 7,164	\$ 6,687
PUG	7,164	6,691
Associates		
LEO Systems	4,800	4,800
Others	839	840
Other related parties	-	60
	<u>\$ 19,967</u>	<u>\$ 19,078</u>

The Company entered into consulting contracts with the above-mentioned related parties, and transaction prices and terms are made based on agreements.

B. Operating expenses-service expenses

	Year ended December 31,	
	2022	2021
Subsidiaries		
FIC, Inc.	<u>\$ 3,600</u>	<u>\$ 3,600</u>

The Company entered into consulting contracts with the above-mentioned related parties, and transaction prices and terms are made based on agreements.

C. Accounts receivable

	December 31, 2022	December 31, 2021
Associates		
LEO Systems	\$ 420	\$ 420
Others	95	95
Other related parties	-	10
	<u>\$ 515</u>	<u>\$ 525</u>

D. Loans to/from related parties

(a) Loans to related parties

	<u>December 31, 2022</u>		<u>December 31, 2021</u>	
Other receivables				
Subsidiary				
Ubiqconn	\$	-	\$	326,570
	<u>Year ended December 31,</u>			
	<u>2022</u>		<u>2021</u>	
	<u>Interest</u>	<u>Interest</u>	<u>Interest</u>	<u>Interest</u>
	<u>income</u>	<u>rate</u>	<u>income</u>	<u>rate</u>
Subsidiary				
Ubiqconn	\$ 1,807	1.50%	\$ 3,531	1.50%

(b) Loans from related parties:

	<u>December 31, 2022</u>		<u>December 31, 2021</u>	
Other payables				
Subsidiaries				
FICTA	\$	-	\$	140,000
Other related parties				
Ho Mon	123,200		-	
	\$	123,200	\$	140,000
Long-term accounts payable				
Other related parties				
Ho Mon	\$	-	\$	31,000
Zong Jing	-		20,000	
	\$	-	\$	51,000

		Year ended December 31,			
		2022		2021	
		Interest expense	Interest rate	Interest expense	Interest rate
Subsidiaries					
	FICTA	\$ 354	1.30%	\$ 1,833	1.30%
	FIC, Inc.	-	-	188	1.30%
		<u>\$ 354</u>		<u>\$ 2,021</u>	
Other related parties					
	Ho Mon	\$ 138	0.50%	\$ 155	0.50%
	Zong Jing	63	0.50%	100	0.50%
		<u>\$ 201</u>		<u>\$ 255</u>	

E. Property transactions:

(a) Acquisition of financial assets:

				Year ended December 31, 2022
				Consideration
Subsidiaries	Accounts	No. of shares	Objects	
	Investments		Issuance of	
Ubiquconn	measured by	8,711 thousands	common stock	
	equity method		for cash	<u>\$ 174,228</u>
				Year ended December 31, 2022
				Consideration
Subsidiaries	Accounts	No. of shares	Objects	
	Investments		Issuance of	
Ubiquconn	measured by	13,635 thousands	common stock	
	equity method		for cash	<u>\$ 245,430</u>

(b) Disposal of financial assets:

	Accounts	No. of shares	Objects	Year ended December 31, 2022
				Consideration
Subsidiaries				
	Investments		Disposal of	
Ubiquconn	measured by	232 thousands	shareholdings	
	equity method		to group	
			employees	\$ 4,176

Refer to Note 6(31) of the consolidated financial statements for the year ended December 31, 2022 for the details of the property transactions with related parties.

F. Endorsements and guarantees:

(a) As of December 31, 2022 and 2021, endorsements and guarantees provided by the Company to subsidiaries are as follows:

	December 31, 2022	December 31, 2021
Subsidiary-Ubiquconn	\$ -	\$ 221,440
Subsidiary-PBI	501,801	-
	<u>\$ 501,801</u>	<u>\$ 221,440</u>

(b) As of December 31, 2021, endorsements and guarantees provided by subsidiaries to the Company's credit line of financial institutions are as follows:

	December 31, 2021
Subsidiary -PBI	<u>\$ 200,000</u>

(3) Key management compensation

	Year ended December 31,	
	2022	2021
Short-term employee benefits	<u>\$ 3,282</u>	<u>\$ 2,535</u>

8. Pledged Assets

None.

9. Significant Contingent Liabilities and Unrecognised Contract Commitments

(a) Contingencies

None.

(b) Commitments

The Company issued a letter of commitment to the Land Bank of Taiwan for the loan to its subsidiary, Ubiquconn Technology, Inc., in 2021, stating the following:

During the lifetime of the credit contract, the Company promised to directly or indirectly hold at least 50% of the total issued shares of the borrower, assist the borrower to maintain normal operations and sound and appropriate financial ability, and supervise the borrower to repay the debt of the credit contract. In the event of any breach of contract by the borrower, the Company promised to take necessary measures to assist the borrower so that the borrower can perform the obligations of the credit contract on time.

10. Significant Disaster Loss

None.

11. Significant Events after the Balance Sheet Date

- A. On February 21, 2023, the Company subscribed 9,000 thousand series B preferred shares issued for the capital increase of Mobility Technology Group Inc., a British Cayman Islands company, with a par value of US\$1 (in dollars) per share. The investment amount was US\$9,000 thousand.
- B. Details of the appropriation of 2022 earnings as proposed by the Board of Directors on March 29, 2023 are provided in Note 6(9).
- C. On March 29, 2023, the Company's Board of Directors resolved to increase its capital increase by issuing 10,000 thousand new shares in 2023 at a tentatively expected issue price of \$40, totalling \$400,000.
- D. On March 29, 2023, the Company's Board of Directors resolved to issue the second domestic unsecured convertible bonds, with an upper limit of 6,000 bonds at a par value of \$100 per bond. The estimated total issuance amount was \$600,000 and those bonds were issued at 100%~101% of face value.

12. Others

(1) Capital management

The Company manages its capital to ensure that the the Company will be able to continue as a going concern while maximizing the return to shareholders through the optimization of the debt and equity balance.

The Company's capital structure comprises net debt (pertaining to borrowings, net of cash and cash equivalents) and equity attributable to owners of parent (pertaining to share capital, capital surplus, retained earnings and other equity items).

(2) Financial instruments

A. Financial instruments by category

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
<u>Financial assets</u>		
Current financial assets at fair value through profit or loss		
Current financial assets at fair value through profit or loss, mandatorily measured at fair value	<u>\$ 1,129</u>	<u>\$ 1,887</u>
Financial assets at amortised cost		
Cash and cash equivalents	\$ 237,909	\$ 141,107
Accounts receivable-related parties	515	525
Other receivables	138	1
Other receivables-related parties	-	326,570
	<u>\$ 238,562</u>	<u>\$ 468,203</u>
	<u>December 31, 2022</u>	<u>December 31, 2021</u>
<u>Financial liabilities</u>		
Financial liabilities at amortised cost		
Other payables	24,350	18,704
Other payables-related parties	123,200	140,000
Bonds payable (including current portion)	210,726	285,734
Long-term notes and accounts payable	-	51,000
	<u>\$ 358,276</u>	<u>\$ 495,438</u>

B. Financial risk management policies

- (a) The Company's activities expose it to a variety of financial risks: market risk (including foreign exchange risk), credit risk and liquidity risk.
- (b) Company treasury identifies, evaluates and hedges financial risks with the Company's operating units closely.

C. Significant financial risks and degrees of financial risks

(a) Market risk

Exchange rate 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. Foreign exchange rate risk arises from future commercial transactions and recognised assets.
- ii. 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 expenditures.
- 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:

(Foreign currency: functional currency)	December 31, 2022		
	Foreign currency amount		Book value (NTD)
	(In thousands)	Exchange rate	(in thousand)
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 6,330	30.71	\$ 194,394
<u>Non-monetary items</u>			
USD:NTD	\$ 45,599	30.71	\$ 1,400,345
(Foreign currency: functional currency)	December 31, 2021		
	Foreign currency amount		Book value (NTD)
	(In thousands)	Exchange rate	(in thousand)
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 323	27.68	\$ 8,947
<u>Non-monetary items</u>			
USD:NTD	\$ 46,002	27.68	\$ 1,273,332

- iv. The total exchange gain (loss), including realised and unrealised, arising from significant foreign exchange variation on the monetary items held by the Company for the years ended December 31, 2022 and 2021, amounted to \$3,547 and (\$106), respectively.

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

Year ended December 31, 2022			
Sensitivity analysis			
(Foreign currency: functional currency)	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	1%	\$ 1,944	\$ -

Year ended December 31, 2021			
Sensitivity analysis			
(Foreign currency: functional currency)	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	1%	\$ 89	\$ -

Price risk

The Company had no financial assets at fair value through profit or loss, therefore the Company is not exposed to commodity price risk.

Cash flow and fair value interest rate risk

The Company's interest rate risk arises from borrowings. However, the Company's borrowings are issued at fixed rates, interest rate risk had no significant impact to the Company.

(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. Only banks and financial institutions with optimal credit ratings are accepted.

(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 into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

December 31, 2022	Less than 1 year	Between 1 and 5 years	Over 5 years
<u>Non-derivative financial liabilities:</u>			
Bonds payable (including current portion)	\$ 210,726	\$ -	\$ -
Other payables (including related parties)	147,550	-	-
December 31, 2021	Less than 1 year	Between 1 and 5 years	Over 5 years
<u>Non-derivative financial liabilities:</u>			
Bonds payable	\$ -	\$ 299,600	\$ -
Other payables (including related parties)	158,704	-	-
Long-term notes and accounts payable	-	51,000	-

(3) Fair value information

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

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

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

Level 3: Unobservable inputs for the asset or liability.

B. Financial instruments not measured at fair value

The carrying amounts of cash and cash equivalents, accounts receivable (including related parties), other receivables (including related parties), short-term borrowings, other payables (including related parties), bonds payable and long-term notes and accounts payable are approximate to their fair values.

C. The related information on financial and non-financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities at December 31, 2022 and 2021 are as follows:

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

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>December 31, 2022</u>				
Assets				
<u>Recurring fair value</u>				
<u>measurements</u>				
Financial assets at fair value				
through profit or loss				
Derivative instruments				
-call/put options of bonds	\$ -	\$ -	\$ 1,129	\$ 1,129
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>December 31, 2021</u>				
Assets				
<u>Recurring fair value</u>				
<u>measurements</u>				
Financial assets at fair value				
through profit or loss				
Derivative instruments				
-call/put options of bonds	\$ -	\$ -	\$ 1,887	\$ 1,887

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

- i. Except for financial instruments with active markets, the fair value of other financial instruments is measured by using valuation techniques or by reference to counterparty quotes.
- ii. When assessing non-standard and low-complexity financial instruments, the Company adopts valuation technique that is widely used by market participants. The inputs used in the valuation method to measure these financial instruments are normally observable in the market.
- iii. The valuation of derivative financial instruments is based on valuation model widely accepted by market participants, such as present value techniques.

- iv. The output of valuation model is an estimated value and the valuation technique may not be able to capture all relevant factors of the Company's financial and non-financial instruments. As a result, the estimate generated by valuation model will be slightly adjusted based on additional inputs, such as model risk or liquidity risk of counterparties. In accordance with the Company's management policies and relevant control procedures relating to the valuation models used for fair value measurement, management believes adjustment to valuation is necessary in order to reasonably represent the fair value of financial and non-financial instruments at the consolidated balance sheet. The inputs and pricing information used during valuation are carefully assessed and adjusted based on current market conditions.

D. The following chart is the movement of Level 3 for the years ended December 31, 2022 and 2021:

	2022
	Call/ put options of bonds
At January 1	\$ 1,887
Gains and losses recognised in profit or loss	
Recorded as non-operating income and expenses	(95)
Issued during the year	-
Converted during the year	(663)
At December 31	\$ 1,129
	2021
	Call/ put options of bonds
At January 1	\$ -
Gains and losses recognised in profit or loss	
Recorded as non-operating income and expenses	3,640
Issued during the year	770
Converted during the year	(2,523)
At December 31	\$ 1,887

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

F. Treasury segment is in charge of valuation procedures for fair value measurements being categorised within Level 3, which is to verify independent fair value of financial instruments. Such assessment is to ensure the valuation results are reasonable by applying independent information to make results close to current market conditions, confirming the resource of information is independent, reliable and in line with other resources and making any other necessary adjustments to the fair value.

Treasury segment set up valuation policies, valuation processes and rules for measuring fair value of financial instruments and ensure compliance with the related requirements in IFRS.

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

	Fair value at December 31, 2022	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Derivative instrument:					
Call /put options of bonds	\$ 1,129	The Binomial- Tree approach to convertible bonds	Volatility rate	57.68%	The higher the price volatility, the higher the fair value
	Fair value at December 31, 2021	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Derivative instrument:					
Call /put options of bonds	\$ 1,887	The Binomial- Tree approach to convertible bonds	Volatility rate	64.16%	The higher the price volatility, the higher the fair value

H. The Company has carefully assessed the valuation models and assumptions used to measure fair value. However, use of different valuation models or assumptions may result in different measurement.

13. Supplementary Disclosures

(1) Significant transactions information

- A. Loans to others: Refer to table 1.
- B. Provision of endorsements and guarantees to others: Refer to table 2.
- C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): 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: None.
- E. Acquisition of real estate reaching NT\$300 million or 20% of paid-in capital or more: None.
- F. Disposal of real estate reaching NT\$300 million or 20% of paid-in capital or more: None.

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

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

I. Trading in derivative instruments undertaken during the reporting periods: Refer to Note 6(2).

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

(2) Information on investees

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

(3) Information on investments in Mainland China

A. Basic information: Refer to table 8.

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

(4) Major shareholders information

Major shareholders information: Refer to table 9.

FIC GLOBAL, INC.																	
Loans to others																	
Year ended December 31, 2022																	
Expressed in thousands of NTD																	
(Except as otherwise indicated)																	
No. (Note 1)	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the year ended December 31, 2022	Balance at December 31, 2022	Actual amount drawn down	Interest rate	Nature of loan (Note 2)	Amount of transactions with the borrower	Reason for short -term financing	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party	Ceiling on total loans granted	Footnote
													Item	Value			
0	FICG	Ubiqconn	Other receivables	Yes	\$ 326,570	\$ -	\$ -	1.5	2	\$ -	For operational need	\$ -	-	-	\$ 969,407	\$ 1,292,542	Note 3
1	FIC, Inc.	FICG	Other receivables	Yes	1,110	-	-	1.315	2	-	For operational need	-	-	-	292,902	390,537	Note 3
		Access	Other receivables	Yes	42,994	21,497	21,497	5.3	2	-	For operational need	-	-	-	292,902	390,537	Note 3
2	FIC Holding	Access	Other receivables	Yes	73,947	73,947	73,947	0.6	2	-	For operational need	-	-	-	244,543	326,058	Note 5
3	Brilliant	Access	Other receivables	Yes	555,851	555,851	555,851	4.9764	2	-	For operational need	-	-	-	4,207,566	5,610,088	Note 5
4	FICTA	Prime Base	Other receivables	Yes	61,420	61,420	61,420	1.5-4.4	2	-	For operational need	-	-	-	202,223	231,112	Note 4
		FICG	Other receivables	Yes	140,000	-	-	1.565	2	-	For operational need	-	-	-	202,223	231,112	Note 4
		FIC, Inc.	Other receivables	Yes	105,000	65,000	65,000	1.94	2	-	For operational need	-	-	-	202,223	231,112	Note 4
5	Prime	Broad	Other receivables	Yes	272,244	158,617	158,617	0.8	2	-	For operational need	-	-	-	4,643,603	6,191,470	Note 7
6	Danriver	PUG	Other receivables	Yes	82,917	82,917	82,917	0.8	2	-	For operational need	-	-	-	1,241,932	1,655,909	Note 7
		Broad	Other receivables	Yes	368,520	368,520	342,417	0.8	2	-	For operational need	-	-	-	1,241,932	1,655,909	Note 7
7	Danriver GZ	Amertek	Other receivables	Yes	260,072	260,072	260,072	0.8-4.75	2	-	For operational need	-	-	-	970,973	1,294,631	Note 7
		Danriver	Other receivables	Yes	276,390	276,390	267,693	0-0.8	2	-	For operational need and past due accounts receivable	-	-	-	970,973	1,294,631	Note 7
		Prime GZ	Other receivables	Yes	26,448	26,448	26,448	4.75	2	-	For operational need	-	-	-	970,973	1,294,631	Note 7
8	3CEMS	Danriver System	Other receivables	Yes	162,763	162,763	162,763	0.8-4.67	2	-	For operational need	-	-	-	1,549,197	1,549,197	Note 6
		Prime Base	Other receivables	Yes	15,355	-	-	0.8	2	-	For operational need	-	-	-	1,549,197	1,549,197	Note 6
9	Danriver System GZ	Danriver System	Other receivables	Yes	344,259	344,259	332,344	0-0.8	2	-	For operational need and past due accounts receivable	-	-	-	642,562	856,749	Note 7
		Amertek	Other receivables	Yes	85,956	85,956	85,956	0.8-4.75	2	-	For operational need	-	-	-	642,562	856,749	Note 7

FIC GLOBAL, INC.

Loans to others

Year ended December 31, 2022

Table 1

Expressed in thousands of NTD
(Except as otherwise indicated)

No. (Note 1)	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the year ended December 31, 2022		Actual amount drawn down	Interest rate	Nature of loan (Note 2)	Amount of transactions with the borrower	Reason for short -term financing	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party	Ceiling on total loans granted	Footnote								
													Item	Value											
10	Prime GZ	Amertek	Other receivables	Yes	\$	30,856	\$	-	\$	-	0.8-4.75	2	\$	-	For operational need	\$	-	\$	-	\$	5,016,859	\$	6,689,145	Note 7	
11	Broad GZ	Broad	Other receivables	Yes		890,394		890,394		756,342	0.00-1.75	2		-	For operational need and past due accounts receivable		-		-		-	1,682,691		2,243,588	Note 7
		Amertek	Other receivables	Yes		268,888		268,888		268,888	0.8-4.75	2		-	For operational need		-		-		-	1,682,691		2,243,588	Note 7
		Prime GZ	Other receivables	Yes		17,632		17,632		17,632	4.75	2		-	For operational need		-		-		-	1,682,691		2,243,588	Note 7
12	Amertek	PUG	Other receivables	Yes		921,300		-		-	0	2		-	Past due accounts receivable		-		-		-	1,995,111		2,660,148	Note 7
13	Access	Fic SZ	Other receivables	Yes		399,230		399,230		381,893	0	2		-	Past due accounts receivable		-		-		-	1,547,784		2,063,712	Note 5
14	Prime Base	PUG	Other receivables	Yes		95,654		-		-	0.8	2		-	For operational need		-		-		-	422,662		563,549	Note 7
15	PUG	Danriver System	Other receivables	Yes		162,763		-		-	0.8	2		-	For operational need		-		-		-	4,392,841		5,857,121	Note 7
		Prime Base	Other receivables	Yes		168,905		72,169		72,169	0.8	2		-	For operational need		-		-		-	4,392,841		5,857,121	Note 7
		Brilliant	Other receivables	Yes		39,923		39,923		39,923	3.6	2		-	For operational need		-		-		-	1,171,424		1,171,424	Note 6
		Access	Other receivables	Yes		21,497		21,497		21,497	3.6	2		-	For operational need		-		-		-	1,171,424		1,171,424	Note 6
16	Fic SZ	Prime GZ	Other receivables	Yes		79,344		79,344		79,344	4.35	2		-	For operational need		-		-		-	174,418		232,558	Note 3

Note 1: The numbers filled in for the loans provided by the Company or subsidiaries are as follows:

- (1) The Company is ‘0’.
- (2) The subsidiaries are numbered in order starting from ‘1’

Note 2: The column of ‘Nature of loan’ shall fill in ‘Business transaction or ‘Short-term financing’.

- (1) Business association is labeled as ‘1’
- (2) Short-term financing is labeled as ‘2’.

Note 3: According to the FICG’s and the investees’ “Regulations for Provision of Loans”, the limit on loans granted to a single party shall not exceed 30% of the investees’ net assets value, and the ceiling on total loans shall not exceed 40% of the investees' net assets value.

Note 4: According to the investees’“Regulations for Provision of Loans”, the limit on loans granted to a single party shall not exceed 35% of the investees’ net assets value, and the ceiling on total loans shall not exceed 40% of the investees' net assets value.

Note 5: According to the investees’“Regulations for Provision of Loans”, the overseas subsidiaries’ loans are granted to the Company directly and indirectly holds 100% of the shares , the limit on loans granted to a single party shall not exceed 150% of the investees’ paid-in capital and the ceiling on total loans shall not exceed 200% of the investees’ paid-in capital.

Note 6: According to the investees’“Regulations for Provision of Loans”, the limit on loans granted to a single party shall not exceed 40% of the investees’ net assets value, and the ceiling on total loans shall not exceed 40% of the investees' net assets value.

Note 7: According to the investees’“Regulations for Provision of Loans”, the overseas subsidiaries’ loans are granted to the Company directly and indirectly holds 100% of the shares , the limit on loans granted to a single party shall not exceed 150% of the investees’ paid-in capital and the ceiling on total loans shall not exceed 200% of the investees’ paid-in capital.

Table 2

FIC GLOBAL, INC.

Provision of endorsements and guarantees to other

Year ended December 31, 2022

Expressed in thousands of NTD
(Except as otherwise indicated)

Number (Note 1)	Endorser/ guarantor	Party being endorsed/guaranteed		Relationship with the endorser/ guarantor (Note 2)	Limit on endorsements/ guarantees provided for a single party (Note 3)	Maximum outstanding endorsement/ guarantee amount as of December 31, 2022 (Note 4)	Outstanding endorsement/ guarantee amount at December 31, 2022 (Note 5)	Actual amount drawn down (Note 6)	Amount of endorsements/ guarantees secured wit collateral	Ratio of accumulated endorsement/guanantee amount to net asset value of the endorser/guarantor company	Ceiling on total amount of endorsements/ guarantees provided (Note 3)	Provision of endorsements/ guarantees by parent company to subsidiary (Note 7)	Provision of endorsements/ guarantees by subsidiary to parent company (Note 7)	Provision of endorsements/ guarantees to the party in Mainland China (Note 7)	Footnote
		Company nam													
0	FICG	Ubiqconn		(2)	\$ 5,379,304	\$ 245,680	\$ -	\$ -	\$ -	0%	\$ 10,758,607	Y	N	N	
		Prime Base		(2)	5,379,304	501,801	501,801	73,397	-	16%	10,758,607	Y	N	N	
1	High Stnadard	FIC, Inc.		(3)	6,529,714	100,000	100,000	40,000	100,000	17%	13,059,428	N	N	N	
2	Prime Base	FICG		(3)	422,662	200,000	-	-	-	0%	563,549	N	Y	N	
3	3CEMS	PUG		(2)	5,809,489	30,710	30,710	-	-	1%	7,745,986	N	N	N	
4	Danriver GZ	Amertek		(4)	2,298,732	220,400	220,400	-	211,452	34%	4,597,463	N	N	Y	
5	Broad GZ	Amertek		(4)	2,098,046	440,800	440,800	-	422,519	39%	4,196,092	N	N	Y	

Note 1: The numbers filled in for the endorsements/guarantees provided by the Company or subsidiaries are as follows:

(1)The Company is ‘0’

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

Note 2: Relationship between the endorser/guarantor and the party being endorsed/guaranteed is classified into the following seven categories; fill in the number of category each case belongs to:

(1)Having business relationship

(2) The endorser/guarantor company owns directly or indirectly more than 50% voting shares of the endorsed/guaranteed company.

(3) The endorsed/guaranteed company owns directly or indirectly more than 50% voting shares of the endorser/guarantor company.

(4) The endorsed/guaranteed parent company directly or indirectly owns more than 90% voting shares of the endorser/guarantor subsidiary.

(5) Mutual guarantee of the trade as required by the construction contract.

(6) Due to joint venture, each shareholder provides endorsements/guarantees to the endorsed/guaranteed company in proportion to its ownership.

(7) The performance guarantees for the sale of pre-sales contracts under the Consumer Protection Law are jointly guaranteed.

Note 3 :		<u>Limit on endorsements/guarantees provided for a single party</u>	<u>Ceiling on total amounts of endorsements / guarantees provided</u>
The FICG		250% of paid-in capital	500% of paid-in capital
High Standard		250% of paid-in capital	500% of paid-in capital
Prime Base		150% of current net assets	200% of current net assets
3CEMS Corporation		150% of current net assets	200% of current net assets
Danriver Technology (Guangzhou) Inc.		350% of paid-in capital	700% of paid-in capital
Broad Technology (Guangzhou) Inc.		250% of paid-in capital	500% of paid-in capital

Note 4: Fill in the year-to-date maximum outstanding balance of endorsements/guarantees provided as of the reporting period.

Note 5: Fill in the amount approved by the Board of Directors or the chairman if the chairman has been authorised by the Board of Directors based on subparagraph 8, Article 12 of the Regulations Loaning of Funds and Making of Endorsements/Guarantees by Public Companies.

Note 6: Fill in the actual amount of endorsements/guarantees used by the endorsed/guaranteed company.

Note 7: Fill in ‘Y’ for those cases of provision of endorsements/guarantees by listed parent company to subsidiary and provision by subsidiary to listed parent company, and provision to the party in Mainland China.

FIC GLOBAL, INC.

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

December 31, 2022

Table 3

Expressed in thousands of NTD

(Except as otherwise indicated)

As of December 31, 2022								
Securities held by	Marketable securities (Note 1)	Relationship with the securities issuer (Note 2)	General ledger account	Number of share	Book value (Note 3)	Ownership (%)	Fair value	Footnote (Note 4)
First International Computer, Inc.	Stocks							
	Digitimes Inc.	None	Financial assets at fair value through profit or loss - non - current	63	\$ -	0.00	\$ -	
	Changing Information Technology Inc.	None	Financial assets at fair value through other comprehensive income -non - current	295	7,013	0.02	7,013	
	IQ Technology Inc.	None	Financial assets at fair value through other comprehensive income -non - current	4	97	0.01	97	
	Forte Media, Inc.	None	Financial assets at fair value through other comprehensive income -non - current	900	13,024	0.01	13,024	
	Formosoft International Inc.	None	Financial assets at fair value through other comprehensive income -non - current	14	-	0.54	-	
	First Communication Inc.	None	Financial assets at fair value through other comprehensive income -non - current	-	-	0.00	-	
	Incomm Technologies Co., Ltd.	None	Financial assets at fair value through profit or loss - non - current	-	-	0.00	-	
	Mingo Telecom Inc.	None	Financial assets at fair value through profit or loss - non - current	68	-	1.00	-	
	Systems & Software Inc.	None	Financial assets at fair value through profit or loss - non - current	1	-	13.00	-	
	Environmental & Ocean Technology Inc.	None	Financial assets at fair value through profit or loss - non - current	100	-	11.00	-	
	China United Trust & Investment Corporation	None	Financial assets at fair value through profit or loss - non - current	890	-	1.00	-	
	Fonestock Technology Inc.	None	Financial assets at fair value through profit or loss - non - current	-	-	0.00	-	
	EGtran, Corp.	None	Financial assets at fair value through profit or loss - non - current	1,244	-	2.00	-	
	First International Digital, Inc.	None	Financial assets at fair value through profit or loss - non - current	5,400	-	19.00	-	
	VREX, Inc.	None	Financial assets at fair value through profit or loss - non - current	667	-	2.00	-	
	Turbo Ic, Inc.	None	Financial assets at fair value through profit or loss - non - current	400	-	1.00	-	
	CTO Corporation	None	Financial assets at fair value through profit or loss - non - current	-	-	8.00	-	

FIC GLOBAL, INC.

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

December 31, 2022

Table 3

Expressed in thousands of NTD

(Except as otherwise indicated)

As of December 31, 2022								
Securities held by	Marketable securities (Note 1)	Relationship with the securities issuer (Note 2)	General ledger account	Number of share	Book value (Note 3)	Ownership (%)	Fair value	Footnote (Note 4)
Brilliant	Stocks							
	Tech Power Ltd.	None	Financial assets at fair value through profit or loss - non - current	200	\$ -	16.00	\$ -	
	Openmoko Inc,	None	Financial assets at fair value through profit or loss - non - current	1,450	-	10.00	-	
	eVionyx, Inc.	None	Financial assets at fair value through profit or loss - non - current	144	-	1.00	-	
	Asia Technology 3 Ltd.	None	Financial assets at fair value through profit or loss - non - current	1	-	2.00	-	
	Preference share							
	Asia Technology 3 Ltd.	None	Financial assets at fair value through profit or loss - non - current	1	-	2.00	-	
	Lineo Inc.	None	Financial assets at fair value through profit or loss - non - current	333	-	1.00	-	
	Neo Paradigm Labs Inc.	None	Financial assets at fair value through profit or loss - non - current	4,348	-	11.00	-	
	Showiz, Inc.	None	Financial assets at fair value through profit or loss - non - current	1,500	-	5.00	-	
	iPilot, Inc.	None	Financial assets at fair value through profit or loss - non - current	800	-	9.00	-	
	Streaming21, Inc.	None	Financial assets at fair value through profit or loss - non - current	1,052	-	1.00	-	
	Vweb Corporation	None	Financial assets at fair value through profit or loss - non - current	500	-	1.00	-	
FICTA Technology Inc.	Stocks							
	Solar Applied Materials Technology Corp.	None	Financial assets at fair value through profit or loss - current	20	641	0.00	641	
	OFCO Industrial Corporation	None	Financial assets at fair value through profit or loss - current	25	619	0.03	619	
	Integrated Service Technology Inc.	None	Financial assets at fair value through profit or loss - current	20	1,404	0.03	1,404	
	Navitas Semiconductor Corporation (USD)	None	Financial assets at fair value through profit or loss - current	7	700	0.00	700	
	Sipp Technology Corporation	None	Financial assets at fair value through other comprehensive income -non - current	288	1,117	3.65	1,117	
	Fonestock Technology Inc.	None	Financial assets at fair value through other comprehensive income -non - current	64	-	3.18	-	

Note 1: Marketable securities in the table refer to stocks, bonds, beneficiary certificates and marketable securities derived from the above items that fall within the scope of IFRS 9, "Financial Instruments".

Note 2: Leave the column blank if the issuer of marketable securities is non-related party

Note 3: Fill in the amount after adjusted at fair value and deducted by accumulated impairment for the marketable securities measured at fair value; fill in the acquisition cost or amortised cost deducted by accumulated impairment for the marketable securities not measured at fair value.

Note 4: The number of shares of securities and their amounts pledged as security or pledged for loans and their restrictions on use under some agreements should be stated in the footnote if the securities presented herein have such conditions

FIC GLOBAL, INC.

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

Year ended December 31, 2022

Table 4

Expressed in thousands of NTD

(Except as otherwise indicated)

			Transaction			Compared to third party transactions			Notes/accounts receivable (payable)		
Purchaser/seller	Counterparty	Relationship with the counterparty	Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	Footnote
Prime GZ	Prime Base	Subsidiary	Sales	\$ 4,013,797	74%	Periodic settlement or offsetting, the payment period was 120 days.	Same as non-related parties	Similar transactions with non- related parties	\$ 803,512	50%	
Amertek	FIC, Inc.	Subsidiary	Sales	1,306,300	41%	Periodic settlement or offsetting, the payment period was 60 days.	Same as non-related parties	Similar transactions with non- related parties	918,071	82%	
Amertek	Ubiqconn	Subsidiary	Sales	100,376	3%	Periodic settlement or offsetting, the payment period was 60 days.	Same as non-related parties	Similar transactions with non- related parties	32,763	3%	
Amertek	PUG Taiwan branch	Subsidiary	Sales	1,383,842	44%	Periodic settlement or offsetting, the payment period was 60 days.	Same as non-related parties	Similar transactions with non- related parties	-	-	
Ubiqconn	Ruggon	Subsidiary	Sales	131,010	4%	The payment period was 30 days.	Same as non-related parties	Similar transactions with non- related parties	9,483	2%	

Note: These transactions are shown in revenue, and related transations were no longer disclosed.

FIC GLOBAL, INC.

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

Year ended December 31, 2022

Table 5

Expressed in thousands of NTD
(Except as otherwise indicated)

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2022	Turnover rate	Overdue		Action taken	Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
					Amount				
FIC, Inc.	FIC do Brasil	Associates	\$ 138,758	-	\$ 138,758		Intensify collection	\$ -	(\$ 138,758)
Access	Fic SZ	Subsidiary	381,893	Note	-		-	-	-
Brilliant	Access	Subsidiary	555,851	Note	-		-	-	-
3CEMS	Danriver System	Subsidiary	162,763	Note	-		-	-	-
Prime	Broad	Subsidiary	158,617	Note	-		-	-	-
Danriver	Broad	Subsidiary	342,417	Note	-		-	-	-
Danriver GZ	Danriver	Subsidiary	267,693	Note	-		-	-	-
	Amertek	Subsidiary	260,072	Note	-		-	-	-
Danriver System GZ	Danriver System	Subsidiary	332,344	Note	-		-	-	-
Broad GZ	Broad	Subsidiary	756,342	Note	-		-	-	-
	Amertek	Subsidiary	268,888	Note	-		-	-	-
Prime GZ	Prime Base	Subsidiary	803,512	7.28	-		-	-	-
Amertek	FIC, Inc.	Subsidiary	918,071	2.14	-		-	159,128	-

Note: The calculation of turnover rate was not applicable because it was a loan to others.

FIC GLOBAL, INC.
Significant inter-company transactions during the reporting period
Year ended December 31, 2022

Table 6

Expressed in thousands of NTD
(Except as otherwise indicated)

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			Percentage of consolidated total operating revenues or total assets (Note 3)
				General ledger account	Amount	Transaction term	
1	Access	Fic SZ	3	Other receivables-financing-related party	\$ 381,893	Collection of payments at maturity according to the agreement.	4%
2	Brilliant	Access	3	Other receivables-financing-related party	555,851	Collection of payments at maturity according to the agreement.	5%
3	Ubiqconn	Ruggon	3	Sales	131,010	The payment period was 30 days.	1%
4	Amertek	PUG Taiwan branch	3	Sales	1,383,842	Periodic settlement or offsetting, the payment period was 60 days.	11%
	Amertek	FIC, Inc.	3	Accounts receivable	918,071	Periodic settlement or offsetting, the payment period was 60 days.	9%
	Amertek	FIC, Inc.	3	Sales	1,306,300	Periodic settlement or offsetting, the payment period was 60 days.	10%
5	Broad GZ	Broad	3	Other receivables-financing-related party	756,342	Collection of payments at maturity according to the agreement.	7%
	Broad GZ	Amertek	3	Other receivables-financing-related party	268,888	Collection of payments at maturity according to the agreement.	3%
6	Danriver GZ	Danriver	3	Other receivables-financing-related party	267,693	Collection of payments at maturity according to the agreement.	3%
	Danriver GZ	Amertek	3	Other receivables-financing-related party	260,072	Collection of payments at maturity according to the agreement.	3%
7	Danriver System GZ	Danriver System	3	Other receivables-financing-related party	332,344	Collection of payments at maturity according to the agreement.	3%
8	Danriver	Broad	3	Other receivables-financing-related party	342,417	Collection of payments at maturity according to the agreement.	3%
9	Prime	Broad	3	Other receivables-financing-related party	158,617	Collection of payments at maturity according to the agreement.	2%
10	3CEMS	Danriver System	3	Other receivables-financing-related party	162,763	Collection of payments at maturity according to the agreement.	2%
11	Prime GZ	Prime Base	3	Accounts receivable	803,512	Periodic settlement or offsetting, the payment period was 120 days.	8%
	Prime GZ	Prime Base	3	Sales	4,013,797	Periodic settlement or offsetting, the payment period was 120 days.	32%

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: If the amount of individual transactions does not reach 1% of the consolidated total revenue and 1% of the consolidated total assets, they will not be disclosed; in addition, as the transactions are shown in asset-income form, the relative transactions are not disclosed.

FIC GLOBAL, INC.
Information on investees
Year ended December 31, 2022

Table 7

Expressed in thousands of NTD
(Except as otherwise indicated)

				Initial investment amount		Shares held as at December 31, 2022					
Investor	Investee	Location	Main business activities	Balance	Balance	Number of shares	Ownership (%)	Book value	Net profit (loss)	Investment	Footnote
				as at December 31, 2022	as at December 31, 2021				of the investee for the year ended December 31, 2022	income (loss) recognised by the Company for the year ended December 31, 2022	
FICG	First International Computer, Inc.	Taiwan	Computer system analysis, planning and maintenance, EMS and import and export trade business	\$ 3,172,961	\$ 3,172,961	86,968	100.00	\$ 970,987	\$ 172,003	\$ 176,336	
	FICTA Technology Inc.	Taiwan	Communication product business	514,547	514,547	41,496	69.00	357,513	64,583	44,665	
	3CEMS Corporation	Cayman Islands	Investment	1,291,806	1,291,806	317,609	36.00	1,400,350	415,496	150,230	
	Ubiqconn Technology, Inc.	Taiwan	Manufacturing and sales of industrial computers, automotive electronics, electronic components and peripheral equipment.	600,312	429,347	39,142	52.00	598,337	207,192	105,978	
	LEO Systems, Inc.	Taiwan	Sales of information software and hardware products, software planning and design, computer hardware maintenance services, system integration	13,391	13,391	1,787	2.00	29,080	285,370	5,794	
	Formosa21 Inc.	Taiwan	Manufacture, distribution, renting, maintenance and import and export trade business of computer system, data communication system, peripheral equipment, terminal equipment and related business machine.	5	5	-	-	5	1,223	-	
	Geointelligence Systems, Inc.	Taiwan	Accept the commison of civil engineering planning and design and related business	561	561	43	1.00	626	10,043	110	

FIC GLOBAL, INC.
Information on investees
Year ended December 31, 2022

Table 7

Expressed in thousands of NTD
(Except as otherwise indicated)

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2022					Net profit (loss) of the investee for the year ended December 31, 2022	Investment income (loss) recognised by the Company for the year ended December 31, 2022	Footnote
				Balance as at December 31, 2022	Balance as at December 31, 2021	Number of shares	Ownership (%)	Book value					
First International Computer, Inc.	Brilliant World Limited	British Virgin Islands	Investment	\$ 2,869,980	\$ 2,869,980	91,340	100.00	\$ 572,464		\$ 18,613		\$ -	
	High Standard Global Corporation	British Virgin Islands	Investment	2,704,361	2,704,361	85,050	100.00	585,432		6,120		-	
	Zircon Global Corporation	British Virgin Islands	Investment	-	271,109	-	-	-		615,121		-	
	City Smarter Technologies Corporation	Taiwan	Manufacture and sale of telecommunication equipment, electronic components, computers, peripheral equipment and office equipment.	2,860	2,860	36	19.00	646		328		-	
	Access Trend Limited	British Virgin Islands	International Trade business	617,994	617,994	33,600	100.00	(433,460)	(	619,609)		-	
	FIC First international Holding B.V.	Nederland	Investment	913,148	913,148	4,983	100.00	74,923		126		-	
	3CEMS Corporation	Cayman Islands	Investment	1,267,081	1,267,081	194,212	22.00	856,287		415,496		-	
	First international Computer do Brasil Ltd.	Brasil	Distribution of computers and peripheral equipment	266,992	266,992	18,373	45.00	-		-		-	
	Venture Gain Developments Ltd.	British Virgin Islands	Investment	3,182	3,182	100	20.00	-		-		-	
	LEO Systems, Inc.	Taiwan	Sales of information software and hardware products, software planning and design, computer hardware maintenance services, system integration	124	124	14	0.02	221		285,370		-	
	Web Information Technology Inc.	Taiwan	Manufacture, development, distribution, renting, maintenance and import and export trade business of computer system, data communication system, peripheral equipment, terminal equipment and related business machine.	28,348	28,348	2,937	42.00	-		-		-	
	Lambert Newmedia, Inc.	Taiwan	Computer equipment installation, retail sale of computer software and digital information supply services	2,800	2,800	280	24.00	-		-		-	

FIC GLOBAL, INC.
Information on investees
Year ended December 31, 2022

Table 7

Expressed in thousands of NTD
(Except as otherwise indicated)

				Initial investment amount		Shares held as at December 31, 2022						
Investor	Investee	Location	Main business activities	Balance as at December 31, 2022	Balance as at December 31, 2021	Number of shares	Ownership (%)	Book value	Net profit (loss)	Investment income (loss)	Footnote	
									of the investee for the year ended December 31, 2022	recognised by the Company for the year ended December 31, 2022		
FIC Holding	3CEMS Europe B.V.	Netherlands	Purchase, sale and after-sales service of computers and parts	\$ 785	\$ 785	7	100.00	\$ -	\$ -	\$ -		
FICTA Technology Inc.	Ubiquconn Technology, Inc.	Taiwan	Manufacturing and sales of industrial computers, automotive electronics, electronic components and peripheral equipment.	248,112	248,112	14,751	20.00	225,486	207,192	47,952		
	LEO Systems, Inc.	Taiwan	Sales of information software and hardware products, software planning and design, computer hardware maintenance services, system integration	75,984	75,984	3,367	4.00	54,862	285,370	10,912		
	Formosa21 Inc.	Taiwan	Manufacture, distribution, renting, maintenance and import and export trade business of computer system, data communication system, peripheral equipment, terminal equipment and related business machine.	19,035	19,035	2,038	29.00	21,050	1,223	356		
	Witology Technology Company Limited	Taiwan	Research on electronic related industry	10,000	-	1,000	25.00	10,000	(1,901)	-		
3CEMS	3CEMS Investment Management Limited	Hong Kong	Investment	-	-	-	100.00	(616)	(121)	-	Note	
	Prime Foundation Inc.	British Virgin Islands	Investment	1,447,024	799,349	27,403	100.00	3,095,735	247,036	-		
	Danriver System Inc.	British Virgin Islands	Investment	-	-	8,500	100.00	(78,126)	29,863	-		
	Danriver Inc.	British Virgin Islands	Investment	1,066,527	1,066,527	30,000	100.00	827,955	61,926	-		
	Broad Technology, Inc.	British Virgin Islands	Investment	227,388	227,388	5,000	100.00	(155,854)	78,419	-		

FIC GLOBAL, INC.
Information on investees
Year ended December 31, 2022

Table 7

Expressed in thousands of NTD
(Except as otherwise indicated)

				Initial investment amount		Shares held as at December 31, 2022					
									Net profit (loss) of the investee for the year ended December 31, 2022	Investment income (loss) recognised by the Company for the year ended December 31, 2022	
Investor	Investee	Location	Main business activities	Balance as at December 31, 2022	Balance as at December 31, 2021	Number of shares	Ownership (%)	Book value			Footnote
Prime	Perfect Union Global Inc.	British Virgin Islands	Investment	\$ 2,681,086	\$ 647,675	82,332	100.00	\$ 2,928,561	\$ 238,485	\$ -	
	Prihot Electronic (M) Sdn.Bhd.	Malaysia	Electronics components testing and manufacturing	1,245	1,245	-	25.00	-	(311)	-	
Prime Technology (Guangzhou) Inc.	Prime Base Inc.	Cayman Islands	Investment, assembly service and trading of printed circuit board and electronic parts and components	3,287	3,287	100	100.00	242,987	2,452	-	
Ubiqconn Technology, Inc.	Ruggon Corporation	Taiwan	Trade of industrial computers, automotive products, electronic components and peripheral equipment.	110,768	2,000	12,000	100.00	43,827	-	-	
	Ubiqconn Technology (USA) Inc.	USA	Trade of industrial computers, automotive products, electronic components and peripheral equipment.	16,708	16,708	5,500	100.00	754	(12,003)	(12,003)	

Note: As of December 31, 2022, the investment has not yet been remitted

FIC GLOBAL, INC.
Information on investments in Mainland China
Year ended December 31, 2022

Table 8

Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the year ended December 31, 2022													
Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2022	Remitted to Mainland China	Remitted back to Taiwan	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2022	Net income of investee for the year ended December 31, 2022	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2022 (Note 2)	Book value of investments in Mainland China as of December 31, 2022	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2022	Footnote
Shanghai Zhong Chuan Plastics Co., Ltd.	Production and sales of electronic components and plastic stationery and toys.	\$ 121,346	2	\$ 121,346	\$ -	\$ -	\$ 121,346	\$ -	-	\$ -	\$ -	\$ -	Note 11
Guangzhou Han Rigid Corporation	Production and sales of PVC Rigid Film	1,304,800	2	195,720	-	-	195,720	-	-	-	-	-	Note 11
Shanghai User Electronics Co., Ltd.	Production and sales of software and hardware, computer case and accessories	35,230	2	6,850	-	-	6,850	-	-	-	-	-	Note 2 (2)C
Broad Technology (Guangzhou) Inc.	Real estate leasing business	750,260	2	587,160	-	-	587,160	17,986	58	10,480	1,121,794	-	Note 2 (2)B, Note 10
Prime Technology (Guangzhou) Inc.	Production and sales of main board	672,515	2	391,440	-	-	391,440	236,924	58	138,056	3,346,371	-	Note 2 (2), Note 7, Note 10
Danriver Technology (Guangzhou) Inc.	Real estate leasing business	587,160	2	391,440	-	-	391,440	57,606	58	33,567	647,315	-	Note 2 (2)B, Note 7, Note 10
Fic (Suzhou) Inc.	Real estate leasing business	3,082,634	2	2,915,573	-	-	2,915,573	9,868	100	9,868	581,394	-	Note 2 (2)B, Note 13
Broadteam Electronics (Guangzhou) Inc.	Production and sales of printed circuit board	820,854	2	-	-	-	-	-	-	-	-	-	Note 4, Note 7, Note 10, Note 11
Zircon Technology (Wujiang) Co., Ltd.	Production and sales of portable digital automation data processing machine and printed circuit board	254,436	2	263,080	-	-	263,080	-	-	-	-	-	Note 2 (2)C, Note 11
Danriver System (Guangzhou) Inc.	Production and sales of printed circuit board	326,000	2	-	-	-	-	34,490	58	20,097	428,374	-	Note 2 (2)C, Note 5, Note 7, Note 10
Delton Electronics (Guangzhou) Inc.	Production and sales of printed circuit board	900,312	2	-	-	-	-	-	-	-	-	-	Note 6, Note 7, Note 8, Note 11

FIC GLOBAL, INC.
Information on investments in Mainland China
Year ended December 31, 2022

Table 8

Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the year ended December 31, 2022													
Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2022	Remitted to Mainland China	Remitted back to Taiwan	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2022	Net income of investee for the year ended December 31, 2022	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2022 (Note 2)	Book value of investments in Mainland China as of December 31, 2022	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2022	Footnote
Ficus Systems (Shanghai) Inc.	Production and sales of mobile phone and related accessories	\$ 68,750	2	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	\$ -	\$ -	Note 7, Note 11
Shanghai Zhongchuan Plastics Limited	Research and development of computer software and hardware	4,489	2	45	-	-	45	-	-	-	-	-	Note 12
Success Technology (GuangZhou) Inc.	Production and sales of printed circuit board	336,363	2	-	-	-	-	-	-	-	-	-	Note 9, Note 11
Amertek Computer (Shenzhen) Co., Ltd.	Production and sales of desk personal computers, main board	747,896	2	-	-	-	-	176,414	58	102,796	1,330,074	-	Note 2 (2)B, Note 10
Comserve Network (Guangzhou) Co., Ltd.	Testing and maintenance of the electronic products; providing bonded warehouse	15,138	2	15,138	-	-	15,138	-	-	-	-	-	Note 12
Green E Trading (Guangzhou) Co., Ltd.	Production and sales of LED and the solar photovoltaic products	3,936	2	3,149	-	-	3,149	-	-	-	-	-	Note 12
NBM Production(DongGuan)Co., Ltd.	Production and sales of computer host, main board and control board	20,706	2	20,706	-	-	20,706	-	-	-	-	-	Note 12
Amerwave Technology (Shenzhen) Co., Ltd.	Production and sales of computer host, main board and control board	282,750	2	-	-	-	-	12,585	23	2,861	85,924	-	Note 2 (2)B, Note 9
China Applied Technology Co., Ltd.	Internet of Things (IoT), Development of intelligent technology, Technology transfer, Technological consultancy and service, Import and export business of goods and technology.	57,580	2	-	-	-	-	-	-	-	-	-	Note 8, Note 11
Amerwis Technology (Shenzhen) Co., Ltd.	Providing research&development services and trading	894	2	-	-	-	- (	272)	58 (	158)	1,036	-	Note 2 (2)B, Note 9

FIC GLOBAL, INC.
Information on investments in Mainland China
Year ended December 31, 2022

Table 8

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2022	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)	Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA
FIC GLOBAL, INC. AND SUBSIDIARIES	\$ 4,911,647	\$ 5,887,682	\$ 1,938,813

Note 1: Investment methods are classified into the following three categories; fill in the number of category each case belongs to
(1) Directly invest in a company in Mainland China.
(2) Through investing in an existing company in the third area, 3CEMS, Zircon and High standard which then invested in the investee in Mainland China
(3) Others

Note 2: In the Investment income (loss) recognized by the Company for the year ended December 31, 2022 column:
(1) Indicate if the company did not accrue investment income or loss since it was still in preparation.
(2) Indicate the basis for investment income (loss) recognition in the number of one of the following three categories:
A.The financial statements were audited and attested by international accounting firms which are in collaborative relationships whith accounting firms in R.O.C.
B.The financial statements were audited and attested by R.O.C. parent company’s CPA.
C. Others : The investment income or loss is recognized on the basis of the unreviewed financial statements for the same period.

Note 3: The numbers in this table are expressed in New Taiwan dollars,

Note 4: Broadteam Electronics (Guangzhou) Inc. is based on Jing-Shen-II-Zi Letter No. 91007611 (經審二字第91007611號函) as approved by the investment Commission, Ministry of Economic Affairs. As the funds are from the FICG’s own funds of its indirectly controlled subsidiaries, there are no funds remitted.

Note 5: Danriver System (Guangzhou) Inc. is based on Jing-Shen-II-Zi Letter No. 92017614 (經審二字第92017614號函) as approved by the investment Commission, Ministry of Economic Affairs, but the funds are from the FICG’s own funds of its indirectly controlled subsidiaries, so there are no funds remitted.

Note 6: Delton Electronics (Guangzhou) Inc. is based on Jing-Shen-II-Zi Letter No. 92008097 (經審二字第92008097號函) as approved by the investment Commission, Ministry of Economic Affairs, but the funds are from the FICG’s own funds of its indirectly controlled subsidiaries, so there are no funds remitted.

Note 7: The investment in Mainland China held by First International Computer, Inc. had been sold to its parent company, FIC GLOBAL, INC. in 2015, which has not been approved by the investment Commission of the Ministry of Economic Affairs as of December 31, 2022.

Note 8: As of December 31, 2022, the indirectly acquired of investment in Mainland China business which are the investee purchased by the subsidiary established through in the third area has not been approved by the investment Commission of the Ministry of Economic Affairs.

Note 9: As of December 31, 2022, the investment in Mainland China which are invested through investing in the subsidiary in the third area has not been approved by the investment Commission of the Ministry of Economic Affairs.

Note 10: As of December 31, 2022, Amertek Limited repaid the accounts payable of First International Computer, Inc. by using the shares of 3CEMS Corp. and CEMS Inc., the repayment amounted to 817,019 thousand and 53,074 thousand.
The company acquired the residual property (owning the long-term equity investments of 3CEMS Corp.) due to the liquidation of CEMS Inc. in 2011, amounted to \$258,471.

Note 11: All the ownership has been sold.

Note 12: The liquidation has been completed

Note 13: As of December 31, 2022, Fic (Suzhou) Inc. reduced its capital by cash amounting to 149,900 thousand, of which 8,994 thousand had been collected, only are not approved by the investment Commission of the Ministry of Economic Affairs.

Note 14: The carrying amount of the investments in the Mainland China investees are presented at the end of the period.

FIC GLOBAL, INC.
Major shareholders information
December 31, 2022

Table 9

Name of major shareholders	Shares	
	Total shares owned	Owership
Chia Chao Investment Inc.	45,723,836	21.24%
WYC God-loving Foundation for Charity	35,292,065	16.40%
CGCH Education Charitable Trust Fund	32,000,000	14.87%
Zong Jing Investment Inc.	15,942,466	7.40%
Chi Hsin Investment Inc.	15,021,646	6.98%

Note 1: The major shareholders information was derived from the data that the Company issued common shares (including treasury shares) and preference shares in dematerialised form which were registered and held by the shareholders above 5% on the last operating date of each quarter and was calculated by Taiwan Depository & Clearing Corporation. The share capital which was recorded in the financial statements is different from the actual number of shares issued in dematerialised form because of the different calculation basis.

Note 2: If the aforementioned data contains shares which were held in trust by the shareholders, the data was disclosed as a separate account of client which was set by the trustee. As for the shareholder who reports share equity as an insider whose shareholding ratio is greater than 10% in accordance with Securities and Exchange Act, the shareholding ratio include the self-owned shares and shares held in trust, at the same time, the shareholder who has the power to decide how to allocate the trust assets. For the information on reported share equity of insider, please refer to Market Observation Post System.

FIC GLOBAL, INC.
CASH AND CASH EQUIVALENTS
DECEMBER 31, 2022
 (Expressed in thousands of New Taiwan Dollars)

Form 1

Item	Description	Amount
Bank deposits		
NTD deposits		\$ 43,506
Foreign currency deposits	US\$ 50 thousand, conversion rate \$30.71	1,545
Foreign currency time deposits	US\$ 6,280 thousand, conversion rate \$30.71	192,858
		<u>\$ 237,909</u>

FIC GLOBAL, INC.
CHANGES IN INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD
FOR THE YEAR ENDED DECEMBER 31, 2022
(Expressed in thousands of New Taiwan Dollars, except as otherwise indicated)

Form 2

Name	Balance at January 1, 2022		Addition (Note)		Decrease (Note)		Balance at December 31, 2022			Market Value or Net Assets Value		Collateral or pledged
	Number of shares (in thousands)	Amount	Number of shares (in thousands)	Amount	Number of shares (in thousands)	Amount	Number of shares (in thousands)	Ownership	Amount	Unit price	Total price	
First International Computer, Inc.	80,886	\$ 843,461	6,082	\$ 194,044	-	(\$ 66,518)	86,968	100%	\$ 970,987	11.23	\$ 976,342	None
FICTA Technology, Inc.	41,496	299,250	-	59,190	-	(928)	41,496	69%	357,512	9.63	399,591	"
Ubiqconn Technology, Inc.	30,663	325,867	8,711	280,800	(232)	(8,330)	39,142	52%	598,337	15.29	598,337	"
3CEMS Corporation	317,609	1,273,332	-	151,608	-	(24,590)	317,609	36%	1,400,350	4.41	1,400,350	"
Geointelligence Systems, Inc.	43	596	-	110	-	(80)	43	1%	626	14.56	626	"
Formosa21 Inc.	1	5	-	-	-	-	1	-	5	5.00	5	"
LEO Systems, Inc.	1,787	26,846	-	5,918	-	(3,684)	1,787	2%	29,080	32.70	58,447	"
		<u>\$ 2,769,357</u>		<u>\$ 691,670</u>		<u>(\$ 104,130)</u>			<u>\$ 3,356,897</u>		<u>\$ 3,433,698</u>	

Note: The changes in the year included the recognition of gain (loss) on investment accounted for using the equity method and share of other comprehensive income, cash dividends, disposal proceeds and the shareholders' equity of investees

FIC GLOBAL, INC.
ADMINISTRATIVE EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2022
(Expressed in thousands of New Taiwan Dollars)

Form 3

Item	Amount	Note
Wages and salaries	\$ 9,921	
Service fees	7,893	
Others		The balance of each item has not exceeded 5% of the operating expenses.
	1,532	
	<u>\$ 19,346</u>	