

FIC GLOBAL, INC. AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT
DECEMBER 31, 2022 AND 2021

For the convenience of readers and for information purpose only, the 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 CONSOLIDATED FINANCIAL STATEMENTS
AND INDEPENDENT AUDITORS' REPORT
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FIC GLOBAL, INC.

Declaration of Consolidated Financial Statements of Affiliated Enterprises

For the year ended December 31, 2022, pursuant to the “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises,” the company that is required to be included in the consolidated financial statements of affiliates, is the same as the company required to be included in the consolidated financial statements of parent and subsidiary companies under International Financial Reporting Standard 10. Also, if relevant information that should be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies, it shall not be required to prepare separate consolidated financial statements of affiliates.

Hereby declare,

FIC Global, Inc.

Chien Ming-Jen, Chairman

March 30, 2023

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

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

Opinion

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

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

Basis for opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Group in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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 the Group's 2022 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Group's 2022 consolidated financial statements are stated as follows:

Existence of revenue from newly listed top ten sales customers

Description

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

The Group is 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 Group 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 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 the Group's 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.

Evaluation of inventories

Description

Refer to Note 4(13) for the accounting policies on the evaluation of inventories; Note 5(2) for the uncertainty of accounting estimates and assumptions for evaluation of inventories, and Note 6(6) 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, the Group adjusts its 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 the Group.
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 auditors

We did not audit the financial statements of certain consolidated subsidiaries and investments accounted for under the equity method, which statements reflect total assets of \$103,155 thousand and \$61,461 thousand, both constituting 1% of consolidated total assets as of December 31, 2022 and 2021, respectively, total operating revenues of \$0, constituting 0% of consolidated total operating revenues for both years ended, the balance of investments accounted for under the equity method amounted to \$114,008 thousand and \$98,998 thousand, both constituting 1% of the consolidated total assets as at December 31, 2022 and 2021, respectively, and the share of profit and other comprehensive income of associates and joint ventures accounted for under the equity method of \$14,629 thousand and \$14,091 thousand, constituting 2% and 4% of consolidated total comprehensive income for the years then ended, respectively. The financial statements of these investee companies 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 consolidated financial statements and information disclosed relative to these consolidated subsidiaries and investments accounted for under the equity method, is based solely on the reports of other independent auditors.

Other matter – Parent company only financial reports

We have audited and expressed an unmodified opinion with an Other matter section on the parent company only financial statements of FIC Global, Inc. as of and for the years ended December 31, 2022 and 2021.

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

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

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

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

Auditors' responsibilities for the audit of the consolidated financial statements

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Chang, Shu-Chiung

Lin, Po-Chuan

For and on Behalf of PricewaterhouseCoopers, Taiwan

March 30, 2023

The accompanying consolidated 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 consolidated 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. AND SUBSIDIARIES
CONSOLIDATED 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)	\$ 1,347,873	13	\$ 1,153,318	13
1110	Financial assets at fair value through profit or loss - current	6(2)	4,493	-	20,931	-
1136	Current financial assets at amortised cost	6(3) and 8	106,510	1	98,869	1
1140	Current contract assets	6(23)	6,879	-	7,162	-
1150	Notes receivable, net	6(4)	89,587	1	82,342	1
1170	Accounts receivable, net	6(4)	2,804,466	28	2,427,041	26
1180	Accounts receivable - related parties	7	12,782	-	25,029	-
1199	Finance lease receivable due from related parties, net	6(11) and 7	15,278	-	13,936	-
1200	Other receivables	6(5)	65,420	1	53,300	1
1210	Other receivables due from related parties	7	3,987	-	21,844	-
130X	Inventories	6(6)	3,250,615	32	2,951,637	32
1410	Prepayments		94,522	1	104,274	1
1460	Non-current assets or disposal groups classified as held for sale, net	6(13)	20,336	-	-	-
1479	Other current assets		3,885	-	8,217	-
11XX	Total current assets		<u>7,826,633</u>	<u>77</u>	<u>6,967,900</u>	<u>75</u>
	Non-current assets					
1517	Non-current financial assets at fair value through other comprehensive income	6(7)	21,251	-	19,372	-
1550	Investments accounted for under equity method	6(8) and 7	200,577	2	181,186	2
1600	Property, plant and equipment	6(9), 7 and 8	530,735	5	603,109	7
1755	Right-of-use assets	6(10), 7 and 8	412,379	4	372,799	4
1760	Investment property, net	6(12) and 8	936,675	9	950,874	10
1780	Intangible assets	7	31,616	-	35,445	-
1840	Deferred income tax assets	6(29)	84,331	1	19,695	-
1920	Guarantee deposits paid	8	82,754	1	48,527	1
194K	Long-term finance lease receivable due from related parties, net	6(11) and 7	39,821	1	56,316	1
1990	Other non-current assets		6,318	-	2,556	-
15XX	Total non-current assets		<u>2,346,457</u>	<u>23</u>	<u>2,289,879</u>	<u>25</u>
1XXX	Total assets		<u>\$ 10,173,090</u>	<u>100</u>	<u>\$ 9,257,779</u>	<u>100</u>

(Continued)

FIC GLOBAL, INC. AND SUBSIDIARIES
CONSOLIDATED 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										
2100	Short-term borrowings	6(14)	\$	189,891	2	\$	99,383	1		
2130	Current contract liabilities	6(23) and 7		255,945	3		187,433	2		
2150	Notes payable			307	-		2,002	-		
2170	Accounts payable			1,816,000	18		2,156,884	23		
2180	Accounts payable - related parties	7		12,219	-		3,263	-		
2200	Other payables	6(4)(15)		557,891	5		501,972	6		
2220	Other payables - related parties	7		130,709	1		4,799	-		
2230	Current income tax liabilities			82,959	1		17,032	-		
2250	Current provisions			3,589	-		5,909	-		
2280	Current lease liabilities	6(10)		229,192	2		171,344	2		
2310	Advance receipts			4,068	-		7,526	-		
2320	Long-term liabilities, current portion	6(16)(17)		242,418	2		-	-		
2399	Other current liabilities			5,113	-		5,426	-		
21XX	Total current liabilities			<u>3,530,301</u>	<u>34</u>		<u>3,162,973</u>	<u>34</u>		
Non-current liabilities										
2530	Bonds payable	6(16)		-	-		285,734	3		
2540	Long-term borrowings	6(17)		38,511	1		-	-		
2550	Non-current provisions			2,113	-		2,328	-		
2570	Deferred tax liabilities	6(29)		20,250	-		14,260	-		
2580	Non-current lease liabilities	6(10)		231,461	2		256,986	3		
2620	Long-term notes and accounts payable to related parties	7		965,741	10		961,800	10		
2640	Accrued pension liabilities	6(18)		448	-		13,582	-		
2670	Other non-current liabilities			35,725	-		37,308	1		
25XX	Total non-current liabilities			<u>1,294,249</u>	<u>13</u>		<u>1,571,998</u>	<u>17</u>		
2XXX	Total liabilities			<u>4,824,550</u>	<u>47</u>		<u>4,734,971</u>	<u>51</u>		
Equity										
Equity attributable to owners of parent										
	Share capital	6(20)								
3110	Common stock			2,151,721	21		2,109,305	23		
	Capital surplus	6(21)								
3200	Capital surplus			439,563	5		393,596	4		
	Retained earnings	6(22)								
3310	Legal reserve			52,361	-		28,827	-		
3320	Special reserve			290,770	3		269,545	3		
3350	Unappropriated retained earnings			676,830	7		235,339	3		
	Other equity interest									
3400	Other equity interest		(	379,890)	(	4)	(	290,770)	(	3)
31XX	Equity attributable to owners of the parent			<u>3,231,355</u>	<u>32</u>		<u>2,745,842</u>	<u>30</u>		
36XX	Non-controlling interests	4(3)		<u>2,117,185</u>	<u>21</u>		<u>1,776,966</u>	<u>19</u>		
3XXX	Total equity			<u>5,348,540</u>	<u>53</u>		<u>4,522,808</u>	<u>49</u>		
	Significant Contingent Liabilities and Unrecognised Contract Commitments	9								
	Significant Events after the Balance Sheet Date	11								
3X2X	Total liabilities and equity		\$	10,173,090	100	\$	9,257,779	100		

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

FIC GLOBAL, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2022 AND 2021

(Expressed in thousands of New Taiwan dollars, except for earnings per share amount)

Items		Notes	Year ended December 31			
			2022		2021	
			AMOUNT	%	AMOUNT	%
4000	Operating revenue	6(23) and 7	\$ 12,448,435	100	\$ 10,039,991	100
5000	Operating costs	6(6)(28) and 7	(10,781,900)	(87)	(8,825,415)	(88)
5900	Net operating margin		<u>1,666,535</u>	<u>13</u>	<u>1,214,576</u>	<u>12</u>
	Operating expenses	6(28) and 7				
6100	Selling expenses		(357,033)	(3)	(325,050)	(3)
6200	General and administrative expenses		(525,462)	(4)	(474,368)	(4)
6300	Research and development expenses		(320,813)	(3)	(274,788)	(3)
6450	Expected credit impairment (loss) or gain		(38,366)	-	20,073	-
6000	Total operating expenses		(1,241,674)	(10)	(1,054,133)	(10)
6900	Operating profit		<u>424,861</u>	<u>3</u>	<u>160,443</u>	<u>2</u>
	Non-operating income and expenses					
7100	Interest income	6(24) and 7	14,351	-	28,329	-
7010	Other income	6(25) and 7	82,531	1	80,321	1
7020	Other gains and losses	6(26)	244,962	2	160,273	1
7050	Finance costs	6(27) and 7	(36,228)	-	(36,699)	-
7055	Expected credit impairment gain (loss)		14,688	-	(6,085)	-
7060	Share of profit/(loss) of associates and joint ventures accounted for under equity method	6(8)	<u>19,327</u>	<u>-</u>	<u>12,220</u>	<u>-</u>
7000	Total non-operating income and expenses		<u>339,631</u>	<u>3</u>	<u>238,359</u>	<u>2</u>
7900	Profit before income tax		764,492	6	398,802	4
7950	Income tax (expense) benefit	6(29)	(41,439)	-	9,118	-
8200	Profit for the year		<u>\$ 723,053</u>	<u>6</u>	<u>\$ 407,920</u>	<u>4</u>

(Continued)

FIC GLOBAL, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2022 AND 2021

(Expressed in thousands of New Taiwan dollars, except for earnings per share amount)

				Year ended December 31			
				2022		2021	
Items		Notes	AMOUNT	%	AMOUNT	%	
Other comprehensive income							
Components of other comprehensive income that will not be reclassified to profit or loss							
8311	Gains on remeasurements of defined benefit plans	6(18)	\$ 11,104	-	\$ 2,075	-	
8316	Unrealized gains from investments in equity instruments at fair value through other comprehensive income	6(7)	1,879	-	1,080	-	
8320	Share of other comprehensive (loss) income of associates and joint ventures accounted for using equity method, that will not be reclassified to profit or loss		(778)	-	3,134	-	
8310	Other comprehensive income that will not be reclassified to profit or loss		12,205	-	6,289	-	
Components of other comprehensive income that will be reclassified to profit or loss							
8361	Financial statements translation differences of foreign operations		(42,672)	-	(27,045)	-	
8370	Share of other comprehensive income (loss) of associates and joint ventures accounted for using equity method, that will be reclassified to profit or loss		1,228	-	(570)	-	
8360	Other comprehensive loss that will be reclassified to profit or loss		(41,444)	-	(27,615)	-	
8300	Other comprehensive loss for the year		(\$ 29,239)	-	(\$ 21,326)	-	
8500	Total comprehensive income for the year		\$ 693,814	6	\$ 386,594	4	
Profit attributable to:							
8610	Shareholders of the parent		\$ 476,470	4	\$ 251,978	2	
8620	Non-controlling interests		246,583	2	155,942	2	
			\$ 723,053	6	\$ 407,920	4	
Comprehensive income attributable to:							
8710	Shareholders of the parent		\$ 473,985	4	\$ 233,947	2	
8720	Non-controlling interests		219,829	2	152,647	2	
			\$ 693,814	6	\$ 386,594	4	
Earnings per share (in dollars)							
9750	Basic earnings per share	6(30)	\$	2.23	\$	1.32	
9850	Diluted earnings per share		\$	2.10	\$	1.26	

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

FIC GLOBAL, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

Equity attributable to owners of the parent											
Retained Earnings											
Other Equity Interest											
Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income											
Financial statements translation differences of foreign operations											
Total											
Non-controlling interests											
Total equity											
Notes	Share capital - common stock	Total capital surplus, additional paid-in capital	Legal reserve	Special reserve	Unappropriated retained earnings						
Year ended December 31, 2021											
Balance at January 1, 2021	\$ 1,903,446	\$ 189,853	\$ 28,827	\$ 302,261	(\$ 32,830)	(\$ 263,028)	(\$ 6,517)	\$ 2,122,012	\$ 1,541,873	\$ 3,663,885	
Profit for the year	-	-	-	-	251,978	-	-	251,978	155,942	407,920	
Other comprehensive income (loss) for the year	-	-	-	-	1,238	(22,571)	3,302	(18,031)	(3,295)	(21,326)	
Total comprehensive income (loss)	-	-	-	-	253,216	(22,571)	3,302	233,947	152,647	386,594	
Appropriations of 2020 earnings	6(22)	-	-	-	-	-	-	-	-	-	
Reversal of special reserve	-	-	-	(32,716)	32,716	-	-	-	-	-	
Changes in ownership interests in subsidiaries	6(31)	-	(2,314)	-	(18,853)	-	-	(21,167)	21,885	718	
Due to recognition of equity component of convertible bonds issued	6(16)	-	38,198	-	-	-	-	38,198	-	38,198	
Conversion of convertible bonds	6(20)(21)	205,859	172,928	-	-	-	-	378,787	-	378,787	
Changes in equity of associates and joint ventures accounted for using equity method	-	(36)	-	-	1,090	-	(1,090)	(36)	(9)	(45)	
Disposal of investments accounted for using equity method	-	(5,011)	-	-	-	(866)	-	(5,877)	-	(5,877)	
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	(22)	-	-	-	-	-	(22)	-	(22)	
Changes in non-controlling interests	6(31)	-	-	-	-	-	-	-	60,570	60,570	
Balance at December 31, 2021	\$ 2,109,305	\$ 393,596	\$ 28,827	\$ 269,545	\$ 235,339	(\$ 286,465)	(\$ 4,305)	\$ 2,745,842	\$ 1,776,966	\$ 4,522,808	
Year ended December 31, 2022											
Balance at January 1, 2022	\$ 2,109,305	\$ 393,596	\$ 28,827	\$ 269,545	\$ 235,339	(\$ 286,465)	(\$ 4,305)	\$ 2,745,842	\$ 1,776,966	\$ 4,522,808	
Profit for the year	-	-	-	-	476,470	-	-	476,470	246,583	723,053	
Other comprehensive income (loss) for the year	-	-	-	-	9,780	(13,447)	1,182	(2,485)	(26,754)	(29,239)	
Total comprehensive income (loss)	-	-	-	-	486,250	(13,447)	1,182	473,985	219,829	693,814	
Appropriations of 2021 earnings	6(22)	-	-	-	-	-	-	-	-	-	
Legal reserve	-	-	23,534	-	(23,534)	-	-	-	-	-	
Special reserve	-	-	-	21,225	(21,225)	-	-	-	-	-	
Changes in ownership interests in subsidiaries	6(31)	-	8,311	-	-	-	-	8,311	(7,848)	463	
Conversion of convertible bonds	6(20)(21)	42,416	35,950	-	-	-	-	78,366	-	78,366	
Changes in equity of associates and joint ventures accounted for using equity method	-	(4)	-	-	-	-	-	(4)	-	(4)	
Difference between consideration and carrying amount of subsidiaries acquired or disposed	6(31)	-	1,710	-	-	-	-	1,710	(1,710)	-	
Disposal of subsidiaries	-	-	-	-	-	(76,855)	-	(76,855)	-	(76,855)	
Changes in non-controlling interests	6(31)	-	-	-	-	-	-	-	129,948	129,948	
Balance at December 31, 2022	\$ 2,151,721	\$ 439,563	\$ 52,361	\$ 290,770	\$ 676,830	(\$ 376,767)	(\$ 3,123)	\$ 3,231,355	\$ 2,117,185	\$ 5,348,540	

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

FIC GLOBAL, INC. AND SUBSIDIARIES
CONSOLIDATED 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		\$ 764,492	\$ 398,802
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6(28)	520,499	417,852
Amortization	6(28)	9,770	4,091
Expected credit loss (gain)		23,678	(13,988)
Net loss (gain) on financial assets or liabilities at fair value through profit or loss	6(2)(26)	847	(2,063)
Interest expense	6(27)	36,228	36,699
Interest income	6(24)	(14,351)	(28,329)
Dividend income	6(25)	(1,050)	(797)
Share-based payments	6(19)	463	718
Gains on write-off of past due payable	6(25)	(16,577)	(12,809)
Share of profit of associates and joint ventures accounted for using equity method	6(8)	(19,327)	(12,220)
Loss on disposal of property, plant and equipment	6(26)	3,612	2,338
Gains on disposals of investments	6(26)	(76,812)	(4,417)
Gain from lease modification	6(10)(26)	-	(205)
Income from subleasing right-of-use assets	6(10)	-	(19,778)
Foreign exchange gains		-	(8,840)
Amortization of government grant income related to assets		(8,991)	(6,393)
Impairment loss of intangible assets	6(26)	-	744
Changes in operating assets and liabilities			
Changes in operating assets			
Financial assets at fair value through profit or loss		14,928	6,437
Contract assets		283	(151)
Notes receivable	(	(7,245)	(21,022)
Accounts receivable	(	(418,197)	(446,815)
Accounts receivable due from related parties		12,247	(12,239)
Other receivables	(	(1,482)	(43,618)
Other receivables due from related parties		17,857	1,087
Inventories	(	(298,978)	(1,226,594)
Prepayments		15,645	(35,321)
Other current asstes		482	(1,505)
Changes in operating liabilities			
Contract liabilities		68,512	59,193
Notes payable	(	(1,695)	(2,345)
Accounts payable	(	(340,884)	(555,082)
Accounts payable - related parties		8,956	364
Other payables		81,023	61,221
Other payables - related parties		125,754	4,763
Provisions	(	(2,535)	(8,237)
Advance receipts	(	(3,458)	(1,830)
Other current liabilities	(	(313)	(1,578)
Net defined benefit liabilities	(	(2,030)	(2,647)
Cash inflow (outflow) generated from operations		491,351	(253,824)
Interest received		13,641	11,355
Dividends received		10,666	13,222
Interest paid	(	(28,117)	(22,143)
Income taxes (paid) refund	(	(28,662)	(9,585)
Net cash flows from (used in) operating activities		458,879	241,805

(Continued)

FIC GLOBAL, INC. AND SUBSIDIARIES
CONSOLIDATED 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 INVESTING ACTIVITIES</u>			
Acquisition of financial assets at amortised cost		(\$ 7,641)	\$ -
Proceeds from disposal of financial assets at amortised cost		-	174,246
Financing receivables due from related parties		-	69,408
Acquisition of investments accounted for using equity method		(10,000)	(9,899)
Proceeds from disposal of investments accounted for using equity method		736	1,506
Acquisition of property, plant and equipment	6(32)	(220,139)	(188,143)
Proceeds from disposal of property, plant and equipment		3,739	376
Decrease in finance lease receivable		11,111	-
Proceeds from capital reduction of investments accounted for using equity method		-	4,588
Acquisition of intangible assets		(5,955)	(11,251)
Increase in refundable deposits		(39,667)	(3,574)
Increase in other non-current assets		(3,762)	(14,427)
Receipt of government grants related to assets		4,248	9,475
Net cash flows (used in) from investing activities		(267,330)	32,305
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Increase (decrease) in short-term loans	6(33)	90,644	(243,151)
Repayments of lease liabilities	6(33)	(232,381)	(158,396)
Decrease in long-term debt		(28,014)	-
Increase in long-term debt		96,337	-
Proceeds from issuing bonds		-	701,452
Decrease in long-term notes and accounts payable due from related parties	6(33)	(5,184)	(40,000)
Increase in guarantee deposits received	6(33)	2,988	4,135
Change in non-controlling interests	6(31)	129,948	60,570
Net cash flows from financing activities		54,338	324,610
Effect of exchange rate changes		(51,332)	(10,784)
Net increase in cash and cash equivalents		194,555	104,326
Cash and cash equivalents at beginning of year		1,153,318	1,048,992
Cash and cash equivalents at end of year		\$ 1,347,873	\$ 1,153,318

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

FIC GLOBAL, INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021

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

1. History and Organisation

FIC Global, Inc. (referred herein as ‘FICG’) is an investment holding company established by First International Computer, Inc. through a share conversion on August 30, 2004. FICG is primarily engaged in investment holdings. The consolidated subsidiaries are primarily engaged in research and development, manufacturing and sales of automobile products, monitoring products and industrial computer; electronics manufacturing services for computers and servers; and leases of property. FICG and the consolidated subsidiaries are collectively referred herein as the “Group”. The stocks of FICG were listed on the Taiwan Stock Exchange on August 30, 2004.

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

These consolidated 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:

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

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

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

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

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

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

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

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

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

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

4. Summary of Significant Accounting Policies

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

(1) Compliance statement

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

(2) Basis of preparation

- A. Except for the following items, the consolidated financial statements have been prepared under the historical cost convention:
- (a) Financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.
 - (b) Financial assets at fair value through other comprehensive income.
 - (c) Defined benefit liabilities recognised based on the net amount of pension fund assets less present value of defined benefit obligation.
- B. The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Basis of consolidation

- A. Basis for preparation of consolidated financial statements:
- (a) All subsidiaries are included in the Group’s consolidated financial statements. Subsidiaries are all entities (including structured entities) controlled by the Group. The Group controls an entity when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Consolidation of subsidiaries begins from the date the Group obtains control of the subsidiaries and ceases when the Group loses control of the subsidiaries.
 - (b) Inter-company transactions, balances and unrealised gains or losses on transactions between companies within the Group are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.
 - (c) Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

- (d) Changes in a parent's ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary (transactions with non-controlling interests) are accounted for as equity transactions, i.e. transactions with owners in their capacity as owners. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity.
- (e) When the Group loses control of a subsidiary, the Group remeasures any investment retained in the former subsidiary at its fair value. That fair value is regarded as the fair value on initial recognition of a financial asset or the cost on initial recognition of the associate or joint venture. Any difference between fair value and carrying amount is 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 Group 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.

B. Subsidiaries included in the consolidated financial statements:

Name of investor	Name of subsidiary	Main business activities	Ownership (%)		Description
			December 31, 2022	December 31, 2021	
FIC Global, Inc.	First International Computer, Inc. (FIC, Inc.)	Computer system analysis, planning and maintenance, EMS and import and export trade business	100%	100%	
	FICTA Technology Inc. (FICTA)	Communication product business	69%	69%	
	3CEMS Corp. (3CEMS)	Investment	36%	36%	
	Ubiqconn Technology, Inc. (Ubiqconn)	Manufacturing and sales of industrial computers, automotive electronics, electronic components and peripheral equipment	52%	51%	Notes 1, 4 and 5

Name of investor	Name of subsidiary	Main business activities	Ownership (%)		Description
			December 31, 2022	December 31, 2021	
FIC, Inc.	FIC First International Holding B.V. (FIC Holding)	Investment	100%	100%	
	High Standard Global Corp. (High Standard)	Investment	100%	100%	
	Zircon Global Corp. (Zircon)	Investment	-	100%	Notes 2
	Access Trend Limited (Access)	International trade business	100%	100%	
	Brilliant World Limited (Brilliant)	Investment	100%	100%	
FIC, Inc.	3CEMS	Investment	22%	22%	
FICTA	Ubiqconn	Manufacturing and sales of industrial computers, automotive electronics, electronic components and peripheral equipment	20%	25%	Notes 4 and 5
Ubiqconn	Ruggon Corporation (Ruggon)	Manufacturing and sales of industrial computers, automotive electronics, electronic components and peripheral equipment	100%	100%	
	Ubiqconn Technology (USA) Inc. (Ubiqconn USA)	Manufacturing and sales of industrial computers, automotive electronics, electronic components and peripheral equipment	100%	100%	

Name of investor	Name of subsidiary	Main business activities	Ownership (%)		Description
			December 31, 2022	December 31, 2021	
3CEMS	Prime Foundation Inc. (Prime)	Investment	100%	100%	
	Danriver System Inc. (Danriver System)	Investment	100%	100%	
	Broad Technology Inc. (Broad)	Investment	100%	100%	
	Danriver Inc. (Danriver)	Investment	100%	100%	
	3CEMS Investment Management Limited (3CEMS HK)	Investment	100%	100%	
Zircon	Zircon Technology (Wujiang) Co., Ltd (Zircon WJ)	Production and sales of portable digital automatic data processor and new electronic components	-	100%	Notes 2
High Standard	Fic (Suzhou) Inc. (FIC SZ)	Real estate leasing business	100%	100%	
FIC Holding	3CEMS Europe B.V. (3CEMS Europe)	Import and export of electronic products and after-sale service	100%	100%	
Danriver System	Danriver System (Guangzhou) Inc. (Danriver System GZ)	Production and sales of printed circuit board	100%	100%	
Broad	Broad Technology (Guangzhou) Inc. (Broad GZ)	Real estate leasing business	100%	100%	

Name of investor	Name of subsidiary	Main business activities	Ownership (%)		Description
			December 31, 2022	December 31, 2021	
Danriver	Danriver Technology (Guangzhou) Inc. (Danriver GZ)	Real estate leasing business	100%	100%	
Prime	Prime Technology (Guangzhou) Inc. (Prime GZ)	Production and sales of main board	-	100%	Note 3
	PUG	Investment	100%	100%	
Danriver GZ	Prime GZ	Production and sales of main board	0.01%	-	Note 6
PUG	Prime GZ	Production and sales of main board	99.99%	-	Note 6
Prime GZ	Prime Base Inc. (Prime Base)	Investment, assembly service and trading of printed circuit board and electronic parts and components	100%	100%	
Prime GZ	Amertek Computer (Shenzhen) Co.,Ltd (Amertek)	Production and sales of desk personal computers and main board	100%	-	Note 7
PUG	Amertek	Production and sales of desk personal computers and main board	-	100%	Note 7
Amertek	Amerwis Technology (Shenzhen) Co., Ltd (Amerwis)	Research and development and the trading	100%	100%	

Note 1: In January 2022, the Company sold part of the shares held in Ubiquconn to non-controlling interests. Since the transaction did not change the control over the subsidiary, it was regarded as an equity transaction. Refer to Note 6(31) for details.

Note 2: In March 2022, FIC, Inc. disposed of all the shares held in Zircon and lost control over it. Therefore, Zircon and its subsidiary, Ziron WJ, have not been consolidated entities of the Group since March 2022.

Note 3: PUG increased its capital by issuing new shares to Prime in June 2022 and acquired 100% equity interests of Prime GZ.

Note 4: Ubiquconn increased cash capital in December 2021. FICG and FICTA did not acquire shares proportionally to their interest. As a result, the shareholding ratio of FICG and FICTA in Ubiquconn changed from 42% and 31% to 51% and 25%, respectively. As the transaction did not change the Group's control over these subsidiaries, it was considered as an equity transaction. Refer to Note 6(31) for details.

Note 5: Ubiquconn increased cash capital in December 2021. FICG and FICTA did not acquire shares proportionally to their interest. As a result, the shareholding ratio of FICG and FICTA in Ubiquconn changed from 51% and 25% to 52% and 20%, respectively. As the transaction did not change the Group's control over these subsidiaries, it was considered as an equity transaction. Refer to Note 6(31) for details.

Note 6: In September 2022, the cash capital increase of Prime GZ was subscribed by Danriver GZ. PUG did not subscribe in proportion to its ownership, as a result, the shareholding ratio of PUG and Danriver GZ in Prime GZ was changed from 100% and 0% to 99.99% and 0.01%, respectively. Since the transaction did not change the control of the consolidated company over the subsidiaries, it was regarded as an equity transaction.

Note 7: Prime GZ increased its capital by issuing new shares to PUG in August 2022 and acquired 100% equity interests of Amertek.

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

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

E. Significant restrictions: None.

F. Subsidiaries that have non-controlling interests that are material to the Group:

As of December 31, 2022 and 2021, the non-controlling interest amounted to \$2,117,185 and \$1,776,966, respectively. The information of non-controlling interest and respective subsidiaries is as follows:

		Non-controlling interest			
		December 31, 2022		December 31, 2021	
Name of subsidiary	Principal place of business	Amount	Ownership (%)	Amount	Ownership (%)
3CEMS	Mainland China	<u>\$ 1,616,356</u>	42%	<u>\$ 1,469,745</u>	42%

Summarised financial information of the subsidiaries:

Balance sheets

	3CEMS	
	December 31, 2022	December 31, 2021
Current assets	\$ 5,505,296	\$ 4,671,056
Non-current assets	1,123,988	1,074,601
Current liabilities	(2,218,213)	(2,072,162)
Non-current liabilities	(538,078)	(151,799)
Total net assets	<u>\$ 3,872,993</u>	<u>\$ 3,521,696</u>

Statements of comprehensive income

	3CEMS	
	Year ended December 31	
	2022	2021
Revenue	<u>\$ 8,932,538</u>	<u>\$ 7,388,993</u>
Profit before income tax	434,448	226,941
Income tax (expense) benefit	(18,952)	24,309
Profit for the year	415,496	251,250
Other comprehensive loss, net of tax	(64,199)	(10,071)
Total comprehensive income for the year	<u>\$ 351,297</u>	<u>\$ 241,179</u>
Comprehensive income attributable to non-controlling interest	<u>\$ 146,610</u>	<u>\$ 100,654</u>

Statements of cash flows

	3CEMS	
	Year ended December 31	
	2022	2021
Net cash (used in) provided by operating activities	(\$ 272,476)	\$ 25,472
Net cash used in investing activities	(201,833)	(10,131)
Net cash provided by (used in) financing activities	290,299	(114,940)
Effect due to change in exchange rates	(68,010)	(11,883)
Decrease in cash and cash equivalents	(252,020)	(111,482)
Cash and cash equivalents, beginning of year	610,917	722,399
Cash and cash equivalents, end of year	<u>\$ 358,897</u>	<u>\$ 610,917</u>

(4) Foreign currency translation

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in NTD, which is the Company's functional and the Group's presentation currency.

A. Foreign currency transactions and balances

- (a) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are 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 group entities, associates and joint arrangements that have a functional currency different from the presentation currency are translated into the presentation currency as follows:
 - i. Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet;
 - ii. Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and
 - iii. All resulting exchange differences are 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 Group 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 Group retains partial interest in the former foreign subsidiary after losing control of the former foreign subsidiary, such transactions should be accounted for as disposal of all interest in the foreign operation.

(5) Classification of current and non-current items

- A. Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:
 - (a) Assets arising from operating activities that are expected to be 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.

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

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

- A. Financial assets at fair value through other comprehensive income comprise equity securities which are not held for trading, and for which the Group has made an irrevocable election at initial recognition to recognise changes in fair value in other comprehensive income and debt instruments which meet all of the following criteria:
 - (a) The objective of the Group's business model is achieved both by collecting contractual cash flows and selling financial assets; and
 - (b) The assets' contractual cash flows represent solely payments of principal and interest.
- B. On a regular way purchase or sale basis, financial assets at fair value through other comprehensive income are recognised and derecognised using trade date accounting.
- C. At initial recognition, the Group measures the financial assets at fair value plus transaction costs. The Group subsequently measures the financial assets at fair value:

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

(8) Financial assets at amortised cost

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

(9) Accounts and notes receivable

- A. Accounts and notes receivable entitle the Group a legal right to receive consideration in exchange

for transferred goods or rendered services.

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

(10) Impairment of financial assets

For financial assets at amortised cost including accounts receivable that have a significant financing component, at each reporting date, the Group 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 Group recognises the impairment provision for lifetime ECLs.

(11) Derecognition of financial assets

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

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

(12) Leasing arrangements (lessor) - operating leases

- A. Based on the terms of a lease contract, a lease is classified as a finance lease if the lessee assumes substantially all the risks and rewards incidental to ownership of the leased asset.
 - (a) At commencement of the lease term, the lessor should record a finance lease in the balance sheet as 'lease receivables' at an amount equal to the gross investment in the lease (including initial direct costs). The difference between gross lease receivable and the present value of the receivable is recognised as 'unearned finance income of finance lease'.
 - (b) The lessor should allocate finance income over the lease term based on a systematic and rational basis reflecting a constant periodic rate of return on the lessor's net investment in the finance lease.
 - (c) Lease payments (excluding costs for services) during the lease term are applied against the gross investment in the lease to reduce both the principal and the unearned finance income.
- B. Lease income from an operating lease (net of any incentives given to the lessee) is recognised in profit or loss on a straight-line basis over the lease term.

(13) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted-average method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads (allocated based on normal

operating capacity). It excludes borrowing costs. The item by item approach is used in applying the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

(14) Non-current assets held for sale

Non-current assets are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction rather than through continuing use, and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell.

(15) Investments accounted for using equity method / associates

- A. Associates are all entities over which the Group has significant influence but not control. In general, it is presumed that the investor has significant influence, if an investor holds, directly or indirectly 20 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.
- B. The Group'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 Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.
- C. When changes in an associate's equity do not arise from profit or loss or other comprehensive income of the associate and such changes do not affect the Group's ownership percentage of the associate, the Group recognises change in ownership interests in the associate in 'capital surplus' in proportion to its ownership.
- D. Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group'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 Group.
- E. In the case that an associate issues new shares and the Group does not subscribe or acquire new shares proportionately, which results in a change in the Group's ownership percentage of the associate but maintains significant influence on the associate, then 'capital surplus' and 'investments accounted for under the equity method' shall be adjusted for the increase or decrease of its share of equity interest. If the above condition causes a decrease in the Group's ownership percentage of the associate, in addition to the above adjustment, the amounts previously 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.
- F. When the Group 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.

- G. When the Group 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.

(16) 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:

Buildings and structures

- | | |
|-------------------------------|---------------|
| - Main buildings of the plant | 48 ~ 50 years |
| - Air conditioning system | 5 ~ 10 years |
| - Sewage treatment system | 5 ~ 10 years |

Machinery and equipment

3 ~ 10 years

Transportation equipment

2 ~ 10 years

Office equipment

2 ~ 10 years

Leasehold improvements

2 ~ 3 years

Other equipment

3 ~ 6 years

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

- A. Leases are recognised as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Group. For short-term leases or leases of low-

value assets, lease payments are recognised as an expense on a straight-line basis over the lease term.

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

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

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

- (a) The amount of the initial measurement of lease liability;
- (b) Any lease payments made at or before the commencement date;
- (c) Any initial direct costs incurred by the lessee.

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

(18) Investment property

An investment property is stated initially at its cost and measured subsequently using the cost model. Except for land, investment property is depreciated on a straight-line basis over its estimated useful life of 48 ~ 50 years.

(19) Intangible assets

Computer software is stated at cost and amortised on a straight-line basis over its estimated useful life of 3 to 8 years.

(20) Impairment of non-financial assets

The Group assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is 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.

(21) 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.

(22) Notes and accounts payable

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

(23) Convertible bonds payable

Convertible bonds issued by the Group contain conversion options (that is, the bondholders have the right to convert the bonds into the Group's common shares by exchanging a fixed amount of cash for a fixed number of common shares), call options and put options. The Group 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 net 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'.

(24) Derecognition of financial liabilities

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

(25) Offsetting financial instruments

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

(26) Provisions

Provisions (including warranties) are recognised when the Group has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be reliably estimated. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation on the balance sheet date, which is discounted using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to passage of time is recognised as interest expense. Provisions are not recognised for future operating losses.

(27) 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

(a) 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.

(b) Defined benefit plans

- i. Net obligation under a defined benefit plan is defined as the present value of an amount of pension benefits that employees will receive on retirement for their services with the Group in current period or prior periods. The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The net defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The rate used to discount is determined by using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability; when there is no deep market in high-quality corporate bonds, the Group uses interest rates of government bonds (at the balance sheet date) instead.
- ii. Remeasurements arising on defined benefit plans are recognised in other comprehensive income in the period in which they arise and are recorded as retained

earnings.

iii. Past service costs are recognised immediately in profit or loss.

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 Group calculates the number of shares based on the closing price at the previous day of the board meeting resolution.

(28) Employee share-based payment

For the equity-settled share-based payment arrangements, the employee services received are measured at the fair value of the equity instruments granted at the grant date, and are recognised as compensation cost over the vesting period, with a corresponding adjustment to equity. The fair value of the equity instruments granted shall reflect the impact of market vesting conditions and non-vesting conditions. Compensation cost is subject to adjustment based on the service conditions that are expected to be satisfied and the estimates of the number of equity instruments that are expected to vest under the non-market vesting conditions at each balance sheet date. Ultimately, the amount of compensation cost recognised is based on the number of equity instruments that eventually vest.

(29) 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 and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders resolve to retain the earnings.
- C. Deferred tax is 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 consolidated balance sheet. However, the deferred tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled

by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is 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.

(30) 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.

(31) Revenue recognition

A. Sales revenue and electronics manufacturing services revenue

- (a) The Group manufactures and sells automobile products, monitoring products and industrial computer; and engages in electronics manufacturing services for computers and servers. Sales are recognised when control of the products has transferred, being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, or the Group has objective evidence that all criteria for acceptance have been satisfied.
- (b) A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

B. Service revenue

- (a) The Group provides technology development services. Revenue from providing services is recognised in the accounting period in which the services are rendered. For fixed-price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided. This is determined based

on the actual costs incurred relative to the total expected costs. The customer pays at the time specified in the payment schedule. If the services rendered exceed the payment, a contract asset is recognised. If the payments exceed the services rendered, a contract liability is recognised.

- (b) The Group's estimate about revenue, costs and progress towards complete satisfaction of a performance obligation is subject to a revision whenever there is a change in circumstances. Any increase or decrease in revenue or costs due to an estimate revision is reflected in profit or loss during the period when the management become aware of the changes in circumstances.
- (c) Revenue from a consulting service contract in which the Group bills a fixed amount for service provided is recognised at the amount to which the Group has the right to invoice.

C. Rental revenue

Refer to Note 4(12) for accounting policies of rental revenue.

(32) Government grants

Government grants are recognised at their fair value only when there is reasonable assurance that the Group will comply with any conditions attached to the grants and the grants will be received. Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises expenses for the related costs for which the grants are intended to compensate. Government grants related to property, plant and equipment are recognised as non-current liabilities and are amortised to profit or loss over the estimated useful lives of the related assets using the straight-line method.

(33) Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Group's chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions.

5. Critical Accounting Judgements, Estimates and Key Sources of Assumption Uncertainty

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

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

None.

(2) Critical accounting estimates and assumptions

Evaluation of inventories

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

As of December 31, 2022, the carrying amount of inventories was \$3,250,615.

6. Details of Significant Accounts

(1) Cash and cash equivalents

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Cash on hand and petty cash	\$ 1,644	\$ 1,202
Checking accounts and demand deposits	978,323	1,152,116
Time deposits	<u>367,906</u>	<u>-</u>
	<u>\$ 1,347,873</u>	<u>\$ 1,153,318</u>

- A. The Group 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 Group classified cash and cash equivalents that was pledged to others as current financial assets at amortised cost. Refer to Note 8.

(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>
Current items:		
Financial assets mandatorily measured at fair value through profit or loss		
Listed stocks	\$ 3,364	\$ 19,044
Derivative instruments		
- Call/put options of convertible bonds	<u>1,129</u>	<u>1,887</u>
	<u>\$ 4,493</u>	<u>\$ 20,931</u>

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

	Year ended December 31	
	2022	2021
Financial assets and liabilities mandatorily measured at fair value through profit or loss		
Equity instruments	(\$ 752)	\$ 6,745
Derivative instruments	(95)	(4,682)
	<u>(\$ 847)</u>	<u>\$ 2,063</u>

(3) Financial assets at amortised cost

Items	December 31, 2022	December 31, 2021
Current items:		
Time deposits with original maturity over three months	\$ 16,124	\$ 17,106
Restricted bank deposits	<u>90,386</u>	<u>81,763</u>
	<u>\$ 106,510</u>	<u>\$ 98,869</u>

A. Amounts recognised in profit or loss in relation to financial assets at amortised cost are listed below:

	Year ended December 31	
	2022	2021
Interest income	<u>\$ 2,043</u>	<u>\$ 23,057</u>

B. As at December 31, 2022 and 2021, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at amortised cost held by the Group was \$106,510 and \$98,869, respectively.

C. Details of the Group's financial assets at amortised cost pledged to others as collateral are provided in Note 8.

(4) Notes and accounts receivable

	December 31, 2022	December 31, 2021
Notes receivable	\$ 91,864	\$ 84,619
Less: Allowance for uncollectible accounts	<u>(2,277)</u>	<u>(2,277)</u>
	<u>\$ 89,587</u>	<u>\$ 82,342</u>
Accounts receivable	\$ 2,883,615	\$ 2,465,418
Less: Allowance for uncollectible accounts	<u>(79,149)</u>	<u>(38,377)</u>
	<u>\$ 2,804,466</u>	<u>\$ 2,427,041</u>

- A. The ageing analysis of notes and accounts receivable (including related parties) that were past due but not impaired is as follows:

	December 31, 2022		December 31, 2021	
	Accounts receivable	Notes receivable	Accounts receivable	Notes receivable
Not past due	\$ 2,299,804	\$ 91,864	\$ 2,003,976	\$ 84,619
Up to 30 days	517,719	-	402,815	-
31 to 90 days	36,399	-	60,517	-
91 to 180 days	25,111	-	8,078	-
Over 180 days	17,364	-	15,061	-
	<u>\$ 2,896,397</u>	<u>\$ 91,864</u>	<u>\$ 2,490,447</u>	<u>\$ 84,619</u>

The above ageing analysis was based on past due date.

- B. As of December 31, 2022 and 2021, accounts receivable and notes receivable were all from contracts with customers. As of January 1, 2021, the balance of receivables from contracts with customers and allowance for uncollectible accounts amounted to \$2,053,491 and \$63,545, respectively.
- C. As at December 31, 2022 and 2021, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the Group's notes and accounts receivable (including related parties) was \$2,906,835 and \$2,534,412, respectively.
- D. The Group does not hold financial assets as security for accounts receivable.
- E. As of December 31, 2022, the Group had outstanding discounted notes receivable amounting to \$54,129. The Group has payment obligation when the drawers of the notes refuse to pay for the notes at maturity. However, in general, the Group does not expect that the drawers of the notes would refuse to pay for the notes at maturity. The liabilities arising on discounted notes receivable were presented as other payables.

- F. Information relating to credit risk of notes and accounts receivable is provided in Note 12(2).

(5) Other receivables

<u>Other receivables</u>	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Interest receivable	\$ 819	\$ 109
Tax refund receivable	27,842	22,255
Receivables for payments on behalf of others	17,653	14,637
Others	19,106	16,299
	<u>\$ 65,420</u>	<u>\$ 53,300</u>

(6) Inventories

December 31, 2022			
	Cost	Allowance for valuation loss	Book value
Raw materials	\$ 2,617,768	(\$ 332,872)	\$ 2,284,896
Work in progress	364,812	(27,400)	337,412
Finished goods	626,678	(9,188)	617,490
Inventory in transit	10,817	-	10,817
	<u>\$ 3,620,075</u>	<u>(\$ 369,460)</u>	<u>\$ 3,250,615</u>
December 31, 2021			
	Cost	Allowance for valuation loss	Book value
Raw materials	\$ 2,390,429	(\$ 204,651)	\$ 2,185,778
Work in progress	311,187	(44,889)	266,298
Finished goods	480,102	(12,713)	467,389
Inventory in transit	32,172	-	32,172
	<u>\$ 3,213,890</u>	<u>(\$ 262,253)</u>	<u>\$ 2,951,637</u>

Operating costs that the Group recognised for the year:

	Year ended December 31	
	2022	2021
The cost of inventories recognised as expense for the year		
Cost of goods sold	\$ 10,607,921	\$ 8,716,277
Loss on decline in market value	104,349	40,198
Cost of goods	10,712,270	8,756,475
Cost of rental sales	69,630	68,940
Total operating costs	<u>\$ 10,781,900</u>	<u>\$ 8,825,415</u>

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

	December 31, 2022	December 31, 2021
Non-current items:		
Equity instruments		
Unlisted stocks	<u>\$ 21,251</u>	<u>\$ 19,372</u>

A. The Group has elected to classify equity instruments investments that are considered to be strategic investment as financial assets at fair value through other comprehensive income. The fair value of such investments amounted to \$21,251 and \$19,372 as at December 31, 2022 and 2021, respectively.

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

	Year ended December 31	
	2022	2021
<u>Equity instruments at fair value through other comprehensive income</u>		
Fair value change recognised in other comprehensive income	\$ 1,879	\$ 1,080
Dividend income recognised in profit or loss		
Held at the end of the year	\$ 988	\$ 529

(8) Investments accounted for using equity method / associates

- A. Details are as follows:

	December 31, 2022	December 31, 2021
LEO Systems, Inc.	\$ 84,163	\$ 77,703
Formosa21 Inc.	21,055	20,699
Amerwave Technology (Shenzhen) Co., Ltd.	85,924	79,851
China Applied Technology Co., Ltd.	-	-
Prihot Electronic (M) SDN. BHD.	-	1,755
City Smarter Technologies Corporation	645	582
Geointelligence Systems, Inc.	626	596
Web Information Technology Inc.	-	-
Venture Gain Developments Ltd.	-	-
FIC do Brasil Ltda.	-	-
Lambert Newmedia, Inc.	-	-
Witology Technology Company Limited	8,164	-
	<u>\$ 200,577</u>	<u>\$ 181,186</u>

B. The basic information of the Group's associates is as follows:

	Shareholding ratio	
	December 31, 2022	December 31, 2021
LEO Systems, Inc.	6%	6%
Formosa21 Inc.	29%	29%
Amerwave Technology (Shenzhen) Co., Ltd.	39%	39%
China Applied Technology Co., Ltd.	-	-
Prihot Electronic (M) SDN. BHD.	-	25%
City Smarter Technologies Corporation	19%	19%
Geointelligence Systems, Inc.	1%	1%
Web Information Technology Inc.	42%	42%
Venture Gain Developments Ltd.	20%	20%
FIC do Brasil Ltda.	45%	45%
Lambert Newmedia, Inc.	24%	24%
Witology Technology Company Limited	25%	-

Investment profit or loss that the Group recognised are listed below:

	Year ended December 31	
	2022	2021
LEO Systems, Inc.	\$ 16,750	\$ 11,146
Formosa21 Inc.	356 (	266)
Amerwave Technology (Shenzhen) Co., Ltd.	4,908 (	502)
China Applied Technology Co., Ltd.	-	964
Prihot Electronic (M) SDN. BHD.	(1,024)	700
City Smarter Technologies Corporation	64	87
Geointelligence Systems, Inc.	109	91
Web Information Technology Inc.	-	-
Venture Gain Developments Ltd.	-	-
FIC do Brasil Ltda.	-	-
Lambert Newmedia, Inc.	-	-
Witology Technology Company Limited	(1,836)	-
	<u>\$ 19,327</u>	<u>\$ 12,220</u>

- (a) As the Group has significant influence over LEO Systems, Inc., Formosa21 Inc. and City Smarter Technologies Corporation, these associates are accounted for under equity method although its shareholding ratios in these associates are less than 20%.
- (b) The Group participated in the capital increase of Prihot Electronic (M) SDN. BHD. in February 2021. The investment amount was \$1,150. In addition, the company was liquidated as resolved by the Board of Directors in September 2022, and then the Group discontinued using the equity method.

- (c) The Group acquired 9% of shares of Amerwave Technology (Shenzhen) Co., Ltd. for a consideration of \$17,498 in July 2021. As a result, the shareholding ratio increased to 39%.
- (d) The Group sold part of the shares that it held in China Applied Technology Co., Ltd. in August 2021. In addition, the associate increased its capital in August 2021. The Group did not acquire shares proportionally to its interest. As a result, the shareholding ratio decreased to 17%.
- (e) The Group acquired a 25% equity interest in Witology Technology Company Limited for a consideration of \$10,000 in August 2022.
- C. The carrying amount of the Group's interests in all individually immaterial associates and the Group's share of the operating results are summarised below:

As of December 31, 2022 and 2021, the carrying amount of the Group's individually immaterial associates amounted to \$200,577 and \$181,186, respectively.

	Year ended December 31	
	2022	2021
Profit for the year	\$ 19,327	\$ 12,220
Other comprehensive income, net of tax	450	2,564
Total comprehensive income for the year	<u>\$ 19,777</u>	<u>\$ 14,784</u>

The abovementioned share of profit or loss and other comprehensive income of associates accounted for under equity method was recognised based on each associate's financial statements of the same period that were audited by auditors, except for Web Information Technology Inc., Venture Gain Developments Ltd., FIC do Brasil Ltda., Lambert Newmedia, Inc., China Applied Technology Co., Ltd., Prihot Electronic(M) SDN. BHD. and City Smarter Technologies Corporation for the years ended December 31, 2022 and 2021. The management believed there will be no significant influence although the abovementioned financial statements of the investees were not audited by auditors.

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

	December 31, 2022	December 31, 2021
LEO Systems, Inc.	<u>\$ 168,990</u>	<u>\$ 131,523</u>

(9) Property, plant and equipment

2022

	Buildings and structures	Machinery and equipment	Transportation equipment	Office equipment	Leasehold improvements	Other equipment	Unfinished construction and equipment under acceptance	Total
January 1, 2022								
Cost	\$ 264,540	\$ 1,443,147	\$ 7,088	\$ 121,211	\$ 1,472	\$ 261,802	\$ 20,770	\$ 2,120,030
Accumulated depreciation and impairment	(226,341)	(952,803)	(4,667)	(85,364)	(463)	(247,283)	-	(1,516,921)
	<u>\$ 38,199</u>	<u>\$ 490,344</u>	<u>\$ 2,421</u>	<u>\$ 35,847</u>	<u>\$ 1,009</u>	<u>\$ 14,519</u>	<u>\$ 20,770</u>	<u>\$ 603,109</u>
January 1, 2022	\$ 38,199	\$ 490,344	\$ 2,421	\$ 35,847	\$ 1,009	\$ 14,519	\$ 20,770	\$ 603,109
Additions	-	72,208	-	10,567	15,795	12,575	108,002	219,147
Disposals	-	(5,270)	-	(200)	(1,681)	(200)	-	(7,351)
Effect due to disposal of subsidiaries	-	-	-	(14)	-	-	-	(14)
Reclassifications	(17,758)	69,099	-	2,386	17,758	4,512	(100,622)	(24,625)
Depreciation	(197)	(225,110)	(540)	(13,882)	(13,162)	(14,869)	-	(267,760)
Net exchange differences	605	6,753	34	397	(42)	193	289	8,229
December 31, 2022	<u>\$ 20,849</u>	<u>\$ 408,024</u>	<u>\$ 1,915</u>	<u>\$ 35,101</u>	<u>\$ 19,677</u>	<u>\$ 16,730</u>	<u>\$ 28,439</u>	<u>\$ 530,735</u>
December 31, 2022								
Cost	\$ 208,481	\$ 1,528,455	\$ 7,135	\$ 134,076	\$ 75,514	\$ 280,316	\$ 28,439	\$ 2,262,416
Accumulated depreciation and impairment	(187,632)	(1,120,431)	(5,220)	(98,975)	(55,837)	(263,586)	-	(1,731,681)
	<u>\$ 20,849</u>	<u>\$ 408,024</u>	<u>\$ 1,915</u>	<u>\$ 35,101</u>	<u>\$ 19,677</u>	<u>\$ 16,730</u>	<u>\$ 28,439</u>	<u>\$ 530,735</u>

2021

	Buildings and structures	Machinery and equipment	Transportation equipment	Office equipment	Leasehold improvements	Other equipment	Unfinished construction and equipment under acceptance	Total
January 1, 2021								
Cost	\$ 258,767	\$ 1,279,789	\$ 6,755	\$ 112,532	\$ -	\$ 240,397	\$ 44,850	\$ 1,943,090
Accumulated depreciation and impairment	(217,675)	(770,419)	(4,151)	(82,765)	-	(232,219)	-	(1,307,229)
	<u>\$ 41,092</u>	<u>\$ 509,370</u>	<u>\$ 2,604</u>	<u>\$ 29,767</u>	<u>\$ -</u>	<u>\$ 8,178</u>	<u>\$ 44,850</u>	<u>\$ 635,861</u>
January 1, 2021	\$ 41,092	\$ 509,370	\$ 2,604	\$ 29,767	\$ -	\$ 8,178	\$ 44,850	\$ 635,861
Additions	7,715	66,569	-	14,870	1,472	16,016	99,685	206,327
Disposals	-	(2,236)	(3)	(454)	-	(21)	-	(2,714)
Reclassifications	-	111,953	530	4,201	-	1,822	(123,394)	(4,888)
Depreciation	(10,293)	(191,648)	(691)	(12,339)	(463)	(11,423)	-	(226,857)
Net exchange differences	(315)	(3,664)	(19)	(198)	-	(53)	(371)	(4,620)
December 31, 2021	<u>\$ 38,199</u>	<u>\$ 490,344</u>	<u>\$ 2,421</u>	<u>\$ 35,847</u>	<u>\$ 1,009</u>	<u>\$ 14,519</u>	<u>\$ 20,770</u>	<u>\$ 603,109</u>
December 31, 2021								
Cost	\$ 264,540	\$ 1,443,147	\$ 7,088	\$ 121,211	\$ 1,472	\$ 261,802	\$ 20,770	\$ 2,120,030
Accumulated depreciation and impairment	(226,341)	(952,803)	(4,667)	(85,364)	(463)	(247,283)	-	(1,516,921)
	<u>\$ 38,199</u>	<u>\$ 490,344</u>	<u>\$ 2,421</u>	<u>\$ 35,847</u>	<u>\$ 1,009</u>	<u>\$ 14,519</u>	<u>\$ 20,770</u>	<u>\$ 603,109</u>

- A. The Group has no interest capitalised as part of property, plant and equipment.
- B. Property, plant and equipment of the Group are all assets for its own use.
- C. Information about the property, plant and equipment that were pledged to others as collateral is provided in Note 8.

(10) Leasing arrangements - lessee

Right-of-use assets

- A. The Group leases various assets including land, buildings and structures and transportation equipment. Rental contract of land use right is made for period of 50 years and the remaining assets are 2 to 5 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants.
- B. Short-term leases with a lease term of 12 months or less comprise warehouse and equipment.
- C. The carrying amount of right-of-use assets and the depreciation charge are as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
	<u>Carrying amount</u>	<u>Carrying amount</u>
Land	\$ 12,192	\$ 12,473
Buildings and structures	399,447	358,976
Others	740	1,350
	<u>\$ 412,379</u>	<u>\$ 372,799</u>
	<u>Year ended December 31</u>	
	<u>2022</u>	<u>2021</u>
	<u>Depreciation charge</u>	<u>Depreciation charge</u>
Land	\$ 466	\$ 457
Buildings and structures	224,130	162,808
Others	610	671
	<u>\$ 225,206</u>	<u>\$ 163,936</u>

- D. For the years ended December 31, 2022 and 2021, the additions to right-of-use assets were \$261,343 and \$147,038, respectively.
- E. Except for depreciation, the remaining information on profit or loss in relation to lease contracts is as follows:

	<u>Year ended December 31</u>	
	<u>2022</u>	<u>2021</u>
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 14,273	\$ 12,886
Expense on short-term lease contracts	93,751	80,292
Gain on lease modifications	-	205
Gain from subleasing right-of-use assets	2,971	19,778

- F. For the years ended December 31, 2022 and 2021, the Group's total cash outflow for leases were \$340,405 and \$251,574, respectively.

Lease liabilities

<u>Carrying amount of the lease liabilities</u>	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Current	\$ 229,192	\$ 171,344
Non-current	\$ 231,461	\$ 256,986

- G. Information about the land use right that were pledged to others as collateral is provided in Note 8.

(11) Leasing arrangements – lessor

- A. The Group leases various assets including land, buildings and land use right. Rental contracts are typically made for periods of 1 and 12 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.
- B. The Group leases land and buildings under a finance lease. Based on the terms of the lease contract, the lease period covers the main part of the leased assets' economic life. Information on profit or loss in relation to lease contracts is as follows:

	<u>Year ended December 31</u>	
	<u>2022</u>	<u>2021</u>
Finance income from the net investment in the finance lease	\$ 2,971	\$ -

- C. The maturity analysis of the undiscounted lease payments in the finance lease is as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Less than 1 year	\$ 15,630	\$ 14,082
Between 1 and 5 years	44,933	60,563
	<u>\$ 60,563</u>	<u>\$ 74,645</u>

- D. Reconciliation of the undiscounted lease payments and the net investment in the finance lease is provided as follows:

	<u>December 31, 2022</u>	
	<u>Current</u>	<u>Non-current</u>
Undiscounted lease payments	\$ 15,630	\$ 44,933
Unearned finance income	(352)	(5,112)
Net investment in the lease	<u>\$ 15,278</u>	<u>\$ 39,821</u>

	December 31, 2021	
	Current	Non-current
Undiscounted lease payments	\$ 14,082	\$ 60,563
Unearned finance income	(146)	(4,247)
Net investment in the lease	<u>\$ 13,936</u>	<u>\$ 56,316</u>

E. Gain arising from operating lease agreements for the years ended December 31, 2022 and 2021 are as follows:

	Year ended December 31	
	2022	2021
Operating revenue - rent revenue	\$ 142,421	\$ 132,729
Non-operating income - other income	17,171	33,284
	<u>\$ 159,592</u>	<u>\$ 166,013</u>

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

	December 31, 2022	December 31, 2021
Less than 1 year	\$ 100,783	\$ 122,101
Between 1 and 5 years	29,463	47,579
Over 5 years	1,297	2,699
	<u>\$ 131,543</u>	<u>\$ 172,379</u>

(12) Investment property

	2022			
	Land	Land use right	Buildings and structures	Total
January 1, 2022				
Cost	\$ 19,772	\$ 151,126	\$ 1,589,100	\$ 1,759,998
Accumulated depreciation	-	(48,237)	(760,887)	(809,124)
	<u>\$ 19,772</u>	<u>\$ 102,889</u>	<u>\$ 828,213</u>	<u>\$ 950,874</u>
January 1, 2022	\$ 19,772	\$ 102,889	\$ 828,213	\$ 950,874
Depreciation charge	-	(3,302)	(24,231)	(27,533)
Net exchange differences	-	1,523	11,811	13,334
December 31, 2022	<u>\$ 19,772</u>	<u>\$ 101,110</u>	<u>\$ 815,793</u>	<u>\$ 936,675</u>
December 31, 2022				
Cost	\$ 19,772	\$ 160,174	\$ 1,611,434	\$ 1,791,380
Accumulated depreciation	-	(59,064)	(795,641)	(854,705)
	<u>\$ 19,772</u>	<u>\$ 101,110</u>	<u>\$ 815,793</u>	<u>\$ 936,675</u>

2021				
	Land	Land use right	Buildings and structures	Total
January 1, 2021				
Cost	\$ 19,772	\$ 152,276	\$ 1,607,165	\$ 1,779,213
Accumulated depreciation	-	(45,333)	(747,951)	(793,284)
	<u>\$ 19,772</u>	<u>\$ 106,943</u>	<u>\$ 859,214</u>	<u>\$ 985,929</u>
January 1, 2021	\$ 19,772	\$ 106,943	\$ 859,214	\$ 985,929
Reclassifications	-	-	(913)	(913)
Depreciation charge	-	(3,242)	(23,817)	(27,059)
Net exchange differences	-	(812)	(6,271)	(7,083)
December 31, 2021	<u>\$ 19,772</u>	<u>\$ 102,889</u>	<u>\$ 828,213</u>	<u>\$ 950,874</u>
December 31, 2021				
Cost	\$ 19,772	\$ 151,126	\$ 1,589,100	\$ 1,759,998
Accumulated depreciation	-	(48,237)	(760,887)	(809,124)
	<u>\$ 19,772</u>	<u>\$ 102,889</u>	<u>\$ 828,213</u>	<u>\$ 950,874</u>

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

	Year ended December 31	
	2022	2021
Rental income from investment property	<u>\$ 145,883</u>	<u>\$ 135,873</u>
Direct operating expenses arising from the investment property that generated rental income during the year	<u>\$ 71,046</u>	<u>\$ 70,355</u>
Direct operating expenses arising from the investment property that did not generate rental income during the year	<u>\$ 22,600</u>	<u>\$ 17,522</u>

B. The fair value of the investment property and the land use right attributable to it held by the Group as at December 31, 2022 and 2021 was \$3,331,291 and \$3,080,664, respectively, which was valued by independent valuers and referred to market evidence on transaction price of similar property.

C. Information about the investment property that was pledged to others as collateral is provided in Note 8.

(13) Non-current assets held for sale

In December 2022, the Group was approved to sell machinery and equipment, which were reclassified as non-current assets held for sale. They were stated at the lower of its carrying amount and fair value less costs to sell. The transaction is expected to be completed within the next 1 year. The amount of non-current assets held for sale was \$20,336 as of December 31, 2022. Assets held for sale:

	<u>December 31, 2022</u>
Property, plant and equipment	\$ <u>20,336</u>

(14) Short-term borrowings

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Secured bank borrowings	\$ 129,878	\$ 99,283
Unsecured bank borrowings	<u>60,013</u>	<u>100</u>
	\$ <u>189,891</u>	\$ <u>99,383</u>
Interest rate range	1.49%~5.85%	0.95%~1.78%

Refer to Notes 8 and 9 for details of collateral and commitments that the Group provided for short-term borrowings.

(15) Other payables

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Wages, salaries and bonuses payable	\$ 286,422	\$ 278,797
Compensation due to directors and employees	17,424	5,141
Business tax payable	30,357	21,129
Freight payable	17,149	14,263
Payable on machinery and equipment	19,642	20,719
Payable on shares	14,660	14,694
Insurance expense payable	9,000	5,533
Material processing fees payable	13,929	12,294
Others	<u>149,308</u>	<u>129,402</u>
	\$ <u>557,891</u>	\$ <u>501,972</u>

(16) 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 or exercise of put options	(210,726)	-
	<u>\$ -</u>	<u>\$ 285,734</u>

A. FICG 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 Group except for those which had been repurchased in advance and repurchased and retired through a securities firm by FICG or the bondholders had exercised conversion of options and put options.

(d) Conversion period:

The bondholders have the right to ask FICG for conversion of the convertible bonds into common shares of FICG 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 FICG 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 FICG’s common shares on the Taiwan Stock Exchange for one business day, three business days and five business days before the effective date set by FICG. 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 FICG 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:

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

- i. The closing price of FICG 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. FICG 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 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%.

(17) Long-term borrowings

Type of borrowings	Borrowing period and repayment term	Interest rate	Collateral	December 31, 2022
Borrowings from non-financial institutions				
Secured borrowings	Borrowing period is from March 8, 2022 to March 8, 2025, interest is payable quarterly, the principal is payable in 12 installments starting from June 8, 2022	6.835%	Guarantee deposits paid	\$ 70,203
Less: Current portion				(31,692)
				<u>\$ 38,511</u>

(18) Pensions

- A. (a) The Company and its domestic subsidiaries have a defined benefit pension plan in accordance with the Labor Standards Act, covering all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Law. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45

units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company and its domestic subsidiaries contribute monthly an amount equal to 2%~10% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. Also, the Company and its domestic subsidiaries would assess the balance in the aforementioned labor pension reserve account by the end of December 31, every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method to the employees expected to qualify for retirement in the following year, the Company and its domestic subsidiaries will make contributions for the deficit by next March.

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

	December 31, 2022	December 31, 2021
Present value of defined benefit obligations	(\$ 88,132)	(\$ 96,477)
Fair value of plan assets	87,684	82,895
Net defined benefit liability	(\$ 448)	(\$ 13,582)

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

	2022		
	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
At January 1	(\$ 96,476)	\$ 82,895	(\$ 13,581)
Current service cost	(343)	-	(343)
Interest (expense) income	(581)	496	(85)
	(97,400)	83,391	(14,009)
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	6,370	6,370
Change in financial assumptions	7,116	-	7,116
Experience adjustments	(2,382)	-	(2,382)
	4,734	6,370	11,104
Pension fund contribution	-	2,457	2,457
Paid pension	4,534	(4,534)	-
At December 31	(\$ 88,132)	\$ 87,684	(\$ 448)

	2021		
	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
At January 1	(\$ 103,425)	\$ 85,121	(\$ 18,304)
Current service cost	(281)	-	(281)
Interest (expense) income	(507)	404	(103)
	(103,425)	85,121	(18,304)
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	1,031	1,031
Change in demographic assumptions	(2,615)	-	(2,615)
Change in financial assumptions	951	-	951
Experience adjustments	2,708	-	2,708
	1,044	1,031	2,075
Pension fund contribution	-	3,031	3,031
Paid pension	6,692	(6,692)	-
At December 31	(\$ 96,477)	\$ 82,895	(\$ 13,582)

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

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

	Year ended December 31	
	2022	2021
Discount rate	1.125%~1.5%	0.5%~0.75%
Future salary increases	2.0%~2.5%	2.0%~2.5%

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

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

	Discount rate		Future salary increases	
	Increase 0.25%	Decrease 0.25%	Increase 0.25%	Decrease 0.25%
December 31, 2022				
Effect on present value of defined benefit obligation	\$ 2,136	(\$ 2,212)	(\$ 2,517)	\$ 2,094
December 31, 2021				
Effect on present value of defined benefit obligation	\$ 2,510	(\$ 2,602)	(\$ 2,520)	\$ 2,443

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

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

(f) Expected contributions to the defined benefit pension plans of the Group for the year ending December 31, 2023 amount to \$622.

(g) As of December 31, 2022, the weighted average duration of the retirement plan is 6.23~11.9 years.

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

(b) The Company's mainland China subsidiaries have a defined contribution plan. Monthly contributions to an independent fund administered by the government in accordance with the pension regulations in the People's Republic of China (PRC) are based on certain percentage of employees' monthly salaries and wages. Other than the monthly contributions, the Group has no further obligations.

(c) The pension costs under the defined contribution pension plan of the Group for the years ended December 31, 2022 and 2021 were \$106,536 and \$70,790, respectively.

(19) Share-based payment

A. For the years ended December 31, 2022 and 2021, the Group's subsidiary, Ubiqconn Technology, Inc., share-based payment arrangements were as follows:

Type of arrangement	Grant date	Quantity granted (in thousands)	Vesting conditions
Cash capital increase reserved for employee preemption	2022.07.28	750	Vested immediately
Cash capital increase reserved for employee preemption	2021.12.23	1,150	Vested immediately

B. The fair value of stock options granted on grant date is measured using the Black-Scholes option-pricing model. Relevant information is as follows:

Type of arrangement	Grant date	Share price (in dollars)	Exercise price (in dollars)	Expected price volatility	Expected option life	Risk-free interest rate	Fair value per unit (in dollars)
Cash capital increase reserved for employee preemption	2022.07.28	20.57	20	27.94%	0.01 year	1.10%	0.619
Cash capital increase reserved for employee preemption	2021.12.23	18.62	18	17.15%	0.01 year	0.435%	0.624

Note: Expected price volatility rate was estimated by using the annualized implied volatility for comparable properties in thirty trade days before the grant date.

C. Expenses incurred on share-based payment transactions are shown below:

	Year ended December 31, 2022	Year ended December 31, 2021
Equity-settled	\$ 463	\$ 718

D. From 2011 to 2018, the Group's subsidiary made the equity-settled share-based payment arrangements, with the fair value of \$0 and \$3.82 (in dollars). The Group's subsidiaries amended the share-based payment plan by changing the original contract from equity-settled to cash payment in September 2021. The salary expenses recognised for the year ended December 31, 2021 amounted to \$18,673.

(20) 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
At January 1	210,931	190,345
Conversion of convertible bonds	4,241	20,586
At 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 converted the convertible bonds for the quarters ended September 30, 2022 totalling \$28,900 into 1,486 thousand shares of common stock. The registration was completed on November 9, 2022.

D. The Company converted the convertible bonds for the quarters ended March 31, 2022 and June 30, 2022 totalling \$52,600 into 2,704 thousand shares of common stock. The registration was completed on July 29, 2022.

E. The Company converted the first convertible bonds for the year ended December 31, 2021 totalling \$400,000 into 20,586 thousand shares of common stock. 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 elapsed 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.

(21) 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. However, capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.

	2022					
	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
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	1,710	-	-	-	1,710
Changes in equity of associates and joint ventures accounted for using equity method	-	-	8,311	-	-	8,311
Conversion of convertible bonds	40,452	-	-	-	(4,502)	35,950
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>

	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
Changes in equity of associates and joint ventures accounted for using equity method	-	-	(2,314)	-	-	(2,314)
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 equity of associates and joint ventures accounted for using equity method	-	-	-	(36)	-	(36)
Disposal of investment accounted for under equity method	-	-	-	(5,011)	-	(5,011)
Effect on investments accounted for using equity method not recognised proportionately to shareholding ratio	-	-	-	(22)	-	(22)
At December 31	<u>\$ 215,939</u>	<u>\$ 160,688</u>	<u>\$ -</u>	<u>\$ 620</u>	<u>\$ 16,349</u>	<u>\$ 393,596</u>

(22) Retained earnings

- A. Under FICG'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, FICG 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 FICG's paid-in capital.
- D. In accordance with the regulations, FICG 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	\$ -
Special reserve (reversal)	21,225	(32,716)
	<u>\$ 44,759</u>	<u>(\$ 32,716)</u>

F. The appropriations of 2022 earnings as submitted by the Board of Directors on March 29, 2023 are as follows:

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

The appropriations of 2022 earnings have not yet been resolved by the shareholders.

(23) Operating revenue

	Year ended December 31	
	2022	2021
Revenue from contracts with customers	\$ 12,306,014	\$ 9,907,262
Revenue from leasing real estate	142,421	132,729
	<u>\$ 12,448,435</u>	<u>\$ 10,039,991</u>

A. Disaggregation of revenue from contracts with customers

The Group derives revenue from the transfer of goods and services over time and at a point in time in the following major product lines:

Year ended December 31, 2022	Sales revenue	Service revenue	Total
Revenue from external customer contracts	<u>\$ 12,189,785</u>	<u>\$ 116,229</u>	<u>\$ 12,306,014</u>
Timing of revenue recognition			
At a point in time	\$ 12,189,785	\$ -	\$ 12,189,785
Over time	-	116,229	116,229
	<u>\$ 12,189,785</u>	<u>\$ 116,229</u>	<u>\$ 12,306,014</u>
Year ended December 31, 2021	Sales revenue	Service revenue	Total
Revenue from external customer contracts	<u>\$ 9,813,001</u>	<u>\$ 94,261</u>	<u>\$ 9,907,262</u>
Timing of revenue recognition			
At a point in time	\$ 9,813,001	\$ -	\$ 9,813,001
Over time	-	94,261	94,261
	<u>\$ 9,813,001</u>	<u>\$ 94,261</u>	<u>\$ 9,907,262</u>

B. Contract assets and liabilities

(a) The Group has recognised the following revenue-related contract assets and liabilities:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>	<u>January 1, 2021</u>
Contract assets:			
Contract assets –			
Service contract	<u>\$ 6,879</u>	<u>\$ 7,162</u>	<u>\$ 7,011</u>
Contract liabilities:			
Contract liabilities –			
Sales contract	\$ 239,564	\$ 170,969	\$ 79,743
Contract liabilities –			
Service contract	<u>16,381</u>	<u>16,464</u>	<u>4,825</u>
	<u>\$ 255,945</u>	<u>\$ 187,433</u>	<u>\$ 84,568</u>

(b) Revenue recognised that was included in the contract liability balance at the beginning of the year

	<u>Year ended December 31</u>	
	<u>2022</u>	<u>2021</u>
Revenue recognised that was included in the contract liability balance at the beginning of the year		
Sales contract	\$ 141,590	\$ 81,740
Service contract	<u>12,314</u>	<u>2,829</u>
	<u>\$ 153,904</u>	<u>\$ 84,569</u>

C. Revenue from leasing real estate for the years ended December 31, 2022 and 2021 are provided in Note 6(11).

(24) Interest income

	<u>Year ended December 31</u>	
	<u>2022</u>	<u>2021</u>
Interest income from bank deposits	\$ 11,013	\$ 25,528
Other interest income	3,338	-
Interest arising from loans to related parties	<u>-</u>	<u>2,801</u>
	<u>\$ 14,351</u>	<u>\$ 28,329</u>

(25) Other income

	Year ended December 31	
	2022	2021
Rental revenue	\$ 17,171	\$ 33,284
Dividend income	1,050	797
Gains on write-off of past due payable	16,577	12,809
Other income	47,733	33,431
	<u>\$ 82,531</u>	<u>\$ 80,321</u>

Rent income for the years ended December 31, 2022 and 2021 are provided in Note 6(11).

(26) Other gains and losses

	Year ended December 31	
	2022	2021
Losses on disposals of property, plant and equipment	(\$ 3,612)	(\$ 2,338)
Gains on disposal of investments (Note 1)	76,812	4,417
Gains from subleasing right-of-use assets	-	19,778
Gains on lease modification	-	205
Net currency exchange gains	107,204	31,488
Net (losses) gains on financial assets and liabilities at fair value through profit or loss	(847)	2,063
Impairment loss on intangible assets	-	(744)
Grant revenue (Note 2)	72,571	100,525
Other (losses) gains	(7,166)	4,879
	<u>\$ 244,962</u>	<u>\$ 160,273</u>

Note 1: In March 2022, FIC, Inc. disposed all the shares held in Zircon. The gain on disposal of investment related to the aforementioned disposal was \$76,841, which was transferred from other equity - exchange differences on translation of foreign financial statements previously recognised.

Note 2: The grant revenue arose from government subsidies for vocational training, value growth and salary subsidies due to the Covid-19 outbreak. The grant revenue which is related to property, plant and equipment is recognised on a straight-line basis over their estimated useful life.

(27) Finance costs

	Year ended December 31	
	2022	2021
Interest expense	\$ 17,914	\$ 20,794
Lease liabilities	14,273	12,886
Bonds payable	4,021	3,019
Others	20	-
	<u>\$ 36,228</u>	<u>\$ 36,699</u>

(28) Employee benefit expense and expenses by nature

	Year ended December 31	
	2022	2021
Short-term employee benefits	\$ 2,431,452	\$ 2,130,295
Post-employment benefits	106,964	71,174
Depreciation	520,499	417,852
Amortisation	9,770	4,091

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 first reserved to cover accumulated losses.

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>

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

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

For 2021, the employees' compensation and directors' and supervisors' remuneration resolved by the Board of Directors amounted to \$7,710 and \$514, respectively. The difference of \$3,083 between the amounts resolved by the Board of Directors and the amounts 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 FICG 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.

(29) Income taxes

A. Income tax expense (income)

	Year ended December 31	
	2022	2021
Current tax:		
Current tax on profits for the year	\$ 88,654	\$ 22,182
Tax on undistributed surplus earnings	9,529	-
Prior year income tax under (over) estimation	1,880	(43,740)
Total current tax	100,063	(21,558)
Deferred tax:		
Origination and reversal of temporary differences	(58,624)	2,789
Impact of change in tax rate	-	9,651
Total deferred tax	(58,624)	12,440
Income tax expense (benefit)	\$ 41,439	(\$ 9,118)

B. Reconciliation between income tax expense and accounting profit

	Year ended December 31	
	2022	2021
Income tax calculated by applying statutory rate to the profit before tax	\$ 290,078	\$ 155,692
Expenses disallowed by tax regulation	16,551	11,479
Tax exempt income by tax regulation	(103,450)	(39,081)
Temporary differences not recognised as deferred tax assets	2,111	10,738
Temporary differences not recognised as deferred tax liabilities	(122,177)	(39,699)
Tax losses not recognised as deferred tax assets	64,216	9,886
Effect from investment tax credits	(43,267)	(16,820)
Change in assessment of realization of deferred tax assets	(49,093)	(62,277)
Prior year taxable loss not recognised as deferred tax assets	(24,939)	(4,947)
Prior year income tax under (over) estimation	1,880	(43,740)
Impact of change in the tax rate	-	9,651
Tax on undistributed surplus earnings	9,529	-
Income tax expense	<u>\$ 41,439</u>	<u>(\$ 9,118)</u>

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

2022				
	January 1	Recognised in profit or loss	Exchange difference	December 31
Deferred tax assets:				
Temporary differences:				
Loss on inventories	\$ 16,682	\$ 39,446	\$ 211	\$ 56,339
Unrealised exchange loss	689	(694)	5	-
Book-tax differences of assets	-	9,727	(23)	9,704
Others	2,324	12,165	22	14,511
Taxable loss	-	3,777	-	3,777
	<u>19,695</u>	<u>64,421</u>	<u>215</u>	<u>84,331</u>
Deferred tax liabilities:				
Temporary differences:				
Unrealised exchange gain	(14,034)	(4,771)	(195)	(19,000)
Others	(226)	(1,026)	2	(1,250)
	<u>(14,260)</u>	<u>(5,797)</u>	<u>(193)</u>	<u>(20,250)</u>
	<u>\$ 5,435</u>	<u>\$ 58,624</u>	<u>\$ 22</u>	<u>\$ 64,081</u>
2021				
	January 1	Recognised in profit or loss	Exchange difference	December 31
Deferred tax assets:				
Temporary differences:				
Loss on inventories	\$ 18,480	(\$ 1,656)	(\$ 142)	\$ 16,682
Unrealised exchange loss	5,052	(4,318)	(45)	689
Others	1,008	1,320	(4)	2,324
	<u>24,540</u>	<u>(4,654)</u>	<u>(191)</u>	<u>19,695</u>
Deferred tax liabilities:				
Temporary differences:				
Unrealised exchange gain	(6,409)	(7,654)	29	(14,034)
Others	(94)	(132)	-	(226)
	<u>(6,503)</u>	<u>(7,786)</u>	<u>29</u>	<u>(14,260)</u>
	<u>\$ 18,037</u>	<u>(\$ 12,440)</u>	<u>(\$ 162)</u>	<u>\$ 5,435</u>

D. 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
2013	\$ 22,186	\$ 21,340	\$ 21,340	2023
2014	10,699	8,507	8,507	2024
2016	11,222	10,369	10,369	2026
2017	1,933,258	1,885,885	1,885,885	2027
2018	46,637	44,737	44,737	2028
2019	41,301	40,572	40,572	2029
2020	86,197	85,370	85,370	2030
2021	55,691	54,737	54,737	2031
2022	321,081	321,081	321,081	2032

December 31, 2021				
Year incurred	Amount filed/ assessed	Unused amount	Unrecognised deferred tax assets	Expiry year
2012	\$ 179,087	\$ 177,723	\$ 177,723	2022
2013	22,186	21,340	21,340	2023
2014	10,699	8,507	8,507	2024
2015	53,204	15,135	15,135	2025
2016	11,222	10,465	10,465	2026
2017	1,933,258	1,905,241	1,905,241	2027
2018	90,270	88,370	88,370	2028
2019	41,301	40,572	40,572	2029
2020	105,755	105,192	105,192	2030
2021	58,467	58,467	58,467	2031

E. The amounts of deductible temporary differences that were not recognised as deferred tax assets are as follows:

	December 31, 2022	December 31, 2021
Deductible temporary differences	<u>\$ 3,152,712</u>	<u>\$ 3,659,225</u>

F. 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 differences unrecognised as deferred tax liabilities were \$610,885 and \$198,494, respectively.

G. The Company's and domestic subsidiaries' income tax returns which were assessed and approved by the Tax Authority are as follows:

The company	Assessed year
FICG	2021
FIC, Inc.	2020
FICTA	2021
Ubiqconn	2019
Ruggon	2020

(30) Earnings per share

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

	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	\$ 251,978	191,529	\$ 1.32
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 251,978	191,529	
Assumed conversion of all dilutive potential ordinary shares			
Convertible bonds	2,415	9,873	
Employees' compensation	-	68	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 254,393	201,470	\$ 1.26

(31) Transactions with non-controlling interest

The Group did not participate in the capital increase raised by a subsidiary proportionally to its interest to the subsidiary

A. Disposal of equity interest in a subsidiary (that did not result in a loss of control)

In January 2022, the Group sold 232 thousand shares of its subsidiary, Ubiqconn 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 Ubiqconn 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.

The effect of changes in interests in Ubiquonn Technology, Inc. on the equity attributable to owners of the parent for the year ended December 31, 2022 is shown below:

	Year ended December 31, 2022
Carrying amount of non-controlling interest disposed	(\$ 2,466)
Consideration received from non-controlling interest	4,176
Capital surplus	<u>\$ 1,710</u>

B. The Group did not participate in the capital increase raised by a subsidiary proportionally to its interest to the subsidiary

- (1) In December 2021, the Group's subsidiary, Ubiquonn Technology, Inc., increased its cash capital by issuing new shares, and the issuing price is \$18 (in dollars) per share. 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 Group did not acquire shares proportionately to its interest, the comprehensive shareholding 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.
- (2) In August 2022, the Group's subsidiary, Ubiquonn Technology, Inc., increased its cash capital by issuing new shares, and the issuing price is \$20 (in dollars) per share. The Company used \$74,228 in cash and \$100,000 of monetary claims to pay for the shares. As the Group 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. The effects of changes in interests in Ubiquonn on the equity attributable to owners of the parent for the years ended December 31, 2022 and 2021 are shown below:

	Year ended December 31	
	2022	2021
Cash	\$ 125,772	\$ 60,570
Increase in the carrying amount of non-controlling interest	(117,461)	(81,737)
Increase (decrease) in capital surplus	<u>\$ 8,311</u>	<u>(\$ 21,167)</u>

(32) Supplemental cash flow information

A. Investing activities with partial cash payments

	Year ended December 31	
	2022	2021
Purchase of property, plant and equipment	\$ 219,147	\$ 206,327
Add: Opening balance of payable on equipment (including related parties)	20,790	2,606
Less: Ending balance of payable on equipment (including related parties)	(19,798)	(20,790)
Cash paid during the year	<u>\$ 220,139</u>	<u>\$ 188,143</u>

B. Financing activities with no cash flow effects

	Year ended December 31	
	2022	2021
Convertible bonds being converted to capital stocks	<u>\$ 78,366</u>	<u>\$ 378,787</u>

(33) Changes in liabilities from financing activities

	January 1, 2022	Cash flows	Non-cash changes		December 31, 2022
			Foreign exchange change	Others	
Short-term borrowings	\$ 99,383	\$ 90,644	(\$ 136)	\$ -	\$ 189,891
Long-term borrowings (including current portion)	-	68,323	(979)	2,859	70,203
Bonds payable (including current portion)	285,734	-	-	(75,008)	210,726
Lease liabilities	428,330	(232,381)	3,361	261,343	460,653
Guarantee deposits received	26,380	2,988	-	-	29,368
Long-term accounts payable	961,800	(5,184)	9,125	-	965,741
	<u>\$ 1,801,627</u>	<u>(\$ 75,610)</u>	<u>\$ 11,371</u>	<u>\$ 189,194</u>	<u>\$ 1,926,582</u>

	January 1, 2021	Cash flows	Non-cash changes		December 31, 2021
			Foreign exchange change	Others	
Short-term borrowings	\$ 348,197	(\$ 243,151)	(\$ 140)	(\$ 5,523)	\$ 99,383
Bonds payable	-	701,452	-	(415,718)	285,734
Lease liabilities	451,884	(158,396)	1,684	133,158	428,330
Guarantee deposits received	22,245	4,135	-	-	26,380
Long-term accounts payable	1,001,800	(40,000)	-	-	961,800
	<u>\$ 1,824,126</u>	<u>\$ 264,040</u>	<u>\$ 1,544</u>	<u>(\$ 288,083)</u>	<u>\$ 1,801,627</u>

7. Related Party Transactions

(1) Names of related parties and relationship

Names of related parties	Relationship with the Group
LEO Systems, Inc. (LEO Systems)	Associate
FIC Do Brasil Ltd. (FIC Do Brasil)	"
Amerwave Technology (Shenzhen) Co., Ltd. (Amerwave)	"
Geointelligence Systems, Inc. (Geointelligence)	"
Prihot Electronic (Malaysia) SDN. BHD. (Prihot)	"
Lambert Newmedia, Inc. (Lambert Newmedia)	"
University Venture Co., Ltd. (University Venture)	The Group's major management
eCommunications, Inc. (eCommunications)	Other related party (substantial related party)
Supreme Image Limited (Supreme)	"
Reliance Global Investments Limited (RGIL)	"
Lohas Biotech Development Corp. (Lohas)	"
GloryMakeup Inc. (GloryMakeup)	"
First Communication Inc. (First Communication)	"(Note)
China Applied Technology Co., Ltd. (China Applied)	"
Wang Yi De	"
Zong Jing Investment Inc. (Zong Jing)	Other related party (major shareholder)
Ho Mon Investment Inc. (Ho Mon)	"
Chia Chao Investment Inc. (Chia Chao)	"
WYC God-loving Foundation for Charity (GLF)	"

<u>Names of related parties</u>	<u>Relationship with the Group</u>
CGCH Foundation for Education (CGCHF)	Other related party
Via Technologies, Inc. (Via)	Other related party (The company's directors and the Company's chairman are within second degree of kinship)
Xander International Corp. (Xander)	"

Note: First Communication was originally the Group's associate. The Group lost its significant influence over First Communication, which became the Group's other related party since 2021.

(2) Significant related party transactions

A. Operating revenue

	<u>Year ended December 31</u>	
	<u>2022</u>	<u>2021</u>
Sales of goods:		
-Other related parties	\$ 144,366	\$ 82,289
-Associates	152	244
	<u>\$ 144,518</u>	<u>\$ 82,533</u>
Service revenue:		
-Associates	\$ 5,640	\$ 5,640
-Other related parties	36,248	10,248
	<u>\$ 41,888</u>	<u>\$ 15,888</u>

(a) Due to the diversity of the Group's product specifications, the specifications of the products sold to related parties may not be the same as those sold to non-related parties, thus, the sales prices cannot be compared. The terms of transactions with related parties are the same as those with non-related parties.

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

B. Purchases

	<u>Year ended December 31</u>	
	<u>2022</u>	<u>2021</u>
Purchases of goods		
-Associates	\$ 325	\$ -
-Other related parties	1,952	9,805
	<u>\$ 2,277</u>	<u>\$ 9,805</u>

Purchases based on the price lists in force and terms that would be available to third parties.

C. Receivables from related parties

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Accounts receivables:		
-Associates	\$ 515	\$ 581
-Other related parties	<u>12,267</u>	<u>24,448</u>
	<u>\$ 12,782</u>	<u>\$ 25,029</u>
Finance lease receivable, net:		
-Associates		
LEO Systems	\$ 8,480	\$ 7,730
Formosa21	1,838	1,680
-Other related parties		
GloryMakeup	2,333	2,123
Lohas	2,035	1,859
Others	<u>592</u>	<u>544</u>
	<u>\$ 15,278</u>	<u>\$ 13,936</u>
Long-term finance lease receivable, net:		
-Associates		
LEO Systems	\$ 22,094	\$ 31,248
Formosa21	4,794	6,779
-Other related parties		
GloryMakeup	6,076	8,594
Lohas	5,307	7,504
Others	<u>1,550</u>	<u>2,191</u>
	<u>\$ 39,821</u>	<u>\$ 56,316</u>
	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Other receivables:		
-Associates	\$ 2,781	\$ 7,336
-Other related parties	<u>1,206</u>	<u>14,508</u>
	<u>\$ 3,987</u>	<u>\$ 21,844</u>

Other receivables from related parties arise mainly from disposal of equity and service receivables related to the logistics human resources.

As the credit term of accounts receivable from related parties exceeds normal terms, the accounts receivable were reclassified as other receivables.

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Other receivables:		
-Associate		
FIC Do Brasil	\$ 138,758	\$ 138,758
Less: Allowance for uncollectible accounts	(138,758)	(138,758)
	<u>\$ -</u>	<u>\$ -</u>

D. Payables to related parties:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Accounts payable:		
-Other related parties	\$ 11,878	\$ 3,263
-Associates	341	-
	<u>\$ 12,219</u>	<u>\$ 3,263</u>
Other payables:		
-Other related parties	\$ 7,045	\$ 4,712
-Associates	464	87
	<u>\$ 7,509</u>	<u>\$ 4,799</u>

E. Contract liability

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
-Other related parties		
eCommunications	\$ 10,763	\$ -
CGCHF	10,700	-
	<u>\$ 21,463</u>	<u>\$ -</u>

F. Property transaction

(a) Acquisition of property, plant and equipment

	<u>Year ended December 31</u>	
	<u>2022</u>	<u>2021</u>
-Associates	\$ 1,128	\$ 4,043
-Other related parties	2,741	-
	<u>\$ 3,869</u>	<u>\$ 4,043</u>

(b) Acquisition of intangible assets

	Year ended December 31	
	2022	2021
-Associates	\$ -	\$ 1,932

(c) Disposal of right-of-use assets - income from subleasing right-of-use assets:

	Year ended December 31	
	2022	2021
-Associates	\$ -	\$ 13,963
-Other related parties	-	5,815
	\$ -	\$ 19,778

G. Loans to/from related parties:

(a) Loans to related parties

	December 31, 2022	December 31, 2021
Other receivables		
-Associate		
Amerwave	\$ -	\$ -

	Year ended December 31			
	2022		2021	
	Interest income	Rate	Interest income	Rate
Other receivables				
-Associates				
Amerwave	\$ -	-	\$ 2,801	5%

(b) Loans from related parties

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Other payables		
-Other related parties		
Ho Mon	<u>\$ 123,200</u>	<u>\$ -</u>
Long-term accounts payable		
-Other related parties		
Ho Mon	\$ 267,860	\$ 584,800
Zong Jing	201,000	221,000
Chia Chao	156,000	156,000
Supreme	<u>340,881</u>	<u>-</u>
	<u>\$ 965,741</u>	<u>\$ 961,800</u>

	<u>Year ended December 31</u>			
	<u>2022</u>		<u>2021</u>	
	<u>Interest</u>		<u>Interest</u>	
	<u>income</u>	<u>Rate</u>	<u>income</u>	<u>Rate</u>
Other payables				
-Other related parties				
Ho Mon	<u>\$ 41</u>	2.0%	<u>\$ -</u>	-
Long-term accounts payable				
-Other related parties				
Ho Mon	\$ 2,395	0.5%	\$ 2,924	0.5%
Zong Jing	1,068	0.5%	1,105	0.5%
Chia Chao	780	0.5%	821	0.5%
Supreme	<u>-</u>	0.0%	<u>-</u>	0.0%
	<u>\$ 4,243</u>		<u>\$ 4,850</u>	

H. Rent income

	<u>Year ended December 31</u>	
	<u>2022</u>	<u>2021</u>
Associates		
Amerwave	\$ 11,502	\$ 13,386
LEO Systems	3,878	11,942
Others	248	2,073
Other related parties	678	4,644
The Group's major management	<u>72</u>	<u>72</u>
	<u>\$ 16,378</u>	<u>\$ 32,117</u>

The rental prices of the Group and its related parties are based on the rental rates in the neighbourhood, and the rent is receivable monthly.

I. Other income

	Year ended December 31	
	2022	2021
-Associates	\$ 2,168	\$ 3,353
-Other related parties	86	-
	<u>\$ 2,254</u>	<u>\$ 3,353</u>

Other income is mainly from the service revenue related to the logistics human resources.

J. Operating expenses

	Year ended December 31	
	2022	2021
-Other related parties	\$ 27,614	\$ 29,549
-Associates	190	95
	<u>\$ 27,804</u>	<u>\$ 29,644</u>

Operating expenses are mainly from the sales commission and miscellaneous.

K. Equity transactions

- (a) In January 2022, the Group sold 232 thousand shares of its subsidiary, UBIQCONN TECHNOLOGY, INC., to the employees for the Company's operation needs and the Group's operating plan requirements. Refer to Note 6(31) for details.
- (b) In order to simplify the investment structure, the Group sold 17.28% of the shares of China Applied Technology Co., Ltd. to other related party - Reliance Global Investments Limited at a carrying amount of \$13,692 in October 2021, and reclassified the other equity accounted for as shareholders' equity to dispose of investment gains of \$3,475 for the year ended December 31, 2021.

(3) Key management compensation

	Year ended December 31	
	2022	2021
Salaries and other short-term employee benefits	\$ 43,408	\$ 36,544
Post-employment benefits	247	354
	<u>\$ 43,655</u>	<u>\$ 36,898</u>

8. Pledged Assets

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

Pledged assets	Book value		Purpose
	December 31, 2022	December 31, 2021	
Financial assets measured at amortised cost - current	\$ 90,386	\$ 81,763	Bank borrowings and endorsements/ guarantees and guarantee for foreign exchange forward contract
Guarantee deposits paid	19,654	-	Guarantee of borrowings from non-financial institutions
Property, plant and equipment	20,849	-	Bank borrowings
Land (shown as 'right-of-use assets')	12,192	-	Bank borrowings
Investment property	39,986	41,257	Bank borrowings
	<u>\$ 183,067</u>	<u>\$ 123,020</u>	

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 Group manages its capital to ensure that entities in the Group 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 Group'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>		
Financial assets at fair value through profit or loss		
Financial assets mandatorily measured at fair value through profit or loss	\$ <u>4,493</u>	\$ <u>20,931</u>
Financial assets measured at fair value through other comprehensive income		
Designation of equity instrument	\$ <u>21,251</u>	\$ <u>19,372</u>

	December 31, 2022	December 31, 2021
Financial assets at amortised cost		
Cash and cash equivalents	\$ 1,347,873	\$ 1,153,318
Financial assets at amortised cost	106,510	98,869
Notes receivable	89,587	82,342
Accounts receivable	2,804,466	2,427,041
Accounts receivable-related parties	12,782	25,029
Finance lease receivable	15,278	13,936
-related parties		
Other receivables	65,420	53,300
Other receivables-related parties	3,987	21,844
Long-term finance lease	39,821	56,316
receivable-related parties		
Guarantee deposits paid	82,754	48,527
	<u>\$ 4,568,478</u>	<u>\$ 3,980,522</u>
	December 31, 2022	December 31, 2021
<u>Financial liabilities</u>		
Financial liabilities at amortised cost		
Short-term borrowings	\$ 189,891	\$ 99,383
Notes payable	307	2,002
Accounts payable	1,816,000	2,156,884
Accounts payable-related parties	12,219	3,263
Other payables	557,891	501,972
Other payables-related parties	130,709	4,799
Bond payables (including current portion)	-	285,734
Long-term borrowings	280,929	-
(including current portion)		
Guarantee deposits received	29,368	26,380
Long-term notes and accounts payable	965,741	961,800
	<u>\$ 3,983,055</u>	<u>\$ 4,042,217</u>
Lease liabilities-current	\$ 229,192	\$ 171,344
Lease liabilities-non-current	231,461	256,986
	<u>\$ 460,653</u>	<u>\$ 428,330</u>

B. Financial risk management policies

- (a) The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. To minimise any adverse effects on the financial performance of the Group, derivative financial instruments, such as foreign exchange forward contracts is used to hedge certain exchange rate risk

- (b) Group treasury identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units.

C. Significant financial risks and degrees of financial risks

(a) Market risk

Exchange rate risk

- i. The Group operates internationally and is exposed to exchange rate risk arising from the transactions of the Company and its subsidiaries used in various functional currency, primarily with respect to the USD and RMB. Foreign exchange rate risk arises from future commercial transactions and recognised assets and liabilities.
- ii. The Group are required to hedge their entire foreign exchange risk exposure with Group treasury. Exchange rate risk is measured through a forecast of highly probable USD and RMB expenditures.
- iii. The Group's businesses involve some non-functional currency operations (the Company's and certain subsidiaries' functional currency: NTD; other certain subsidiaries' functional currency: USD and RMB). 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	\$ 122,689	30.7100	\$ 3,767,779
USD : RMB	124,162	30.7100	3,813,015
RMB : NTD	3,146	4.4080	13,868
RMB : USD	13,188	4.4080	58,133
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD : NTD	\$ 117,982	30.7100	\$ 3,623,227
USD : RMB	89,744	30.7100	2,756,038
RMB : USD	227,407	4.4080	1,002,410

(Foreign currency: functional currency)	December 31, 2021		
	Foreign currency		Book value
	amount (In thousands)	Exchange rate	(NTD) (in thousand)
<u>Financial assets</u>			
<u>Monetary items</u>			
USD : NTD	\$ 246,008	27.6800	\$ 6,809,501
USD : RMB	180,184	27.6800	4,987,493
RMB : NTD	850	4.3440	3,692
RMB : USD	12,527	4.3440	54,417
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD : NTD	\$ 238,969	27.6800	\$ 6,614,662
USD : RMB	205,022	27.6800	5,675,009
RMB : USD	171,164	4.3440	743,536

- iv. The unrealised total exchange gain, including realised and unrealised, arising from significant foreign exchange variation on the monetary items held by the Group for the years ended December 31, 2022 and 2021, amounted to \$107,204 and \$31,488, respectively.
- v. Analysis of foreign currency market risk arising from significant foreign exchange variation:

(Foreign currency: functional currency)	Year ended December 31, 2022		
	Sensitivity analysis		
	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	1%	\$ 37,678	\$ -
USD:RMB	1%	38,130	-
RMB:NTD	1%	139	-
RMB:USD	1%	581	-
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	1%	\$ 36,232	\$ -
USD:RMB	1%	27,560	-
RMB:USD	1%	10,024	-

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%	\$ 68,095	\$	-
USD:RMB	1%	49,875		-
RMB:NTD	1%	37		-
RMB:USD	1%	544		-
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD:NTD	1%	\$ 66,147	\$	-
USD:RMB	1%	56,750		-
RMB:USD	1%	7,435		-

Price risk

- i. The Group's equity securities, which are exposed to price risk, are the held financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.
- ii. The Group's investments in equity securities comprise shares issued by the domestic companies. The prices of equity securities would change due to the change of the future value of investee companies. If the prices of these equity securities had increased/decreased by 1% with all other variables held constant, post-tax profit for the years ended December 31, 2022 and 2021 would have increased/decreased by \$34 and \$190, respectively, as a result of gains/losses on equity securities classified as at fair value through profit or loss. Other components of equity would have increased/decreased by \$213 and \$194, respectively, as a result of other comprehensive income classified as available-for-sale equity investment and equity investment at fair value through other comprehensive income.

Cash flow and fair value interest rate risk

- i. The Group's main interest rate risk arises from long-term borrowings with variable rates, which expose the Group to cash flow interest rate risk. During 2022 and 2021, the Group's borrowings at variable rate were mainly denominated in New Taiwan dollars, US Dollars and Chinese Yuan.

- ii. The Group's borrowings are measured at amortised cost. The borrowings are periodically contractually repriced and to that extent are also exposed to the risk of future changes in market interest rates.
- iii. If the borrowing interest rate had increased/decreased by 1% with all other variables held constant, profit after tax for the years ended December 31, 2022 and 2021 would have increased/decreased by \$2,601 and \$994, respectively. Changes in interest expense mainly results from floating rate borrowings.

(b) Credit risk

- i. Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the contract cash flows of accounts receivable based on the agreed terms.
- ii. The Group manages its credit risk taking into consideration the entire group's concern. According to the Group's credit policy, each local entity in the Group is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board of Directors. The utilisation of credit limits is regularly monitored.
- iii. The Group adopts the assumptions under IFRS 9, the default occurs when the contract payments are past due over 90 days.
- iv. The Group adopts following assumptions under IFRS 9 to assess whether there has been a significant increase in credit risk on that instrument since initial recognition:

If the contract payments were past due over 30 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.
- v. The Group classifies customer's accounts receivable in accordance with credit risk on trade. The Group applies the modified approach using a provision matrix based on the loss rate methodology to estimate expected credit loss.
- vi. The Group wrote-off the financial assets, which cannot be reasonably expected to be recovered, after initiating recourse procedures. However, the Group will continue executing the recourse procedures to secure their rights. On December 31, 2022 and 2021, the Group had no written-off financial assets that are still under recourse procedures.
- vii. The expected loss rate for well-reputed customers of group A is 0.2%. For the years ended December 31, 2022 and 2021, the total book value of accounts receivable amounted to \$1,591,767 and \$1,432,477, and loss allowance amounted to \$2,738 and

\$2,542, respectively.

- viii. The expected loss rate for well-reputed customers of group B is 0.2%~15%. For the years ended December 31, 2022 and 2021, the total book value of accounts receivable amounted to \$0 and \$447,076, and loss allowance amounted to \$0 and \$3,723, respectively.
- ix. The Group used the forecastability of Business Indicators Database and Basel Committee on Banking Supervision to adjust historical and timely information to assess the default possibility of notes and accounts receivable (including related parties) from the fair credit condition customers of the group C and D. On December 31, 2022 and 2021, the provision matrix is as follows:

(i) Group C

<u>December 31, 2022</u>	<u>Expected loss rate</u>	<u>Total book value</u>	<u>Loss allowance</u>
Not past due	0.2%~0.55%	\$ 744,157	\$ 5,281
Up to 30 days	0.2%~2.15%	137,680	7,128
31 to 90 days	0.2%~39.24%	13,608	3,361
61 to 90 days	0.2%~100%	2,454	1,843
91 to 180 days	100%	23,922	23,884
Over 180 days	100%	17,364	17,331
		<u>\$ 939,185</u>	<u>\$ 58,828</u>

<u>December 31, 2021</u>	<u>Expected loss rate</u>	<u>Total book value</u>	<u>Loss allowance</u>
Not past due	0%~0.74%	\$ 529,798	\$ 2,925
Up to 30 days	0%~3.46%	119,950	2,328
31 to 90 days	0%~39.24%	13,913	2,283
61 to 90 days	0%~100%	6,448	1,469
91 to 180 days	100%	8,070	8,070
Over 180 days	100%	15,057	15,037
		<u>\$ 693,236</u>	<u>\$ 32,112</u>

(ii) Group D

<u>December 31, 2022</u>	<u>Expected loss rate</u>	<u>Total book value</u>	<u>Loss allowance</u>
Not past due	2.43%	\$ 306,598	\$ 7,859
Up to 30 days	7.29%	148,434	9,724
31 to 90 days	22.38%	-	-
61 to 90 days	36.03%	-	-
91 to 180 days	100%	-	-
Over 180 days	100%	-	-
		<u>\$ 455,032</u>	<u>\$ 17,583</u>

- x. Based on historical experience, the Group applies individual assessment to evaluate expected credit loss of the high-credit risk customers from group E. On December 31, 2022 and 2021, accounts receivable amounted to \$2,277 and \$2,277 and loss allowance amounted to \$2,277 and \$2,277, respectively.
- xi. Movements in relation to the Group applying the modified approach to provide loss allowance for notes and accounts receivable (including related parties) are as follows:

	<u>2022</u>
	Notes and accounts receivable (including related parties)
At January 1	\$ 40,654
Provision for impairment loss	38,366
Effect of foreign exchange	<u>2,406</u>
At December 31	<u>\$ 81,426</u>
	<u>2021</u>
	Notes and accounts receivable (including related parties)
At January 1	\$ 63,545
Reversal of impairment loss	(20,073)
Write-offs	(2,173)
Effect of foreign exchange	<u>(645)</u>
At December 31	<u>\$ 40,654</u>

For provisioned loss in 2022 and 2021, the impairment losses and reversal of impairment loss arising from customers' contracts are \$38,366 and (\$20,073), respectively.

- xii. The financial assets at amortised cost and other financial assets held by the Group are the bank deposits and restricted bank deposits with maturity term of over three months, and no material issues of credit rating levels were incurred, also there were no material expected credit loss.
- xiii. The amount of other receivables and expected credit gains (losses) on December 31, 2022 and 2021 after the recoverability assessment were \$65,420 and \$14,688, \$53,300 and (\$6,085), respectively.

(c) Liquidity risk

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

<u>December 31, 2022</u>	<u>Less than 1 year</u>	<u>Between 1 and 5 years</u>	<u>Over 5 years</u>
<u>Non-derivative financial liabilities</u>			
Short-term borrowings	\$ 190,396	\$ -	\$ -
Notes payable	307	-	-
Accounts payable (including related parties)	1,828,219	-	-
Other payables (including related parties)	688,600	-	-
Bonds payable (including current portion)	217,100	-	-
Lease liabilities	239,693	237,575	-
Long-term borrowings (including current portion)	33,167	40,230	-
Long-term notes and accounts payable	-	976,430	-

<u>December 31, 2021</u>	<u>Less than 1 year</u>	<u>Between 1 and 5 years</u>	<u>Over 5 years</u>
<u>Non-derivative financial liabilities</u>			
Short-term borrowings	\$ 99,383	\$ -	\$ -
Notes payable	2,002	-	-
Accounts payable (including related parties)	2,160,147	-	-
Other payables (including related parties)	506,771	-	-
Bonds payable	-	299,600	-
Lease liabilities	181,576	266,764	-
Long-term notes and accounts payable	-	968,786	-

(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. The fair value of the Group's investment in listed stocks is included in Level 1.

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

Level 3: Unobservable inputs for the asset or liability. The fair value of the Group's investment in equity investment without active market is included in Level 3.

B. Financial instruments not measured at fair value

The carrying amounts of cash and cash equivalents, notes receivable, accounts receivable (including related parties), other receivables (including related parties), long-term notes and accounts receivable, short-term borrowings, notes payable, other payables (including related

parties), other payables (including related parties), bonds payable, lease liabilities 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>December 31, 2022</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Equity securities	\$ 3,364	\$ -	\$ -	\$ 3,364
Derivative instruments				
-Call/put options of bonds	-	-	1,129	1,129
Financial assets at fair value through other comprehensive income				
Equity securities	-	-	21,251	21,251
	<u>\$ 3,364</u>	<u>\$ -</u>	<u>\$ 22,380</u>	<u>\$ 25,744</u>

<u>December 31, 2021</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Equity securities	\$ 19,044	\$ -	\$ -	\$ 19,044
Derivative instruments				
-Call/put options of bonds	-	-	1,887	1,887
Financial assets at fair value through other comprehensive income				
Equity securities	-	-	19,372	19,372
	<u>\$ 19,044</u>	<u>\$ -</u>	<u>\$ 21,259</u>	<u>\$ 40,303</u>

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

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

	<u>Listed stocks</u>
Market quoted price	Closing price

- ii. 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.
- iii. When assessing non-standard and low-complexity financial instruments, the Group adopts valuation technique that is widely used by market participants. The inputs used in the valuation method to measure these financial instruments are normally observable in the market.
- iv. The valuation of derivative financial instruments is based on valuation model widely accepted by market participants, such as present value techniques. Forward exchange contracts are usually valued based on the current forward exchange rate.

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

D. For the years ended December 31, 2022 and 2021, there was no transfer between Level 1 and Level 2.

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

	2022		
	Equity instruments	Call/put options of bonds	Total
At January 1	\$ 19,372	\$ 1,887	\$ 21,259
Gains and losses recognised in profit or loss			
Recorded as non-operating income and expenses	-	(95)	(95)
Gains and losses recognised in other comprehensive income			
Recorded as unrealised gains (losses) on valuation of investments in equity instruments measured at fair value through other comprehensive income	1,879	-	1,879
Converted during the year	-	(663)	(663)
At December 31	<u>\$ 21,251</u>	<u>\$ 1,129</u>	<u>\$ 22,380</u>

	2021		
	Equity instruments	Call/put options of bonds	Total
At January 1	\$ 18,292	\$ -	\$ 18,292
Gains and losses recognised in profit or loss			
Recorded as non-operating income and expenses	-	3,640	3,640
Gains and losses recognised in other comprehensive income			
Recorded as unrealised gains (losses) on valuation of investments in equity instruments measured at fair value through other comprehensive income	1,080	-	1,080
Issued during the year	-	770	770
Converted during the year	-	(2,523)	(2,523)
At December 31	<u>\$ 19,372</u>	<u>\$ 1,887</u>	<u>\$ 21,259</u>

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

G. 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.

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

		Fair value at December 31, 2022	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:						
Unlisted shares	\$	21,251	Market comparable companies	Price to book ratio multiple, discount for lack of marketability	3.88 ~ 26.13	The higher the multiple, the higher the fair value; the higher the discount for lack of marketability, the lower the 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
Non-derivative equity instrument:					
Unlisted shares	\$ 19,372	Market comparable companies	Price to book ratio multiple, discount for lack of marketability	6.03 ~ 21.08	The higher the multiple, the higher the fair value; the higher the discount for lack of marketability, the lower the 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

- I. The Group 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.

(4) Assessment of Covid-19 outbreak

Due to Covid-19 outbreak and numbers of the government's epidemic prevention measures, as of December 31, 2022, there was no significant impact on the operations arising from the epidemic outbreak and the prevention measures under the Group's assessment. The Group adopted countermeasures accordingly and continually manages related affairs to prevent the spread of the epidemic from affecting Company's operations.

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 FICG '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.

14. Segment Information

(1) General information

The Group is engaged in research and development, production and sales of automotive electronics, surveillance product and the industrial computers, electronic contract manufacturing of computers and server products and leasing real estate, which was the information reported to the chief operating decision-maker for the purpose of resource allocation and the assessment of segment performance. The Group focused on the differences in law and regulation in different countries which required different marketing strategies.

The reportable segments are as follows:

- A. 3CEMS and its subsidiaries
- B. Ubiquconn and its subsidiaries
- C. FIC Inc. and its subsidiaries
- D. Other companies

(2) Measurement of segment information

The Group's segment is measured with revenue and the operating profit, which is used as a basis for the Group in assessing the performance of operating segments. The accounting policies of the operating segments are in agreement with the significant accounting policies summarised in Note 4. The Group did not provide the amounts of total assets and total liabilities to chief operating decision-maker.

(3) Information about segment profit or loss, assets and liabilities

The segment information provided to the chief operating decision-maker for the reportable segments is as follows:

Year ended December 31, 2022	3CEMS and its subsidiaries	Ubiquconn and its subsidiaries	FIC Inc. and its subsidiaries	Other companies	Adjustments and write-offs	Total
Revenue from external customers	\$ 7,460,072	\$ 3,243,179	\$ 1,486,534	\$ -	\$ -	\$ 12,189,785
Service revenue from external customers	-	71,132	39,457	5,640	-	116,229
Rental income from external customers	60,949	-	81,472	-	-	142,421
Inter-segment revenue	1,411,517	724	13,144	14,327	(1,439,712)	-
Segment revenue	<u>\$ 8,932,538</u>	<u>\$ 3,315,035</u>	<u>\$ 1,620,607</u>	<u>\$ 19,967</u>	<u>(\$ 1,439,712)</u>	<u>\$ 12,448,435</u>
Segment income (loss)	<u>\$ 248,731</u>	<u>\$ 192,990</u>	<u>(\$ 26,945)</u>	<u>(\$ 209)</u>	<u>\$ 10,294</u>	<u>\$ 424,861</u>
Segment income (loss) including:						
Depreciation and amortisation	<u>\$ 442,046</u>	<u>\$ 48,346</u>	<u>\$ 41,758</u>	<u>\$ 58</u>	<u>(\$ 1,939)</u>	<u>\$ 530,269</u>

Year ended December 31, 2021	3CEMS and its subsidiaries	Ubiqconn and its subsidiaries	FIC Inc. and its subsidiaries	Other companies	Adjustments and write-offs	Total
Revenue from external customers	\$ 5,669,229	\$ 3,176,254	\$ 967,518	\$ -	\$ -	\$ 9,813,001
Service revenue from external customers	14,851	29,522	44,188	5,700	-	94,261
Rental income from external customers	52,273	-	80,456	-	-	132,729
Inter-segment revenue	<u>1,652,640</u>	<u>8,218</u>	<u>89,038</u>	<u>13,378</u>	<u>(1,763,274)</u>	<u>-</u>
Segment revenue	<u>\$ 7,388,993</u>	<u>\$ 3,213,994</u>	<u>\$ 1,181,200</u>	<u>\$ 19,078</u>	<u>(\$ 1,763,274)</u>	<u>\$ 10,039,991</u>
Segment income (loss)	<u>\$ 100,910</u>	<u>\$ 104,860</u>	<u>(\$ 62,165)</u>	<u>\$ 2,500</u>	<u>\$ 14,338</u>	<u>\$ 160,443</u>
Segment income (loss) including: Depreciation and amortisation	<u>\$ 334,460</u>	<u>\$ 29,761</u>	<u>\$ 57,722</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 421,943</u>

(4) Reconciliation for segment income (loss)

- A. Sales between segments are carried out at arm's length. The revenue from external customers reported to the chief operating decision-maker is measured in a manner consistent with that in the statement of comprehensive income.
- B. A reconciliation of reportable segment income or loss to the income/(loss) before tax from continuing operations is provided as follows:

	Year ended December 31	
	2022	2021
Segments income/(loss)	\$ 424,861	\$ 160,443
Non-operating income and expenses	<u>339,631</u>	<u>238,359</u>
Income/(loss) before tax from continuing operations	<u>\$ 764,492</u>	<u>\$ 398,802</u>

(5) Information on products and services

Details of revenue are as follows:

	Year ended December 31	
	2022	2021
Sales revenue	\$ 12,189,785	\$ 9,813,001
Service revenue	116,229	94,261
Rental of real estate revenue	142,421	132,729
	<u>\$ 12,448,435</u>	<u>\$ 10,039,991</u>

(6) Geographical information

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

	Year ended December 31			
	2022		2021	
	Revenue	Non-current assets	Revenue	Non-current assets
Taiwan	\$ 3,359,565	\$ 229,939	\$ 2,871,271	\$ 250,825
US	2,389,549	390	2,062,098	703
Malaysia	2,364,950	-	1,570,382	-
China	1,401,226	1,687,394	1,084,316	1,713,255
Others	2,933,145	-	2,451,924	-
	<u>\$ 12,448,435</u>	<u>\$ 1,917,723</u>	<u>\$ 10,039,991</u>	<u>\$ 1,964,783</u>

(7) Major customer information

Major customer information of the Group for the years ended December 31, 2022 and 2021 is as follows:

	Year ended December 31			
	2022		2021	
	Revenue	Percentage of operating revenue	Revenue	Percentage of operating revenue
A	\$ 3,032,721	24%	\$ 2,570,024	26%
C	2,483,369	20%	2,442,580	24%
B	2,356,471	19%	1,550,347	15%
	<u>\$ 7,872,561</u>	<u>63%</u>	<u>\$ 6,562,951</u>	<u>65%</u>

FIC GLOBAL, INC. AND SUBSIDIARIES																		
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. AND SUBSIDIARIES

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	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				
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.

FIC GLOBAL, INC. AND SUBSIDIARIES

Provision of endorsements and guarantees to other

Year ended December 31, 2022

Table 2

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	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		-	34%		4,597,463	N	N	Y	
5	Broad GZ	Amertek		(4)		2,098,046		440,800		440,800		-	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. AND SUBSIDIARIES

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. AND SUBSIDIARIES

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	-	
FICTA Technology Inc.	Vweb Corporation	None	Financial assets at fair value through profit or loss - non - current	500	-	1.00	-	
	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. AND SUBSIDIARIES

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. AND SUBSIDIARIES

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. AND SUBSIDIARIES
Significant inter-company transactions during the reporting period
Year ended December 31, 2022

Table 6

Expressed in thousands of NTD
(Except as otherwise indicated)

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			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 requiredto 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. AND SUBSIDIARIES

Information on investees

Year ended December 31, 2022

Table 7

Expressed in thousands of NTD

(Except as otherwise indicated)

Investor	Investee	Location	Main business activities	Initial investment amount		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				
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. AND SUBSIDIARIES

Information on investees

Year ended December 31, 2022

Table 7

Expressed in thousands of NTD

(Except as otherwise indicated)

Investor	Investee	Location	Main business activities	Initial investment amount		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. AND SUBSIDIARIES

Information on investees

Year ended December 31, 2022

Table 7

Expressed in thousands of NTD

(Except as otherwise indicated)

Investor	Investee	Location	Main business activities	Initial investment amount		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				
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.	Ubiquonn 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. AND SUBSIDIARIES

Information on investees

Year ended December 31, 2022

Table 7

Expressed in thousands of NTD

(Except as otherwise indicated)

Investor	Investee	Location	Main business activities	Initial investment amount		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					
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

Table 8

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

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.