

Stock Code:3550

**COPARTNER TECHNOLOGY CORPORATION  
AND SUBSIDIARIES  
Consolidated Financial Statements  
With Independent Auditors' Report  
For the Years Ended December 31, 2022 and 2021**

Address: 4F, No. 16, Jianba Rd., Zhonghe Dist., New Taipei City (235), Taiwan, R.O.C.

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**Notice to Readers**

The reader is advised that these consolidated financial statements have been prepared originally in Chinese. In the event of a conflict between these financial statements and the original Chinese version or difference in interpretation between the two versions, the Chinese language financial statements shall prevail.

The affiliates that are required to be included in the Company's consolidated financial statements as of and for the year ended December 31, 2022, under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with the IFRS 10. In addition, the information required to be disclosed in the combined financial statements of affiliates is included in said consolidated financial statements. Consequently, a separate set of combined financial statements of affiliates will not be prepared. It is hereby declared that the above information is true and correct.

Name of company: Copartner Technology Corp.

Person in charge: Ho, Chun-Hsien

March 29, 2023

## **INDEPENDENT AUDITORS' REPORT**

To the Board of Directors of Copartner Technology Corporation:

### **Opinion**

We have audited the accompanying financial statements of Copartner Technology Corporation and its subsidiaries, which comprise the consolidated balance sheets for the year ended December 31, 2022 and 2021, and the consolidated statements of comprehensive income for the year ended December 31, 2022 and 2021, the consolidated statements of changes in equity and cash flows for the years then ended, and the consolidated notes to the financial statements (including a summary of significant accounting policies).

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

### **Basis for Opinion**

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in 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 Company and its subsidiaries in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements for the year ended December 31, 2022. These matters were addressed in the context of our Audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters for the consolidated financial statements of the Company and its subsidiaries for the year ended December 31, 2022 are stated as follows:

#### Revenue Recognition

1. Copartner Technology Corporation and its subsidiaries' main source of income is R&D, manufacturing and sales of signal transmission wires and wire sets for information, communication and consumer electronics products, automobiles, medical equipment, industrial equipment, automation equipment and servers; R&D, manufacturing and sales of plastic products. This type of revenue recognition process is to recognize revenue when the customer controls the goods under trade terms.
2. Copartner Technology Corporation's subsidiary products have no significant difference in the gross profit margin, so the authenticity of the sales revenue of the subsidiary's gross profit margin higher than the consolidated before write-off is a key audit matter for the accountants to audit.
3. The accountant performs the following procedures for the above key audit matter:
  - (1) Identify revenue recognition of Copartner Technology Corporation's subsidiary, and perform relevant control tests.
  - (2) Check the sales transactions where the subsidiary's gross profit margin is higher than the consolidated before write-off, and review documents such as customer orders, customer receipts or freight receipts, and invoices to verify whether the transaction occurred, to identify whether the purchasers are consistent with the cash payers as well.

#### **Other Matters**

We have also audited the parent company only financial statements of Copartner Technology Corporation as year of and for the years ended December 31, 2022 and 2021 on which we have issued an unmodified opinion.

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

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

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

Those charged with governance (including members of the Audit Committee) are responsible for overseeing the Company and its subsidiaries' 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 auditing standards generally accepted in the Republic of China will always detect a material misstatement contained in the consolidated financial statements. Misstatements may be a result of fraud or error. 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 auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

subsidiaries' 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 Company and its subsidiaries to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidences concerning the financial information of the entities in the Company and its subsidiaries, to express opinions on the Consolidated Financial Statements. We are responsible for guiding, supervising, and performing the audit and forming an audit opinion on the Company and its subsidiaries.

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 Company and its subsidiaries for the year ended December 31, 2022 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Deloitte & Touche

CPA: Tsai, Mei-Chen

CPA: Huang, Yu-Feng

Financial Supervisory Commission R.O.C.

Approval Document No.

Jin-Guan-Zheng-Shen-Zi No.1010028123

Securities and Futures Commission Approval

Document No.

Tai-Zai-Zheng-Liu-Zi No.0920123784

March 29, 2023

Notice to Readers

*The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such consolidated financial statements are those generally applied in the Republic of China.*

*For the convenience of readers, the independent auditors' report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and consolidated financial statements shall prevail.*

COPARTNER TECHNOLOGY CORP. AND SUBSIDIARIES  
CONSOLIDATED BALANCE SHEETS  
DECEMBER 31, 2022 AND 2021

Unit: NT\$ thousand											
Code	Assets	December 31, 2022		December 31, 2021		Code	Liabilities and Equity	December 31, 2022		December 31, 2021	
		Amount	%	Amount	%			Amount	%	Amount	%
	Current assets						Current liabilities				
1100	Cash and cash equivalents (Notes IV&V)	\$1,264,821	28	\$ 829,781	19	2100	Short-term borrowings (Note XVII)	\$ 850,000	19	\$ 927,680	21
1150	Notes receivable, net (Notes IV, V & VIII)	161,021	4	198,676	5	2110	Short-term notes payable (Note XVII)	40,000	1	40,000	1
1170	Accounts receivable, net (Notes IV, V, VIII & XXI)	1,312,657	30	1,728,276	39	2130	Current contract liabilities (Note XXI)	7,966	-	7,381	-
1180	Accounts receivable due from related parties, net (Notes IV, XXI & XXVII)	816	-	2,745	-	2170	Accounts payable	237,862	5	262,340	6
1200	Other receivables, net (Notes IV & VIII)	12,237	-	10,841	-	2180	Accounts payable due from related parties (Note XXVII)	137	-	267	-
130X	Inventories (Notes IV, V & XXIII)	334,179	8	429,851	10	2206	Accrued employees' compensation and directors' remuneration (Note XXII)	-	-	4,482	-
1410	Advances to suppliers	94,474	2	112,526	3	2230	Current income tax liabilities (Notes IV & XXIII)	28,752	1	36,540	1
1470	Other current assets (Notes XVI & XXVIII)	12,813	-	12,502	-	2280	Lease liabilities - current (Notes IV & XIII)	67,508	1	62,333	1
11XX	Total current assets	<u>3,193,018</u>	<u>72</u>	<u>3,325,198</u>	<u>76</u>	2320	Long-term borrowings due within one year (Notes XVII & XXVIII)	17,995	-	-	-
	Non-current assets					2399	Other current liabilities (Note XVIII)	<u>335,701</u>	<u>8</u>	<u>343,712</u>	<u>8</u>
1517	Financial assets at fair value through other comprehensive income - non-current (Notes IV & VII)	3,089	-	3,043	-	21XX	Total current liabilities	<u>1,585,921</u>	<u>35</u>	<u>1,684,735</u>	<u>38</u>
1550	Investments accounted for using equity method (Notes IV & XI)	42,811	1	35,287	1		Non-current liabilities				
1600	Property, plant and equipment (Notes IV, XII & XXVIII)	701,327	16	570,804	13	2541	Long-term borrowings (Notes XVII & XXVIII)	604,072	14	260,048	6
1755	Right-of-use assets (Notes IV & XIII)	399,418	9	367,761	8	2542	Long-term notes payable (Notes XVII & XXVIII)	-	-	200,000	5
1805	Goodwill (Notes IV & XIV)	4,294	-	4,258	-	2580	Lease liabilities - non-current (Notes IV & XIII)	281,518	6	266,807	6
1821	Intangible assets (Notes IV & XV)	773	-	188	-	2640	Net defined benefit liability (Notes IV & XIX)	34,694	1	38,753	1
1840	Deferred income tax assets (Notes IV, V & XXIII)	82,125	2	67,333	2	2645	Guarantee deposits and margins received	3,246	-	2,112	-
1920	Refundable deposits paid (Notes IV & XXVIII)	20,632	-	18,657	-	25XX	Total non-current liabilities	<u>923,530</u>	<u>21</u>	<u>767,720</u>	<u>18</u>
1990	Other non-current assets	1,737	-	2,148	-	2XXX	Total liabilities	<u>2,509,451</u>	<u>56</u>	<u>2,452,455</u>	<u>56</u>
15XX	Total non-current assets	<u>1,256,206</u>	<u>28</u>	<u>1,069,479</u>	<u>24</u>		Equity attributable to owners of the parent company (Notes IV & XX)				
						3110	Ordinary shares	<u>875,500</u>	<u>20</u>	<u>850,000</u>	<u>19</u>
						3200	Capital surplus	<u>424,230</u>	<u>10</u>	<u>424,230</u>	<u>10</u>
							Retained earnings				
						3310	Legal reserve	272,605	6	264,470	6
						3320	Special reserve	298,718	7	287,283	7
						3350	Unappropriated retained earnings	<u>312,313</u>	<u>7</u>	<u>403,365</u>	<u>9</u>
						3300	Total retained earnings	<u>883,636</u>	<u>20</u>	<u>955,118</u>	<u>22</u>
						3400	Other equity interests	( <u>253,342</u> )	( <u>6</u> )	( <u>298,718</u> )	( <u>7</u> )
						31XX	Total equity of owners of the parent company	1,930,024	44	1,930,630	44
						36XX	Non-controlling interests	<u>9,749</u>	-	<u>11,592</u>	-
						3XXX	Total equity	<u>1,939,773</u>	<u>44</u>	<u>1,942,222</u>	<u>44</u>
1XXX	Total assets	<u>\$4,449,224</u>	<u>100</u>	<u>\$4,394,677</u>	<u>100</u>		Total liabilities and equity	<u>\$4,449,224</u>	<u>100</u>	<u>\$4,394,677</u>	<u>100</u>

The accompanying notes are an integral part of the consolidated financial reports.  
Manager: Liao, Wen-Hung

Chairman: Ho, Chun-Hsien

Chief accountant: Cheng, Shu-Ching



COPARTNER TECHNOLOGY CORP. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED DECEMBER 31, 2022 AND 2021

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

Code		2022		2021	
		Amount	%	Amount	%
4100	Sales of revenue (Notes IV, XXI & XXVII)	\$ 4,166,649	100	\$ 3,597,629	100
5110	Sales cost (Notes IV, IX, XXII & XXVII)	<u>3,549,042</u>	<u>85</u>	<u>2,882,840</u>	<u>83</u>
5900	Gross profit	<u>617,607</u>	<u>15</u>	<u>714,789</u>	<u>17</u>
	Operating expenses				
6100	Selling expenses (Note XXII)	206,790	5	176,282	4
6200	Administrative expenses (Note XXII)	295,179	7	262,397	7
6300	R&D expenses (Note XXII)	150,540	4	127,164	3
6450	Expected credit impairment loss (Notes IV & VIII)	<u>19,419</u>	<u>-</u>	<u>26,713</u>	<u>-</u>
6000	Total operating expenses	<u>671,928</u>	<u>16</u>	<u>592,556</u>	<u>14</u>
6900	Net operating (loss) profit	( <u>54,321</u> )	( <u>1</u> )	<u>122,233</u>	<u>3</u>
	Non-operating income and expenses				
7100	Interest income (Note XXII)	14,628	-	24,125	-
7010	Other income (Note XXII)	36,853	1	34,191	1
7020	Other gains and losses (Notes IV & XXII)	15,411	1	( 16,456 )	-
7050	Finance costs (Notes IV & XXII)	( 35,968 )	( 1 )	( 19,842 )	( 1 )
7060	Share of profit on associates accounted for using equity method (Notes IV & XI)	<u>7,524</u>	<u>-</u>	( <u>2,973</u> )	<u>-</u>
7000	Total non-operating income and expenses	<u>38,448</u>	<u>1</u>	<u>19,045</u>	<u>-</u>
7900	Net income (loss) before tax	( 15,873 )	-	\$ 3,597,629	3

(Carried forward)

(Brought forward)

Code		2022		2021	
		Amount	%	Amount	%
7950	Income tax expenses (Notes IV, V & XXIII)	\$ 8,761	-	\$ 59,816	1
8200	Current net income (loss)	( 24,634)	-	82,084	2
	Other comprehensive income				
8310	Items not reclassified to profit or loss:				
8311	Remeasurement of defined benefit obligation (Notes IV & XIX)	2,124	-	( 473)	-
8360	Components of other comprehensive income (loss) that will be reclassified to profit or loss:				
8361	Exchange differences on translation of foreign financial statements (Notes IV & XX)	45,561	1	( 11,480)	-
8300	Other comprehensive income for the current year	47,685	1	( 11,953)	-
8500	Total comprehensive income for the current year	\$ 23,051	1	\$ 70,131	2
	Current net income (loss) attributable to:				
8610	Owners of the parent company	(\$ 22,606)	-	\$ 81,823	2
8620	Non-controlling interests	( 2,028)	-	261	-
8600		(\$ 24,634)	-	\$ 82,084	2
	Total comprehensive income for the year attributable to:				
8710	Owners of the parent company	\$ 24,894	1	\$ 69,915	2
8720	Non-controlling interests	( 1,843)	-	216	-
8700		\$ 23,051	1	\$ 70,131	2
	Earnings (loss) per share (Note XXIV)				
9710	Basic	(\$ 0.26)		\$ 0.93	
9810	Diluted	(\$ 0.26)		\$ 0.93	

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

Chairman: Ho, Chun-Hsien

Manager: Liao, Wen-Hung

Chief accountant: Cheng, Shu-Ching

COPARTNER TECHNOLOGY CORP. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
FOR THE YEAR ENDED DECEMBER 31, 2022 AND 2021

Unit: NT\$ thousand, unless otherwise specified

		Equity attributable to owners of the parent company									
Code		Ordinary shares		Retained earnings			Other equity exchange differences on translation of foreign financial statements	Total	Non-controlling interests	Total equity	
		Quantity (thousand shares)	Amount	Capital surplus	Legal reserve	Special reserve					Unappropriated retained earnings
A1	Balance as of January 1, 2021	85,000	\$ 850,000	\$ 424,230	\$ 256,413	\$ 328,576	\$ 331,279	(\$ 287,283)	\$ 1,903,215	\$ 11,376	\$ 1,914,591
	2020 earnings distribution										
B1	Legal reserve	-	-	-	8,057	-	( 8,057)	-	-	-	-
B3	Special reserve	-	-	-	-	( 41,293)	41,293	-	-	-	-
B5	Cash dividends	-	-	-	-	-	( 42,500)	-	( 42,500)	-	( 42,500)
D1	Net income for the year ended December 31, 2021	-	-	-	-	-	81,823	-	81,823	261	82,084
D3	Other comprehensive income for the year ended December 31, 2021	-	-	-	-	-	( 473)	( 11,435)	( 11,908)	( 45)	( 11,953)
D5	Total comprehensive income for the year ended December 31, 2021	-	-	-	-	-	81,350	( 11,435)	69,915	216	70,131
Z1	Balance as of December 31, 2021	85,000	850,000	424,230	264,470	287,283	403,365	( 298,718)	1,930,630	11,592	1,942,222
	2021 earnings distribution										
B1	Legal reserve	-	-	-	8,135	-	( 8,135)	-	-	-	-
B3	Special reserve	-	-	-	-	11,435	( 11,435)	-	-	-	-
B5	Cash dividends	-	-	-	-	-	( 25,500)	-	( 25,500)	-	( 25,500)
B9	Stock dividends	2,550	25,500	-	-	-	( 25,500)	-	-	-	-
D1	Net loss for the year ended December 31, 2022	-	-	-	-	-	( 22,606)	-	( 22,606)	( 2,028)	( 24,634)
D3	Other comprehensive income for the year ended December 31, 2022	-	-	-	-	-	2,124	45,376	47,500	185	47,685
D5	Total comprehensive income for the year ended December 31, 2022	-	-	-	-	-	( 20,482)	45,376	24,894	( 1,843)	23,051
Z1	Balance as of December 31, 2022	87,550	\$ 875,500	\$ 424,230	\$ 272,605	\$ 298,718	\$ 312,313	(\$ 253,342)	\$ 1,930,024	\$ 9,749	\$ 1,939,773

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

Chairman: Ho, Chun-Hsien

Manager: Liao, Wen-Hung

Chief accountant: Cheng, Shu-Ching

COPARTNER TECHNOLOGY CORP. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2022 AND 2021

Unit: NT\$ thousand

Code		2022	2021
	Cash flows from operating activities		
A10000	Current net income (loss) before tax	(\$ 15,873)	\$ 141,900
A20000	Adjustments to reconcile:		
A20100	Depreciation expense	187,843	180,069
A20200	Amortization expense	132	313
A20300	Expected credit impairment loss	19,419	14,982
A20900	Finance costs	35,968	22,715
A21200	Interest income	( 14,628)	( 12,769)
A22300	Share of profit or loss on associates accounted for using equity method	( 7,524)	3,491
A22500	Net gains from disposal of property, plant and equipment	( 2,743)	( 1,906)
A23700	Impairment losses on property, plant and equipment	-	2,207
A24100	(Gain) Loss on foreign exchange, net	( 1,752)	3,967
A29900	Lease modification actuarial (gains) losses	( 571)	57
A30000	Net changes in operating assets and liabilities		
A31130	Note receivable	35,396	( 34,981)
A31150	Accounts receivable	397,925	( 186,313)
A31160	Accounts receivable due from related parties	1,929	380
A31180	Other receivables	( 1,315)	7,182
A31200	Inventories	95,672	( 57,460)
A31230	Advances to suppliers	18,052	( 7,146)
A31240	Other current assets	( 311)	( 3,596)
A32125	Contract liabilities	585	5,593
A32150	Accounts payable	( 24,340)	( 86,430)
A32160	Accounts payable due from related parties	( 130)	( 3)
A32990	Accrued employees' compensation and directors' remuneration	( 4,482)	634
A32230	Other current liabilities	21,056	57,866
A32240	Net defined benefit liabilities	( 1,935)	( 157)
A33000	Net cash inflow generated from operations	738,373	50,595
A33300	Interest paid	( 36,761)	( 22,104)
A33500	Income taxes paid	( 31,341)	( 85,128)
AAAA	Net cash inflow (outflow) from operating activities	<u>670,271</u>	<u>( 56,637)</u>

(Carried forward)

(Brought forward)

Code		2022	2021
	Cash flows from investing activities		
B02700	Purchase of property, plant and equipment	(\$ 249,436)	(\$ 252,377)
B02800	Proceeds from disposal of property, plant and equipment	4,117	16,134
B03700	Increase in refundable deposits paid	( 1,975)	( 4,656)
B04500	Purchase of intangible assets	( 717)	( 154)
B06700	Decrease (increase) in other non-current assets	411	( 1,208)
B07500	Interest received	<u>14,531</u>	<u>12,822</u>
BBBB	Net cash outflow from investing activities	( <u>233,069</u> )	( <u>229,439</u> )
	Cash flows from financing activities		
C00100	Increase in short-term borrowings	-	98,318
C00200	Decrease in short-term borrowings	( 77,680)	-
C00600	Decrease in short-term notes payable	-	( 40,000)
C01600	New long-term borrowings	1,114,463	407,430
C01700	Repay long-term borrowings	( 751,500)	( 400,000)
C01800	Decrease in long-term notes payable	( 200,000)	-
C03000	Increase in guarantee deposits and margins received	1,134	148
C04020	Repayment of lease liabilities principal	( 105,612)	( 103,415)
C04500	Cash dividends paid	( <u>25,500</u> )	( <u>42,500</u> )
CCCC	Net cash outflow from financing activities	( <u>44,695</u> )	( <u>80,019</u> )
DDDD	Effect of exchange rate fluctuations on cash held	<u>42,533</u>	( <u>12,609</u> )
EEEE	Net increase (decrease) in cash and cash equivalents for the year	435,040	( 378,704)
E00100	Cash and cash equivalents at beginning of the period	<u>829,781</u>	<u>1,208,485</u>
E00200	Cash and cash equivalents at end of the period	<u>\$ 1,264,821</u>	<u>\$ 829,781</u>

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

Chairman: Ho, Chun-Hsien

Manager: Liao, Wen-Hung

Chief accountant: Cheng, Shu-Ching

COPARTNER TECHNOLOGY CORP. AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022 AND 2021

(Unless otherwise stated, all amounts are in NTD)

I. Company history

Copartner Technology Corporation (the “Copartner Company”) was established and registered in April 1987 in accordance with the Company Act and other relevant laws and regulations and started the business. The original name was Copartner Electric Wire Co., Ltd. The Ministry of Economic Affairs approved the change of the Company name to Copartner Technology Corporation on August 24, 2004. The Copartner Company's main operating items are R&D, manufacturing and sales of signal transmission wires and wire sets for information, communication and consumer electronics products, automobiles, medical equipment, industrial equipment, automation equipment and servers; R&D, manufacturing and sales of plastic products.

The Copartner Company's stock has been listed and traded on the Taiwan Stock Exchange since November 10, 2010.

The consolidated financial statements are presented in New Taiwan dollars, Copartner Technology Corp.'s functional currency.

II. Dates and procedures for the financial statement approval

The consolidated financial statements were approved by the Company's Board of Directors on March 29, 2023.

III. Application of new and revised standards, amendments, and interpretations

(I) Initial application of the amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the “IFRSs”) endorsed and issued into effect by the Financial Supervisory Commission (FSC)

The application of the amendments to the IFRSs endorsed and issued into effect by the FSC will not have a material impact on the accounting policies of the Copartner Company and its subsidiaries (the “Company”).

(II) IFRSs endorsed by FSC that are applicable from 2023 onwards

New, Revised or Amended Standards and Interpretations	Effective date by International Accounting Standards Board (IASB)
Amendments to IAS 1 “Disclosure of accounting policies”	January 1, 2023 (Note 1)
Amendments to IAS 8 “Definition of accounting estimates”	January 1, 2023 (Note 2)
Amendments to IAS 12 “Deferred tax related to assets and liabilities arising from a single transaction”	January 1, 2023 (Note 3)

Note 1: The amendment applies in the annual reporting period beginning on or after January 1, 2023.

Note 2: The amendments apply to changes in accounting estimates and accounting policies that occur during the annual reporting period beginning on or after January 1, 2023.

Note 3: The amendments apply to transactions occurring on or after January 1, 2023, except for the recognition of deferred tax for temporary differences related to leases and decommissioning obligations on January 1, 2023.

As of the date the consolidated financial statements were approved for release, the amendments to the above-mentioned standards and interpretations will not have a significant impact on the Company’s financial position and financial performance based on the assessment.

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

New, Revised or Amended Standards and Interpretations	Effective Date Issued by IASB (Note 1)
Amendments to IFRS 10 and IAS 28 “Sale or contribution of assets between an investor and its associate or joint venture”	To be determined by IASB
Amendments to IFRS 16 “Lease liability in a sale and leaseback”	January 1, 2024 (Note 2)
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 “Initial Application of IFRS 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

Note 1: Unless otherwise specified, the above-mentioned new/ revised/ amended standards or interpretations will take effect during the annual reporting period beginning on or after each date.

Note 2: A seller-lessee will need to apply the amendments retrospectively to sale-and-leaseback transactions entered into or after the date of initial application of IFRS 16.

As of the date the consolidated financial statements were approved for release, the Company continued to assess the possible impact of the application of the above standards and interpretations on its financial position and financial performance, and will disclose the relevant impact when the assessment is completed.

#### IV. Summary of significant accounting policies

##### (I) Statement of compliance

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

##### (II) Basis of preparation

The consolidated financial reports have been prepared on the historical cost basis except for the financial instruments at fair value and net defined benefit liabilities recognized from the present value of defined benefit obligation deducting defined benefit plans at fair value.

The fair value measurement is classified into three levels based on the observability and significance of relevant inputs:

1. Level 1 inputs: Quoted (unadjusted) prices in active markets for identical assets or liabilities on the measurement date.
2. Level 2 inputs: Inputs, other than quoted market prices within level 1 that are observable, either directly (i.e. prices) or indirectly (derived from prices) for assets or liabilities.
3. Level 3 inputs: Unobservable inputs for assets or liabilities.

##### (III) Classification of current and non-current assets and liabilities

Current assets include:

1. Assets held primarily for the purpose of trading;
2. Assets expected to be realized within 12 months after the balance sheet date; and



3. Cash or cash equivalents (excluding assets restricted from being exchanged or used to settle a liability for at least 12 months after the balance sheet date).

Current liabilities include:

1. Liabilities held primarily for the purpose of trading;
2. Liabilities due to be settled within 12 months after the balance sheet date; and
3. Liabilities with a repayment deadline that cannot be unconditionally deferred for at least 12 months after the balance sheet date.

Assets and liabilities that are not classified as current are classified as non-current.

(IV) Consolidation basis

The consolidated financial statements incorporate the financial statements of the Copartner Company and the entities (subsidiaries) controlled by the Copartner Company. Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statements of comprehensive income from the effective dates of acquisition up to the effective dates of disposal. The financial statements of subsidiaries have been adjusted to ensure consistency between their accounting policies and the Copartner Company's. All intra-group transactions, balances, income, and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of the Copartner Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

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

See Note X and Tables 5 and 6 for the detailed information on subsidiaries (including the percentage of ownership and main business).

(V) Foreign currencies

When the financial statements of each individual entity in the Group are prepared, transactions in currencies other than the entity's functional currency (i.e. foreign currencies) are recognized at the rates of exchange prevailing on the transaction dates.

At each balance sheet date, monetary items denominated in foreign currencies are translated at the rates prevailing on that date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss for the year in which they arise.

Non-monetary items measured at fair value that are denominated in foreign currencies are translated at the rates prevailing on the date when the fair value was determined. The resulting exchange difference is recognized in profit or loss for the year. For items whose changes in fair value are recognized in other comprehensive income, the resulting exchange difference is recognized in other comprehensive income.

Non-monetary items measured at historical cost that are denominated in foreign currencies are translated at the rates of exchange prevailing on the transaction dates and are not retranslated.

When the consolidated financial statements are prepared, the assets and liabilities of the Company's foreign operations (including subsidiaries that operate in countries or adopt the functional currencies different from the Copartner Company) are translated into New Taiwan dollars at the rates of exchange prevailing at the balance sheet date. Income and expense items are translated at the average exchange rates for the year. The resulting currency exchange differences are recognized in other comprehensive income (and attributed to the owners of the Copartner Company and non-controlling interests).

(VI) Inventories

Inventories include raw materials, goods-in-process, semi-finished goods, finished goods, and merchandise. The value of inventories is determined based on the cost or net realizable value, whichever is lower. The comparison of the cost and the realizable value is based on individual items except for inventories of the same category. The net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to make the sale. The cost of inventories is calculated using the weighted average method.

(VII) Investments in associates

An associate is an entity on which the Company has significant influence and is not a subsidiary or joint venture.

The Company adopts the equity method to account for its investments in associates.

Under the equity method, investments in an associate are initially recognized at cost and adjusted thereafter to recognize the Company's share of the profit or loss and other comprehensive income of the associates. In addition, the changes in other equity of the associates are recognized according to the shareholding ratio.

The excess of the acquisition cost over the Company's share of the net fair value of the identifiable assets and liabilities of the associates on the acquisition date is listed as goodwill, which is included in the carrying amount of the investment and cannot be amortized.

When assessing impairment, the Company regards the overall carrying amount of the investment( including goodwill) as a single asset and compares the recoverable amount with the carrying amount for impairment testing. The recognized impairment loss is also part of the carrying amount of the investment. Any reversal of the impairment loss is recognized to the extent of subsequent increases in the recoverable amount of the investment.

Profit or loss on downstream and lateral transactions between the Company and its subsidiaries is recognized in the consolidated financial reports only to the extent that it does not affect the Company's interests in the subsidiaries.

(VIII) Property, plant and equipment

Property, plant and equipment are recognized at cost less accumulated depreciation and accumulated impairment loss.

Each significant component of the remaining property, plant and equipment is depreciated separately on a straight-line basis within their useful lives. The Company conducts at least one annual review at the end of each year to assess the estimated useful life, residual value, and depreciation methods, and applies the effect of changes in applicable accounting estimates prospectively.

When derecognizing property, plant and equipment, the difference between the net disposal proceeds and the carrying amount of the asset shall be recognized in the current profit and loss.

(IX) Goodwill

The cost of goodwill from business combination is the amount of goodwill recognized at the acquisition date. It is subsequently measured at cost less accumulated impairment loss.

To measure impairment, goodwill is allocated to the Company among cash generating units (the “CGUs”) or a group of CGUs, which are expected to benefit from the synergy.

The carrying amount and recoverable amount of the CGUs to which goodwill is allocated will be compared every year (and whenever there are signs of impairment) as impairment testing on the units. If the goodwill allocated to the CGUs was obtained through business combination during the year, the CGUs shall undergo the impairment testing before the end of the year. If the recoverable amount of CGUs to which goodwill is allocated is lower than its carrying amount, the impairment loss is first deducted from the carrying amount of the goodwill of said CGUs. Next, the carrying amount of other assets within said CGUs is deducted from the carrying amount of the goodwill of said CGUs in proportion to the carrying amount of each asset. Any impairment loss is recognized in loss for the year. Impairment loss of goodwill shall not be reversed subsequently.

(X) Intangible assets

1. Acquired separately

Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization and impairment loss. Intangible assets are amortized on a straight-line basis within their useful lives. The Company conducts at least one annual review at the end of each year to assess the estimated useful life, residual value, and amortization methods, and applies the effect of changes in applicable accounting estimates prospectively.

2. Derecognition

When investment property is derecognized, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss.

(XI) Impairment of property, plant and equipment, right-of-use assets, and intangible assets (excluding goodwill)

The Company assesses if there are any signs of possible impairment in property, plant, and equipment as well as right-of-use and intangible assets (excluding

goodwill) at each balance sheet date. If there is any sign of impairment, an estimate is made of its recoverable amount. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The recoverable amount is the fair value less cost of sales or its value in use, whichever is higher. If the recoverable amount of an individual asset or a CGU is lower than its carrying amount, the carrying amount is reduced to the recoverable amount, and the impairment loss is recognized in profit or loss.

When the impairment loss is subsequently reversed, the carrying amount of the asset or the CGU is increased to the revised recoverable amount, provided that the increased carrying amount shall not exceed the carrying amount (less amortization or depreciation) of the asset or the CGU, which was not recognized in impairment loss in prior years. The reversal of the impairment loss is recognized in profit or loss.

#### (XII) Financial instruments

Financial assets and financial liabilities shall be recognized in the consolidated balance sheet when the Company becomes a party to the contractual provisions of the instruments.

When initially recognizing financial assets and financial liabilities, if the financial assets or financial liabilities are not measured at fair value through profit or loss, but measured at fair value plus transaction costs directly attributable to the acquisition or issuance of financial assets or financial liabilities. The transaction costs directly attributable to the acquisition or issuance of financial assets or financial liabilities at fair value through profit or loss are immediately recognized in profit or loss.

##### 1. Financial assets

Regular trading of financial assets shall be recognized and derecognized in accordance with trade date accounting.

##### (1) Measurement types

Financial assets held by the Company are those measured at amortized cost and investments in equity instruments measured at fair value through other comprehensive income (FVTOCI).

##### A. Financial assets measured at amortized cost

When the Company's investments in financial assets meet the following two conditions simultaneously, they are classified as financial assets measured at amortized cost:

- (A) Held under a certain business model, of which the objective is to collect contractual cash flows by holding the financial assets; and
- (B) The cash flows on specific dates specified in the contractual terms are solely payments of the principal and interest on the principal amount outstanding.

After initial recognition, such assets (including cash and cash equivalents, and notes receivable, accounts receivable at amortized cost, accounts receivable due from related parties, other receivables due from related parties, refundable deposits, and refundable fixed deposits) are measured at the amortized cost of the total carrying amount determined by the effective interest method less any impairment loss, and any foreign currency exchange gains or losses are recognized in profit or loss.

Except for the following two cases, interest revenue is calculated by multiplying the effective interest rate by the total carrying amount of financial assets:

- (A) For purchased or originated credit-impaired financial asset, interest revenue is calculated by multiplying the credit-adjusted effective interest rate by the amortized cost of the financial asset.
- (B) For a financial asset that is not purchased or originated credit-impaired but subsequently becomes credit impaired, interest income is calculated by multiplying the effective interest rate from the next reporting period after the credit impairment by the amortized cost of the financial asset.

Credit-impaired financial assets refer to a situation in which the issuer or debtor has experienced significant financial difficulties or defaulted, the debtor is likely to apply for bankruptcy or

other financial restructuring, or the active market for such financial assets disappears due to financial difficulties.

Cash equivalents include time deposits that are highly liquid and readily convertible into a fixed amount of cash at any time within 3 months from the date of acquisition while featuring little risk of value changes, which are used to meet short-term cash commitments.

B. Investments in equity instruments at fair value through other comprehensive income

The Company may, upon initial recognition, make an irrevocable election to designate as at fair value through other comprehensive income the investments in equity instruments that are not held for trading and the ones that are not recognized by an acquirer in a business combination or with the contingent consideration.

Investments in an equity instrument measured at fair value through other comprehensive income are measured at fair value, and any subsequent fair value changes are recognized in other comprehensive income and accumulated in other equity. At the time of disposal of such investments, the accumulated gains and losses are directly reclassified to retained earnings and will not be reclassified to profit or loss.

Dividends of investments in equity instruments measured at fair value through other comprehensive income are recognized in profit or loss when the Company's right to receive dividends is established unless such dividends clearly represent the recovery of a part of the investment cost.

(2) Impairment of financial assets

The Company assesses the impairment loss of financial assets measured at amortized cost (including accounts receivable and lease payments receivable) based on the expected credit loss at each balance sheet date.

Accounts receivable and lease payments receivable are both recognized in loss allowance based on the lifetime expected credit

losses (ECLs). Other financial assets are first assessed based on whether the credit risk has increased significantly since the initial recognition. If there is no significant increase in the risk, a loss allowance is recognized at an amount equal to 12-month ECLs. If the risks have increased significantly, a loss allowance is recognized at an amount equal to lifetime ECLs.

The ECLs refer to the weighted average credit loss with the risk of default as the weight. The 12-month ECLs represent the ECLs from possible defaults of a financial instrument within 12 months after the reporting date. The lifetime ECLs represent the ECLs from all possible defaults in a financial instrument over the expected life of a financial instrument.

For the purpose of internal credit risk management, the Company, without considering the collateral held, determines that the following situations represent defaults in the financial assets:

- A. Internal or external information indicates that it is impossible for the debtor to settle the debt.
- B. It is overdue for more than 90 days, unless there is reasonable and corroborative information showing that a default date postponed is more appropriate.

Impairment losses of all financial assets are achieved by reducing their carrying amounts through the use of an allowance account.

(3) Derecognition of financial assets

The Company derecognizes a financial asset when the contractual rights to the cash inflow from the financial asset expire or when it transfers the financial assets and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the consideration received is recognized in profit or loss. When derecognizing an investment in equity instrument at fair value through other comprehensive income in its entirety, the cumulative profit or loss is transferred directly to retained earnings and is not reclassified to profit or loss.



## 2. Equity instruments

Equity instruments issued by the Company are classified as equity in accordance with the substance of the contractual arrangements and the definitions of equity instruments.

Equity instruments issued by the Company are recognized at the proceeds received, net of the cost of direct issue.

The repurchase of the Company's own equity instruments is recognized in and deducted directly from equity. The purchase, sale, issuance, or cancellation of the Company's own equity instruments is not recognized in profit or loss.

## 3. Financial liabilities

### (1) Subsequent measurement

The Company's all financial liabilities are measured at amortized cost using the effective interest method.

### (2) Derecognition of financial liabilities

When financial liabilities are derecognized, the difference between the carrying amount and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

## (XIII) Revenue recognition

After the performance obligations are identified in a customer contract, the Company allocates the transaction price to each performance obligation, and recognizes it in revenue when each performance obligation is satisfied.

### Sales revenue of goods

The sales of goods revenue comes from the R&D, manufacturing and sales of signal transmission wires and wire sets for information, communication and consumer electronics products, automobiles, medical equipment, industrial equipment, automation equipment and servers; the R&D, manufacturing and sales of plastic products. When the products are delivered to the location designated by customers, customers have the right to determine the price and the way the products are used while bearing the main responsibility for resale and the risk of obsolescence, upon which revenue and account receivable are recognized by the Company.

When processing consigned material, the control of the ownership of the processed products has not been transferred, so revenue is not recognized when consigned material.

(XIV) Leases

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

1. The Company as lessor

Where almost all the risks and rewards attached to the ownership of an asset are transferred to the lessee in lease terms, such leases are classified as finance leases. All other leases are classified as operating leases.

Under operating leases, lease payments less lease incentives are recognized in income on a straight-line basis over the relevant lease terms. The original direct cost incurred in obtaining an operating lease is added to the carrying amount of the underlying asset and recognized in expenses on a straight-line basis over the lease term. Lease negotiations with the lessee are treated as new leases from the effective date of the lease modification.

2. The Company as lessee

The Company recognizes all leases as right-of-use assets and lease liabilities on the commencement date of the lease, except for payment for low-value asset leases and short-term leases which are exempted from recognition and recognized as costs on a straight-line basis during the lease term.

A right-of-use asset is initially measured at cost (including the initial measured amount of lease liabilities, the amount of lease payments made to the lessor less lease incentives received prior to the inception of a lease, initial direct costs, and the estimated costs of restoring underlying assets), and subsequently measured at cost less accumulated depreciation and accumulated impairment and adjusted for any re-measurement of the lease liabilities. Right-of-use assets are presented separately in the consolidated balance sheets.

Depreciation is withdrawn for right-of-use assets by using straight-line method from the commencement dates of lease to the earlier of the expiration of the service lives or lease terms.

The lease liability is initially measured at the present value of the lease payment. If the interest rate implicit in a lease can be easily determined, the lease payment is discounted at such an interest rate. If the interest rate cannot be easily determined, the lessee's incremental borrowing rate applies.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. If changes in the lease term lead to changes in future lease payments, the Company remeasures the lease liabilities with a corresponding adjustment to the right-of-use assets. However, if the carrying amount of the right-of-use assets has been reduced to zero, the remaining re-measurement amount is recognized in profit or loss. Lease liabilities are presented on a separate line in the consolidated balance sheets.

(XV) Borrowing costs

Borrowing costs directly attributable to an acquisition, construction, or production of qualifying assets are added to the cost of said assets, until such time as the assets are substantially ready for their intended use or sale.

For specific borrowings, if the investment income earned by making a temporary investment before the capital expenditure that meets the requirements is incurred, it is deducted from the borrowing costs that meet the capitalization conditions.

Other than that which is stated above, all other borrowing costs are recognized in profit or loss in the period in which they are incurred.

(XVI) Employee benefits

1. Short-term employee benefits

Relevant liabilities for short-term employee benefits are measured by the non-discounted amount expected to be paid in exchange for employee services.

2. Post-employment benefits

For pension under the defined contribution plan, the amount of pension contributed is recognized in expenses during employees' service period.

The defined benefit cost under the defined benefit pension plan (including service cost, net interest, and re-measurement) is calculated based on the projected unit credit method. The service cost (including the service costs

for the current period) and the net interest on the net defined benefit liabilities are recognized in employee benefit expenses as they occur. The re-measurement (including actuarial gains and losses, and the return on plan assets, net of interest) is recognized in other comprehensive income and listed in retained earnings when it occurs, and will not be reclassified to profit or loss subsequently.

The net defined benefit liabilities are the deficit of the defined benefit pension plan.

(XVII) Income tax

The income tax expense represents the sum of the current income tax and deferred tax.

1. Current income tax

The Company determines the income (loss) of the current year in accordance with the laws and regulations in each jurisdiction for income tax declaration, and calculates the income tax payable (recoverable) accordingly.

A surtax imposed on the undistributed earnings pursuant to the Income Tax Act of R.O.C. is recognized in the year in which it is resolved by the annual shareholders' meeting.

Adjustments to income tax payable from prior years are recognized in the income tax for the year.

2. Deferred income tax

Deferred income tax is calculated based on the temporary differences between the carrying amount of assets and liabilities and the corresponding tax bases used in the computation of taxable income.

Deferred tax liabilities are generally recognized for all taxable temporary differences, and deferred tax assets are recognized when there is likely to be taxable income to deduct temporary differences and the deduction of losses generate income tax credit.

All taxable temporary differences related to investment in subsidiaries and equity in associates are recognized as deferred tax liabilities, except where the Company is able to control the time of reversal of the temporary differences and it is very likely that such temporary differences will not be reversed in the foreseeable future. The deductible temporary differences

related to said investments are recognized in deferred income tax only if it is probable that there will be sufficient taxable income against which to utilize the benefits of the temporary differences, and they are expected to be reversed in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the asset to be recovered. A previously unrecognized deferred tax asset is also reviewed at each balance sheet date and recognized to the extent that it has become probable that future taxable income will allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates of the current year in which the liabilities are expected to be settled or assets realized, based on tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date. The measurement of deferred tax assets and liabilities reflects the tax consequences that would follow from the manner in which the Company expects, at the balance sheet date, to recover or settle the carrying amount of its assets and liabilities.

3. Current and deferred income tax

Current and deferred income taxes are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, the current and deferred taxes are recognized in other comprehensive income or directly in equity, respectively.

V. Major sources of uncertainty in significant accounting judgments, estimations, and assumptions

When the Company adopts accounting policies, the management must make relevant judgments, estimates, and assumptions based on historical experience and other relevant factors for those not easy to obtain relevant information from other sources. Actual results may differ from estimates.

The Company will take the recent development of the COVID-19 pandemic and its possible impact on the economic environment into consideration of major accounting estimates related to cash flow estimation, growth rate, discount rate, profitability, etc., and the management will continue to review the estimates and basic assumptions. If a

change in an accounting estimate may affect the current, it shall be recognized in the current. If a change in an accounting estimate may affect the current and future period, it shall be recognized in the current and future period.

#### Significant accounting judgments

##### Lease term

When determining the lease term of the leased asset, the Company considers all relevant facts and circumstances that will create economic incentives to exercise (or not exercise) the option, including the expected change of all facts and circumstances from the lease commencement date to the option exercise date. Key factors considered include the terms and conditions of the contract for the period covered by the option, significant leasehold improvements made during the contract period, and the importance of the underlying asset to the lessee's operations. Reevaluate the lease term when changes occur in substantial matters or circumstances within the control scope of the Company.

##### Major sources of uncertainty in estimations and assumptions

###### (I) Income tax

As of December 31, 2022 and 2021, the carrying amounts of deferred income tax assets related to unused tax losses were NT\$ 82,125 thousand and NT\$ 67,333 thousand, respectively. Due to the unpredictability of future profits, the Company had tax losses of NT\$ 293,547 thousand and NT\$ 274,290 thousand as of December 31, 2022 and 2021, respectively, which have not been recognized as deferred income tax assets. The realizability of deferred income tax assets mainly depends on whether there will be sufficient profits or taxable temporary differences in the future. If the actual profit generated in the future is less than expected, there may be a reversal of significant deferred income tax assets, and such reversals are recognized as profit or loss during the occurrence.

###### (II) Estimated impairment on receivables

The estimated impairment on notes and accounts receivable is based on the Company's assumptions about the default probability and the loss given default. The Company considers historical experience, current market conditions, and forward-looking information to formulate assumptions and select inputs for impairment assessments. Please refer to Note VIII for important assumptions adopted and input values. If the actual cash flow in the future is less than the Company's expectation, significant impairment loss may occur.

(III) Impairment on inventories

The inventories net realizable value is the estimated selling price in the normal operations, less the estimated cost of completion and the estimated costs necessary to make the sale. These estimates are based on the current market conditions and the historical sales experience assessment of similar products, and the changes in market conditions may significantly impact these estimates.

VI. Cash and cash equivalents

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Checking accounts and demand deposits	\$ 823,375	\$ 599,160
Cash on hand and revolving funds	829	1,365
Cash equivalents (investment with original maturities within three months)		
Bank fixed deposits	<u>440,617</u>	<u>229,256</u>
	<u>\$ 1,264,821</u>	<u>\$ 829,781</u>

The interest rate range of bank deposits on the balance sheet date is as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Bank deposits	0%~2.10%	0%~2.28%

VII. Financial assets at fair value through other comprehensive income

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
<u>Non-current</u>		
Foreign investment		
Unlisted stocks		
Ordinary shares of Yisite Precision Instrument (Dongguan) Co., Ltd.	<u>\$ 3,089</u>	<u>\$ 3,043</u>

The Company has invested ordinary shares of the above company according to the long-term strategy purpose and expects profits through long-term investment. The Company's management believes that, if the short-term fluctuations in the fair value of these investments are recognized as profits or losses, it would be inconsistent with the aforementioned long-term investment plan, so these investments are measured at fair value through other comprehensive income as designated.

VIII. Notes receivable, accounts receivable, and other receivable, net

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
<u>Note receivable</u>		
Measured at amortized cost		
Total carrying amount	\$ 182,904	\$ 218,384
Less: Loss allowances	( 21,883 )	( 19,708 )
	<u>\$ 161,021</u>	<u>\$ 198,676</u>
 <u>Accounts receivable</u>		
Measured at amortized cost		
Total carrying amount	\$ 1,365,258	\$ 1,763,555
Less: Loss allowances	( 52,601 )	( 35,279 )
	<u>\$ 1,312,657</u>	<u>\$ 1,728,276</u>
 <u>Other receivables</u>		
Measured at amortized cost		
Total carrying amount	\$ 12,237	\$ 10,841
Less: Loss allowances	-	-
	<u>\$ 12,237</u>	<u>\$ 10,841</u>

Accounts receivable measured at amortized cost

The Company's average credit period for sales is 60 days to 120 days monthly settlement. No interest will be accrued for accounts receivable. In order to mitigate credit risk, the management of the Company assigns a special team to be responsible for the determination of credit lines, credit approval, and other monitoring procedures to ensure that appropriate actions have been taken in the recovery of past-due accounts receivable. In addition, the Company will review the recoverable amounts of receivables one by one at the balance sheet date to ensure that the unrecoverable receivables have been properly recognized in impairment losses. Accordingly, the Company's management believes that its credit risk has been significantly reduced.

The Company recognizes the loss allowance for accounts receivable based on the lifetime ECLs. The lifetime ECLs are calculated using a provision matrix based on the consideration for customers' past default records, current financial position, and industrial economic situation. As the Company's historical experience in credit loss shows that there is no significant difference in the loss patterns among different customer groups, the customer groups are not further differentiated in the provision matrix, and only the ECLs based on the age of the accounts receivable are set.

If there is evidence that a counterparty is facing serious financial difficulties and the Company cannot reasonably expect to recover the amount, for instance, the



counterparty is engaging in the settlement. The Company will directly write off the relevant accounts receivable but will continue to try to collect the receivable. The recovered amount is recognized in profit or loss.

The loss allowance for accounts receivable measured by the Company based on the provision matrix as follows:

December 31, 2022

	1 to 90 days	91 to 180 days	181 to 365 days	Over 365 days	Total
ECLs	-	1%	25%~75%	100%	
Total carrying amount	\$ 963,111	\$ 341,694	\$ 21,266	\$ 39,187	\$ 1,365,258
Allowance for losses (lifetime ECLs)	-	( 3,459)	( 9,955)	( 39,187)	( 52,601)
Amortized cost	<u>\$ 963,111</u>	<u>\$ 338,235</u>	<u>\$ 11,311</u>	<u>\$ -</u>	<u>\$ 1,312,657</u>

December 31, 2021

	1 to 90 days	91 to 180 days	181 to 365 days	Over 365 days	Total
ECLs	-	1%	25%~75%	100%	
Total carrying amount	\$ 1,221,040	\$ 489,366	\$ 34,982	\$ 18,167	\$ 1,763,555
Allowance for losses (lifetime ECLs)	( 49)	( 4,900)	( 12,163)	( 18,167)	( 35,279)
Amortized cost	<u>\$ 1,220,991</u>	<u>\$ 484,466</u>	<u>\$ 22,819</u>	<u>\$ -</u>	<u>\$ 1,728,276</u>

The information on changes in the loss allowance for notes receivable is as follows:

	2022	2021
Balance at beginning of the year	\$ 19,708	\$ 20,397
Add: Impairment loss recognized for the year	2,175	-
Less: Impairment loss reversal for the year	-	( 689)
Balance at end of the year	<u>\$ 21,883</u>	<u>\$ 19,708</u>

The information on changes in the loss allowance for accounts receivable is as follows:

	2022	2021
Balance at beginning of the year	\$ 35,279	\$ 28,622
Add: Impairment loss recognized for the year	17,244	15,671
Less: Actual write-off for the year	( 272)	( 8,957)
Foreign currency translation difference	350	( 57)
Balance at end of the year	<u>\$ 52,601</u>	<u>\$ 35,279</u>

IX. Inventories

	December 31, 2022	December 31, 2021
Finished goods	\$ 86,238	\$ 94,374
Goods-in-process and semi-finished goods	88,165	100,717

Raw material	154,015	225,685
Goods	<u>5,761</u>	<u>9,075</u>
	<u>\$334,179</u>	<u>\$429,851</u>

The components of operating costs related to inventories are as follows:

	<u>2022</u>	<u>2021</u>
Allowance for inventory valuation and obsolescence loss	<u>\$ 6,457</u>	<u>\$ 18,217</u>
Unamortized production overheads	<u>\$ 70,189</u>	<u>\$ 47,136</u>
Revenue from scrap	<u>\$ 21,563</u>	<u>\$ 28,456</u>
Costs of sales	<u>\$ 3,549,042</u>	<u>\$ 4,049,766</u>

## X. Subsidiary

The main entities in the consolidated financial statements are as follows:

Investment company	Name of subsidiary	Nature of business	Ownership (%)		Description
			December 31, 2022	December 31, 2021	
Copartner Technology Corp.	Hotek Technology Corporation	Investment	100%	100%	-
	Copartner Wire And Cable (ShenZhen) Co., Ltd.	Investment	100%	100%	-
	Cablex Wire (ShenZhen) Mfg Co., Ltd.	Production and sales of copper wires	100%	100%	-
Hotek Technology Corp.	Sunagaru International Inc. (Sunagaru)	General international trade business	-	100%	Note 1
	Copartner Wire & Cable Manufacturing Limited	General international trade and general investment business	100%	100%	-
Copartner Wire & Cable Manufacturing Limited	Huisheng Plastic (ShenZhen) Co., Ltd.	Production and sales of plastic pellets	100%	100%	-
	Copartner Technology (ShenZhen) Co., Ltd.	Production and sales of wires, cables, and computer cables	100%	100%	-
	Copartner Wire And Cable (KunShan) Co., Ltd.	Investment	100%	100%	-
	Wanfu Plastic (ShenZhen) Co., Ltd.	Production and sales of plastic pellets	64.09%	64.09%	-
	Shin Ya Wire And Cable (ShenZhen) Co., Ltd.	Production and sales of wires, cables, and computer cables	26%	26%	-
	United Electric Wire (KunShan) Co., Ltd.	Production and sales of wires, cables, and computer cables	26%	26%	-
	Cablex Wire And Cable (KunShan) Mfg.	Production and sales of wires, cables, and computer wire harness	26%	26%	-
	ShenZhen Copartner Communication Co., Ltd.	Production and sales of wires, cables, and computer cables	26%	26%	-
	Copartner Technology (DongTai) Co., Ltd.	R&D, production, and sales of high-end communication signal transmission cables and copper conductors	26%	26%	-
	Jia Xin New Materials (Anfu) CO., LTD.	Production and sales of plastic pellets	26%	26%	-
Copartner Wire And Cable (KunShan) Co., Ltd.	Cablex Metal Tech (Anfu) Co., Ltd.	Production and sales of copper wires	26%	26%	Note 2
	COPARTNER TECHNOLOGY (Anfu) Co., Ltd.	Production and sales of wires, cables, and computer cables	26%	26%	Note 3
	United Electric Wire (KunShan) Co., Ltd.	Production and sales of wires, cables, and computer cables	74%	74%	-
	Cablex Wire And Cable (KunShan) Mfg.	Production and sales of wires, cables, and computer wire harness	74%	74%	-

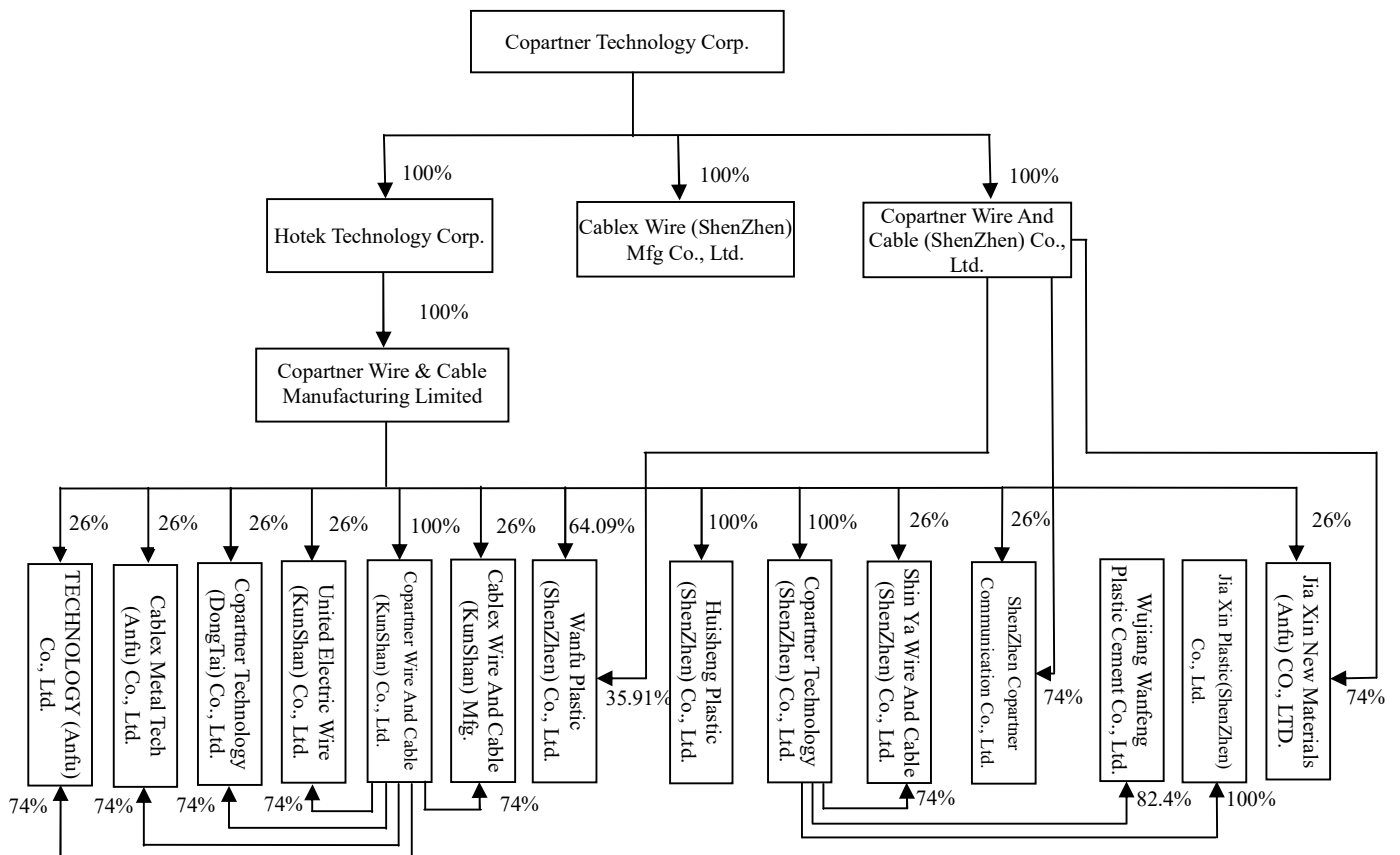
	Copartner Technology (DongTai) Co., Ltd.	R&D, production, and sales of high-end communication signal transmission cables and copper conductors	74%	74%	-
	Cablex Metal Tech (Anfu) Co., Ltd.	Production and sales of copper wires	74%	74%	Note 2
	COPARTNER TECHNOLOGY (Anfu) Co., Ltd.	Production and sales of wires, cables, and computer cables	74%	74%	Note 3
Copartner Technology (ShenZhen) Co., Ltd.	Shin Ya Wire And Cable (ShenZhen) Co., Ltd.	Production and sales of wires, cables, and computer cables	74%	74%	-
	Wujiang Wanfeng Plastic Cement Co., Ltd.	Production and sales of plastic pellets	82.4%	82.4%	-
	Jia Xin Plastic(ShenZhen) Co., Ltd.	Production and sales of plastic pellets	100%	100%	-
Copartner Wire And Cable (ShenZhen) Co., Ltd.	ShenZhen Copartner Communication Co., Ltd.	Production and sales of wires, cables, and computer cables	74%	74%	-
	Wanfu Plastic (ShenZhen) Co., Ltd.	Production and sales of plastic pellets	35.91%	35.91%	-
	Jia Xin New Materials (Anfu) CO., LTD.	Production and sales of plastic pellets	74%	74%	-

Note 1: Sunagaru Company has been liquidated in December 2022.

Note 2: Cablex Metal Tech (Anfu) Co., Ltd. has registered its establishment on January 25, 2021, which was jointly invested by Copartner Wire & Cable Manufacturing Limited and Copartner Wire And Cable (KunShan) Co., Ltd.

Note 3: COPARTNER TECHNOLOGY (Anfu) Co., Ltd. has registered its establishment on January 25, 2021, which was jointly invested by Copartner Wire & Cable Manufacturing Limited and Copartner Wire And Cable (KunShan) Co., Ltd.

As of the end of December 2022, the Company's investment relation and ownership percentage are as follows charts:



XI. Investments accounted for using equity method

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
<u>Investments in associates</u>		
Associates that are not individually material		
HPC Technology Inc.	<u>\$ 42,811</u>	<u>\$ 35,287</u>
	Percentage of ownership interests and voting rights	
<u>Company Name</u>	<u>December 31, 2022</u>	<u>December 31, 2021</u>
HPC Technology Inc.	48.98%	48.98%

Aggregate information on associates that are not individually material as follows:

	<u>2022</u>	<u>2021</u>
The Company's share		
Current net income (loss)	<u>\$ 7,524</u>	<u>(\$ 3,491)</u>

As of December 31, 2022 and 2021, the amount of goodwill generated by the Company's investment in HPC Technology Inc. was NT\$ 14,462 thousand, including the cost of investing in associates.

Please refer to Table 5 Information on Investee for the information on the above associates' business nature, the main place of business, and country of company registration.

The Company's share of profit or loss of the associates under the equity method in 2022 and 2021 was recognized based on the associates' financial statements that have been audited by CPAs for the same period.

XII. Property, plant and equipment

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Owner-occupied	<u>\$687,648</u>	<u>\$556,626</u>
Operating lease rent	<u>13,679</u>	<u>14,178</u>
	<u>\$701,327</u>	<u>\$570,804</u>

(I) Owner-occupied

	<u>Land</u>	<u>Property and building</u>	<u>Machinery and equipment</u>	<u>Instrument and equipment</u>	<u>Transport equipment</u>	<u>Office equipment</u>	<u>Other equipment</u>	<u>Property under construction</u>	<u>Total</u>
<u>Cost</u>									
Balance as of January 1, 2022	\$ 97,644	\$ 184,574	\$ 656,648	\$ 75,488	\$ 49,019	\$ 53,625	\$ 51,991	\$ 123,798	\$ 1,292,787
Additions	-	-	55,720	13,739	1,278	1,450	8,111	155,698	235,996
Disposals	-	-	( 30,716)	( 2,776)	( 3,934)	( 961)	( 729)	-	( 39,116)
Foreign currency translation difference	-	1,822	8,832	973	633	449	672	1,070	14,451
Balance as of December 31, 2022	<u>\$ 97,644</u>	<u>\$ 186,396</u>	<u>\$ 690,484</u>	<u>\$ 87,424</u>	<u>\$ 46,996</u>	<u>\$ 54,563</u>	<u>\$ 60,045</u>	<u>\$ 280,566</u>	<u>\$ 1,504,118</u>
<u>Accumulated depreciation and impairment</u>									
Balance as of January 1, 2022	\$ -	\$ 135,119	\$ 445,661	\$ 53,583	\$ 24,561	\$ 41,982	\$ 35,255	\$ -	\$ 736,161
Depreciation expense	-	4,837	75,188	10,213	8,377	3,479	6,754	-	108,848
Disposals	-	-	( 30,311)	( 2,745)	( 3,088)	( 906)	( 692)	-	( 37,742)

Foreign currency translation difference	-	1,402	6,035	733	281	298	454	-	9,203
Balance as of December 31, 2022	\$ -	\$ 141,358	\$ 496,573	\$ 61,784	\$ 30,131	\$ 44,853	\$ 41,771	\$ -	\$ 816,470
Net amount as of December 31, 2022	\$ 97,644	\$ 45,038	\$ 193,911	\$ 25,640	\$ 16,865	\$ 9,710	\$ 18,274	\$ 280,566	\$ 687,648
<u>Cost</u>									
Balance as of January 1, 2021	\$ 97,644	\$ 185,073	\$ 645,891	\$ 69,234	\$ 46,564	\$ 48,712	\$ 52,168	\$ 24	\$ 1,145,310
Additions	-	-	118,727	7,673	12,983	8,268	3,747	123,621	275,019
Disposals	-	-	(105,566)	(1,172)	(10,368)	(3,260)	(3,730)	-	(124,096)
Foreign currency translation difference	-	(499)	(2,404)	(247)	(160)	(95)	(194)	153	(3,446)
Balance as of December 31, 2021	\$ 97,644	\$ 184,574	\$ 656,648	\$ 75,488	\$ 49,019	\$ 53,625	\$ 51,991	\$ 123,798	\$ 1,292,787
<u>Accumulated depreciation and impairment</u>									
Balance as of January 1, 2021	\$ -	\$ 130,137	\$ 468,202	\$ 46,744	\$ 25,835	\$ 42,740	\$ 31,831	\$ -	\$ 745,489
Depreciation expense	-	5,348	69,571	8,117	8,591	2,401	7,002	-	101,030
Impairment loss	-	-	2,121	-	-	-	86	-	2,207
Disposals	-	-	(92,384)	(1,099)	(9,769)	(3,067)	(3,549)	-	(109,868)
Foreign currency translation difference	-	(366)	(1,849)	(179)	(96)	(92)	(115)	-	(2,697)
Balance as of December 31, 2021	\$ -	\$ 135,119	\$ 445,661	\$ 53,583	\$ 24,561	\$ 41,982	\$ 35,255	\$ -	\$ 736,161
Net amount as of December 31, 2021	\$ 97,644	\$ 49,455	\$ 210,987	\$ 21,905	\$ 24,458	\$ 11,643	\$ 16,736	\$ 123,798	\$ 556,626

Depreciation expenses are recognized on a straight-line basis based on the number of useful lives below:

Property and building	
Office main buildings	50 years
Renovation projects and others	2-10 years
Machinery and equipment	2-10 years
Instrument and equipment	3-10 years
Transport equipment	3-10 years
Office equipment	3-15 years
Other equipment	2-10 years

For the amount of property, plant, and equipment pledged by the Company as collateral for borrowings, please refer to Note XXVIII.

(II) Operating lease rent

	<u>Property and building</u>
<u>Cost</u>	
Balance for the year ended December 31, 2022	<u>\$ 25,446</u>
<u>Accumulated depreciation</u>	
Balance as of January 1, 2022	\$ 11,268
Depreciation expense	<u>499</u>
Balance as of December 31, 2022	<u>\$ 11,767</u>
Net amount as of December 31, 2022	<u>\$ 13,679</u>
<u>Cost</u>	
Balance for the year ended December 31, 2021	<u>\$ 25,446</u>
<u>Accumulated depreciation</u>	
Balance as of January 1, 2021	\$ 10,769

Depreciation expense	<u>499</u>
Balance as of December 31, 2021	<u>\$ 11,268</u>
Net amount as of December 31, 2021	<u>\$ 14,178</u>

The Company rents offices by operating lease of 2 to 3 years lease term. At the end of the lease term, the lessee will not have a bargain purchase option for the asset.

The total amount of lease payments that will be received in the future under operating leases is as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
First year	\$ 1,985	\$ 2,878
Second year	<u>1,279</u>	<u>280</u>
	<u>\$ 3,264</u>	<u>\$ 3,158</u>

Depreciation expenses are recognized on a straight-line basis based on the number of useful lives below:

Property and building	50 years
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### XIII. Lease arrangements

#### (I) Right-of-use assets

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Carrying amount of right-of-use assets		
Land	\$ 57,986	\$ 41,732
Property and building	338,912	326,029
Transport equipment	<u>2,520</u>	<u>-</u>
	<u>\$399,418</u>	<u>\$367,761</u>
	<u>2022</u>	<u>2021</u>
Additions to right-of-use assets	<u>\$ 98,877</u>	<u>\$311,534</u>
Depreciation expenses of right-of-use assets		
Land	\$ 903	\$ 947
Property and building	76,985	77,517
Transport equipment	<u>608</u>	<u>76</u>
	<u>\$ 78,496</u>	<u>\$ 78,540</u>

Except for the additions and recognition of depreciation expenses listed above, there was no significant sublease or impairment of the Company's right-of-use assets in 2022 and 2021.

#### (II) Lease liabilities

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Carrying amount of lease liabilities		
Current	<u>\$ 67,508</u>	<u>\$ 62,333</u>
Non-current	<u>\$281,518</u>	<u>\$266,807</u>

Range of discount rate for lease liabilities is as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Property and building	1.8%~4.9%	1.8%~4.9%
Transport equipment	1.8%	4.75%

(III) Material lease-in activities and terms

The Company leases several buildings for plants, offices, and dormitories for a 2 to 9 years lease term.

The Company also leases a certificate of the right of land use of the mainland for 50 years lease term.

(IV) Other leasing information

	<u>2022</u>	<u>2021</u>
Expense on short-term lease	<u>\$ 16,560</u>	<u>\$ 7,763</u>
Lease expenses of low-value assets	<u>\$ -</u>	<u>\$ -</u>
Variable lease payments not included in the measurement of lease liabilities	<u>\$ -</u>	<u>\$ -</u>
Total cash outflow from lease	<u>(\$138,088)</u>	<u>(\$120,408)</u>

The Company has leased certain office equipment which qualifies for short-term leases and transportation equipment which qualifies for low-value asset leases.

The Group has elected to apply the recognition exemption for said equipment and, thus, did not recognize the right-of-use assets and lease liabilities of said leases.

XIV. Goodwill

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
<u>Cost</u>		
Balance at beginning of the year	\$ 4,258	\$ 4,268
Foreign currency translation difference	<u>36</u>	<u>( 10)</u>
Balance at end of the year	<u>\$ 4,294</u>	<u>\$ 4,258</u>

XV. Intangible assets

	<u>Computer software costs</u>
<u>Cost</u>	
Balance as of January 1, 2022	\$ 3,756
Additions	717
Net exchange differences	<u>52</u>
Balance as of December 31, 2022	<u>\$ 4,525</u>
<u>Accumulated amortization</u>	
Balance as of January 1, 2022	\$ 3,568
Amortization expense	132
Net exchange differences	<u>52</u>
Balance as of December 31, 2022	<u>\$ 3,752</u>
Net amount as of December 31, 2022	<u>\$ 773</u>

	<u>Computer software costs</u>
<u>Cost</u>	
Balance as of January 1, 2021	\$ 3,617
Additions	154
Net exchange differences	<u>(15)</u>
Balance as of December 31, 2021	<u>\$ 3,756</u>
<u>Accumulated amortization</u>	
Balance as of January 1, 2021	\$ 3,319
Amortization expense	263
Net exchange differences	<u>(14)</u>
Balance as of December 31, 2021	<u>\$ 3,568</u>
Net amount as of December 31, 2021	<u>\$ 188</u>

Amortization expenses are recognized on a straight-line basis based on the number of useful lives below:

Computer software costs 3 years

XVI. Other assets

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
<u>Current</u>		
Refundable fixed deposits	\$ -	\$ 85
Other	<u>12,813</u>	<u>12,417</u>
	<u>\$ 12,813</u>	<u>\$ 12,502</u>

XVII. Borrowings



(I) Short-term borrowings

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
<u>Unsecured borrowings</u>		
Credit borrowings		
- Interest rate: 1.59%~2.01% in 2022, due before the end of June 2023; 0.90%~1.62% in 2021, due before the end of October 2022	<u>\$850,000</u>	<u>\$927,680</u>

(II) Short-term notes payable

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Commercial paper payable	<u>\$ 40,000</u>	<u>\$ 40,000</u>

The short-term bills payable that has not yet expired is as follows:

December 31, 2022

<u>Guarantee / acceptance institution</u>	<u>Face value</u>	<u>Discount amount</u>	<u>Carrying amount</u>	<u>Interest rate range</u>	<u>Collateral item</u>	<u>Carrying amount of collateral</u>
<u>Commercial paper payable</u>						
Mega Bills Finance Co., Ltd.	<u>\$ 40,000</u>	<u>\$ -</u>	<u>\$ 40,000</u>	2.10%	-	<u>\$ -</u>

December 31, 2021

<u>Guarantee / acceptance institution</u>	<u>Face value</u>	<u>Discount amount</u>	<u>Carrying amount</u>	<u>Interest rate range</u>	<u>Collateral item</u>	<u>Carrying amount of collateral</u>
<u>Commercial paper payable</u>						
Mega Bills Finance Co., Ltd.	<u>\$ 40,000</u>	<u>\$ -</u>	<u>\$ 40,000</u>	1.02%	-	<u>\$ -</u>

(III) Long-term borrowings

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
<u>Secured borrowings (1)</u>		
Joint credit loan - interest rate: 1.80% for 2022 and 2021	\$550,000	\$200,000
Syndication sponsor fee	( 1,450 )	( 552 )
Subtotal	548,550	199,448
<u>Unsecured borrowings</u>		
Credit borrowings-interest rate: 0.48%~ 6.7% in 2022, due before the end of January 2027; 0.10% in 2021, due	73,517	60,600

before the end of January 2027		
Less: Current portion within one year	( 17,995 )	-
Long-term borrowings	<u>\$604,072</u>	<u>\$260,048</u>

- In October 2022, the Copartner Company entered into joint credit agreements of NT\$ 1,000,000 thousand or equivalent US dollars with 6 banks such as Chang Hwa Bank Chilin Branch and Land Bank of Taiwan Chengdong Branch. The agreement period is 5 years, of which Item A - medium-term loans of NT\$ 1 million thousand; Item B - medium-term loans of NT\$ 1,000,000 thousand equivalent in US dollars, and Item C - guaranteed-commercial paper issuance of NT\$ 600,000 thousand, make all revolving loan facilities.

Items A and B - The relevant terms, interest rate, and amount used on December 31, 2022, for the medium-term loans are as follows:

December 31, 2022

<u>Line of credit</u>	<u>Amount used</u>	<u>Credit term</u>	<u>Interest rate</u>	<u>Repayment method</u>
NT\$ 1,000,000 thousand or equivalent in US dollars	<u>\$ 550,000</u>	Five years from the date of first drawdown (revolving credit)	1.80%	The borrower shall pay off the outstanding principal balance of each usage in the currency of each usage on the due date of the usage

In November 2018, the Copartner Company entered into joint credit agreements of NT\$ 800,000 thousand or equivalent US dollars with 6 banks such as Chang Hwa Bank Chilin Branch and Land Bank of Taiwan Chengdong Branch. The agreement period is 5 years, of which Item A-1 - medium-term loans of NT\$ 800,000 thousand; Item A-2 - guaranteed-commercial paper issuance of NT\$ 400,000 thousand equivalent in US dollars (recognized in long-term notes payable), make all revolving loan facilities.

Item A-1 - The relevant terms, interest rate, and amount used on December 31, 2021 for the medium-term loans are as follows:

December 31, 2021

<u>Line of credit</u>	<u>Amount used</u>	<u>Credit term</u>	<u>Interest rate</u>	<u>Repayment method</u>
NT\$ 800,000 thousand or equivalent in US dollars	<u>\$ 200,000</u>	Five years from the date of first drawdown (revolving credit)	1.80%	The borrower shall pay off the outstanding principal balance of each usage in the currency of each usage on the due date of the usage

During the duration of old and new agreements with the Chang Hwa Bank, a syndicated loan with a joint credit line, the current ratio, debt ratio, and EBIT in the Copartner Company's Q2 and annual consolidated financial statements should meet the requirements in the agreements. As of December 31, 2022, all financial ratios of the Copartner Company were in compliance with the regulations.

For the above long-term borrowings, the Copartner Company provided part of the land, houses, and buildings in Zhonghe District, New Taipei City as collateral for the loan (please refer to Note XXVIII).

(IV) Long-term notes payable

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Joint credit agreement-guaranteed-commercial paper issuance Interest rate: 0.99% in 2021	<u>\$ -</u>	<u>\$200,000</u>

The joint credit agreement as described in (3) is Item A-2 - line of guaranteed-commercial paper issuance.

XVIII. Other current liabilities

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Salary and bonus payable	\$ 95,412	\$ 111,070
Payables to equipment suppliers	19,168	32,608
Other	<u>221,121</u>	<u>200,034</u>
	<u>\$335,701</u>	<u>\$343,712</u>

XIX. Post-employment benefits plans

(I) Determined appropriation plans

The Copartner Company and Hotek Technology Corporation has adopted a pension plan under the Labor Pension Act (LPA), which is a state-managed defined contribution plan. Under the LPA, the companies make monthly

contributions to employees' individual pension accounts of the Bureau of Labor Insurance at 6% of monthly salaries and wages. The rest of the mainland subsidiaries listed in the consolidated financial report are the basic pension insurance premiums paid to the pension plan managed by the mainland government recognized as current-year expenses when appropriated.

(II) Defined benefit plans

The pension system adopted by Copartner Company and Hotek Technology Corporation in the Group in accordance with the Labor Standards Act of R.O.C. is a state-managed defined benefit pension plan. The payment for employee pensions is calculated based on the length of service and the average salary in the 6 months prior to the approved retirement date. The Copartner Company and Hotek Technology Corporation contributes pensions at 2% of the total monthly employee salaries, which are deposited by the Pension Fund Monitoring Committee in the pension account with the Bank of Taiwan in the name of the committee. Before the end of each year, if the balance in the pension account assessed is inadequate to pay for the retirement benefits for employees who meet the retirement requirements in the following year, the Company will contribute an amount to make up for the difference in a lump sum by the end of March of the following year. The pension account is managed by the Bureau of Labor Funds, Ministry of Labor; the Company has no right to influence the investment management strategy.

The amount of defined benefit plans listed in the consolidated balance sheet is as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Present value of defined benefit obligation	\$ 49,665	\$ 50,509
Fair value of plan assets	( 14,971)	( 11,756)
Net defined benefit liabilities	<u>\$ 34,694</u>	<u>\$ 38,753</u>

Changes in net defined benefit liabilities are as follows:

	Present value of defined benefit obligation	Fair value of plan assets	Net defined benefit liabilities
January 1, 2021	<u>\$ 49,604</u>	<u>(\$ 11,167)</u>	<u>\$ 38,437</u>
Service cost			
Current service cost	132	-	132
Interest (income) expense	<u>186</u>	<u>( 42)</u>	<u>144</u>

Recognized in profit or loss	<u>318</u>	( <u>42</u> )	<u>276</u>
Remeasurement			
Return on plan asset (except for the amount included in the net interest)	-	(114)	(114)
Actuarial losses - changes in demographic assumptions	810	-	810
Actuarial gains - changes in financial assumptions	(322)	-	(322)
Actuarial losses - experience adjustments	<u>99</u>	<u>-</u>	<u>99</u>
Recognized in other comprehensive income	<u>587</u>	( <u>114</u> )	<u>473</u>
Contributions from the employer	<u>-</u>	( <u>433</u> )	( <u>433</u> )
December 31, 2021	<u>50,509</u>	( <u>11,756</u> )	<u>38,753</u>
Service cost			
Current service cost	136	-	136
Interest (income) expense	<u>234</u>	( <u>65</u> )	<u>169</u>
Recognized in profit or loss	<u>370</u>	( <u>65</u> )	<u>305</u>
Remeasurement			
Return on plan asset (except for the amount included in the net interest)	-	(910)	(910)
Actuarial gains - changes in financial assumptions	(2,774)	-	(2,774)
Actuarial losses - experience adjustments	<u>1,560</u>	<u>-</u>	<u>1,560</u>
Recognized in other comprehensive income	( <u>1,214</u> )	( <u>910</u> )	( <u>2,124</u> )
Contributions from the employer	<u>-</u>	( <u>2,240</u> )	( <u>2,240</u> )
December 31, 2022	<u>\$ 49,665</u>	( <u>\$ 14,971</u> )	<u>\$ 34,694</u>

Due to the pension plans under the Labor Standards Act, the Company is exposed to the following risks:

1. Investment risk: The Bureau invests labor pension funds in domestic (foreign) equity securities, debt securities, and bank deposits on its own use and through agencies entrusted. However, the income from the Company's amount allocated to plan assets is calculated based on the interest rate not lower than the local bank's interest rate for 2-year time deposits.
2. Interest risk: A decrease in the interest rate in the government bonds/corporate bonds will increase the present value of the defined benefit obligation; however, the return on the debt investment through the plan assets will also increase, and the increases will partially offset the effect of the net defined benefit liability.
3. Salary risk: The present value of the defined benefit obligation is calculated with reference to the future salaries of the participants in the plan. As such, an increase in the salary of the participants in the plan will increase the present value of the defined benefit obligation.

The actuarial valuations of the present value of the defined benefit obligation of the Company were carried out by qualified actuaries. The critical assumptions made on the measurement date are as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Discount rate	1.125%~1.38%	0.375%~0.50%
Expected salary increase rate	2.00%	2.00%

If each of the critical actuarial assumptions is subject to reasonably possible changes, when all other assumptions remain unchanged, the amounts by which the present value of the defined benefit obligation would increase (decrease) are as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Discount rate		
Increase by 0.25%	(\$ 764)	(\$ 769)
Decrease by 0.25%	\$ 787	\$ 796
Expected salary increase rate		
Increase by 0.25%	\$ 771	\$ 771
Decrease by 0.25%	(\$ 752)	(\$ 749)

As actuarial assumptions may be correlated, it is unlikely that only a single assumption would occur in isolation of one another, so the sensitivity analysis

above may not reflect the actual changes in the present value of the defined benefit obligation.

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
The expected appropriate amount within 1 year	<u>\$ 242</u>	<u>\$ 2,486</u>
The weighted average duration of the defined benefit obligation	4.2-7.2 years	3.6-7.2 years

XX. Equity

(I) Ordinary shares

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Authorized shares (in thousands)	<u>120,000</u>	<u>120,000</u>
Authorized share capital	<u>\$ 1,200,000</u>	<u>\$ 1,200,000</u>
Issued and paid shares (in thousands)	<u>87,550</u>	<u>85,000</u>
Issued share capital	<u>\$ 875,500</u>	<u>\$ 850,000</u>

The ordinary shares issued, with a par value of NT\$10 per share, are entitled to one voting right per share and to the right to receive dividends.

The change in the Company's share capital is mainly due to the distribution of stock dividends.

(II) Capital surplus

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
<u>May be used to compensate losses, distribute cash, or replenish capital (1)</u>		
Share premium	\$410,545	\$410,545
<u>May only be used to compensate losses</u>		
Recognition of changes in ownership interests of subsidiaries (2)	<u>13,685</u>	<u>13,685</u>
	<u>\$424,230</u>	<u>\$424,230</u>

1. This type of capital surplus attributed to the income derived from the issuance of new shares at a premium can be used to make up for losses, and can also be used to pay cash or to replenish capital when the Company does not suffer losses, but when capital is replenished, it is limited to a certain percentage of the paid-in capital each year.

2. This type of capital surplus is the amount of adjustments to capital surplus of subsidiaries recognized by the Company using the equity method.

(III) Retained earnings and dividends policy

According to the surplus distribution policy stipulated in the Copartner Company's Articles of Incorporation before the amendment, the Copartner Company's earnings after the annual final accounts, in addition to paying income tax according to law, shall first make up for previous year's losses, and then withdraw 10% of the balance as a legal reserve, and then follow relevant laws and regulations or the competent authority stipulates that the special reserves shall be appropriated or reversed. After adding up the undistributed surplus of the previous years, the board of directors will formulate a surplus distribution proposal and submit a resolution to the shareholders meeting to distribute dividends to shareholders. For the employee compensation and directors' remuneration distribution policy stipulated in the Copartner Company's Articles of Incorporation, please refer to Note XXII(VII) regarding employee compensation and directors' remuneration.

On June 29, 2022, the Copartner Company's shareholders' meeting approved a resolution to amend the Articles of Incorporation, stipulating the distribution of dividends for shareholders and the distribution of legal reserve and capital surplus in cash. The board of directors is authorized, two-thirds of the board of directors shall attend, and more than half of the directors present agree, which shall be distributed after approval and reported to the shareholders' meeting.

The cash and stock combination method shall be adopted as the dividend distribution policy to improve the financial structure and protect the rights and interests of shareholders. Cash dividends shall not be less than 10% of the total dividends.

The legal reserve shall not be appropriated when its balance reaches the amount of the Company's total paid-in capital. The legal reserve may be used to make up for losses. When the Company does not suffer losses, the part of the legal reserve in excess of 25% of the total paid-in capital can be distributed in cash in addition to being used to replenish the capital.

The Copartner Company approved the resolution of the shareholders' meeting on August 24, 2021, to amend the Company's Articles of Incorporation, specifying that when the net increase in the fair value of investment property accumulated in



the previous period/ the net deduction of other equity accumulated in the previous period is appropriated as a special reserve. If the undistributed earnings of the previous period are not enough to be appropriated, the net profit after tax in the current period plus items other than that shall be included in the amount of the undistributed surplus. Before the amendment of the Articles of Incorporation, the Copartner Company was accrued from the undistributed earnings of the previous period legally.

The Copartner Company held the general shareholders' meetings on June 29, 2022 and August 24, 2021, and approved the resolution of the 2021 and 2020 earnings distribution proposals respectively as follows:

	<u>2021</u>	<u>2020</u>
Legal reserve	<u>\$ 8,135</u>	<u>\$ 8,057</u>
Appropriate (reverse) special reserves	<u>\$ 11,435</u>	<u>(\$ 41,293)</u>
Cash dividends	<u>\$ 25,500</u>	<u>\$ 42,500</u>
Stock dividends	<u>\$ 25,500</u>	<u>\$ -</u>
Cash dividends per share (in dollars)	\$ 0.3	\$ 0.5
Stock dividends per share (in dollars)	\$ 0.3	\$ -

The 2022 earnings distribution proposal put forth by the Copartner Company's board of directors on March 29, 2023 is as follows:

	<u>2022</u>
Reverse special reserves	<u>(\$ 45,376)</u>

In addition, the Copartner Company's board of directors, on March 29, 2023, proposed to distribute cash from capital surplus at NT\$ 0.5 per share in cash, and the distribution amount is NT\$ 43,775 thousand.

The 2022 remaining earnings distribution and distribute cash from capital surplus proposals will be resolved by the general shareholders' meeting held on June 30, 2023.

(IV) Special reserve

	<u>2022</u>	<u>2021</u>
Balance at beginning of the year	\$287,283	\$328,576
Appropriate (reverse) special reserves		

Less amount of appropriate (reverse) other equity items	<u>11,435</u>	<u>( 41,293)</u>
Balance at end of the year	<u>\$298,718</u>	<u>\$287,283</u>

IFRSs was initially adopted to appropriate the special reserve due to the exchange differences on translation of foreign financial statements (including subsidiaries), which is reversed according to the disposal ratio of Copartner Company. When Copartner Company loses its material effect, all appropriated will be reversed. When distributing surplus profit, a special reserve shall be added based on the difference between the net deduction of other shareholders' equity recognized at the end of the reporting period and the special reserve appropriated for the initial adoption of IFRSs. If there is a subsequent reversal of the net deduction of other equity, the surplus profit may be distributed on the reversed part of the special reserve.

(V) Other equity interests

Exchange differences on translation of foreign financial statements

	<u>2022</u>	<u>2021</u>
Balance at beginning of the year	(\$298,718)	(\$287,283)
Generated in the current year		
Exchange differences on translation of foreign financial statements	<u>45,376</u>	<u>( 11,435)</u>
Balance at end of the year	( <u>\$253,342</u> )	( <u>\$298,718</u> )

(VI) Non-controlling interests

	<u>2022</u>	<u>2021</u>
Balance at beginning of the year	\$ 11,592	\$ 11,376
Current net income (loss)	( 2,028)	261
Other comprehensive income for the current year		
Exchange differences on translation of foreign financial statements	<u>185</u>	<u>( 45)</u>
Balance at end of the year	<u>\$ 9,749</u>	<u>\$ 11,592</u>

XXI. Revenue

	<u>2022</u>	<u>2021</u>
Revenue from customer contracts		
Revenue from sale of goods	<u>\$ 4,166,649</u>	<u>\$ 4,849,634</u>

(I) Balance of contracts

	December 31, 2022	December 31, 2021	January 1, 2021
Accounts receivable (Note VIII)	\$ 1,312,657	\$ 1,728,276	\$ 1,559,176
Accounts receivable due from related parties (Note XXVII)	<u>816</u>	<u>2,745</u>	<u>3,125</u>
	<u>\$ 1,313,473</u>	<u>\$ 1,731,021</u>	<u>\$ 1,562,301</u>
Contract liabilities	<u>\$ 7,996</u>	<u>\$ 7,381</u>	<u>\$ 1,788</u>

Changes in contract liabilities are primarily attributable to differences in the timing of satisfaction of contract obligations and the timing of payment by customers.

The amount of contract liabilities from the beginning of the year and performance obligations fulfilled in the previous period recognized in revenue in the current period is as follows:

	<u>2022</u>	<u>2021</u>
<u>Contract liabilities from the beginning of the year</u>		
Merchandise sales	<u>\$ 6,203</u>	<u>\$ 1,775</u>

(II) Breakdown of revenue from customer contracts

Segment by geographical location	<u>2022</u>	<u>2021</u>
Taiwan (Location of Company)	\$ 97,685	\$ 147,340
Asia	3,834,299	4,526,856
Europe	117,086	86,529
The Americas	107,077	79,269
Other	<u>10,502</u>	<u>9,640</u>
	<u>\$ 4,166,649</u>	<u>\$ 4,849,634</u>

XXII. Net profit from continuing operations

Net profit from continuing operations includes the following items:

(I) Interest income

	<u>2022</u>	<u>2021</u>
Bank deposits	<u>\$ 14,628</u>	<u>\$ 12,769</u>

(II) Other income		
	<u>2022</u>	<u>2021</u>
Rental income (operating lease)	\$ 14,335	\$ 9,595
Other	<u>22,518</u>	<u>26,116</u>
	<u>\$ 36,853</u>	<u>\$ 35,711</u>
(III) Other gains and losses		
	<u>2022</u>	<u>2021</u>
Gain (loss) on foreign exchange, net	\$ 17,280	(\$ 7,112)
Lease modification actuarial gains (losses)	571	( 57)
Other	<u>( 2,440)</u>	<u>( 670)</u>
	<u>\$ 15,411</u>	<u>(\$ 7,839)</u>
(IV) Finance costs		
	<u>2022</u>	<u>2021</u>
Bank loans interest	\$ 20,052	\$ 13,485
Interest on lease liabilities	<u>15,916</u>	<u>9,230</u>
	<u>\$ 35,968</u>	<u>\$ 22,715</u>
(V) Depreciation and amortization		
	<u>2022</u>	<u>2021</u>
Property, plant and equipment	\$109,347	\$101,529
Right-of-use assets	78,496	78,540
Other assets	-	50
Intangible assets	<u>132</u>	<u>263</u>
	<u>\$187,975</u>	<u>\$180,382</u>
An analysis of depreciation expenses by function		
Costs of sales	\$133,813	\$132,097
Operating expenses	<u>54,030</u>	<u>47,972</u>
	<u>\$187,843</u>	<u>\$180,069</u>
An analysis of amortization expenses by function		
Costs of sales	\$ -	\$ 33
Selling expenses	6	11
Administrative expenses	57	242
R&D expenses	<u>69</u>	<u>27</u>
	<u>\$ 132</u>	<u>\$ 313</u>
(VI) Employee benefits expenses		

	<u>2022</u>	<u>2021</u>
Post-employment benefits		
Determined appropriation plans	\$ 34,353	\$ 28,131
Defined benefit plans (Note XIX)	<u>305</u>	<u>276</u>
	34,658	28,407
Other employee benefits	<u>604,256</u>	<u>654,034</u>
	<u>\$638,914</u>	<u>\$682,441</u>
 An analysis by function		
Costs of sales	\$327,479	\$363,260
Operating expenses	<u>311,435</u>	<u>319,181</u>
	<u>\$638,914</u>	<u>\$682,441</u>

(VII) Remuneration to the employees and directors

The Copartner Company shall allocate no less than 1% and no more than 3% of the pre-tax income before the employee and directors' remunerations distributed are deducted for employee and directors' remuneration, respectively. The Company suffered net loss before tax in 2022, so we did not estimate employee and directors' remunerations.

The estimated employee and directors' remunerations for 2021 resolved by the board of directors on March 28, 2022 as follows:

Estimated percentage

	<u>2021</u>
Remuneration to employees	3.8%
Remuneration to directors	2.3%

Amount

	<u>2021</u>
Remuneration to employees	\$ 2,792
Remuneration to directors	1,690

If there is a change in the amount after the annual consolidated financial statements are approved for release, it shall be treated as a change in accounting estimates and adjusted and accounted for in the next year.

There was no difference between the actual amount of employee compensation and directors' remuneration distributed for 2021 and 2020 and the amount recognized in the 2021 and 2020 consolidated financial reports.

For information on employee compensation and directors' remuneration decided by the Copartner Company's board of directors, please visit the Market Observatory Post System (MOPS) of Taiwan Stock Exchange.

XXIII. Income tax

(I) Major components of income tax expense recognized in profit or loss

	<u>2022</u>	<u>2021</u>
Current income tax		
Incurred in the current year	\$ 23,014	\$ 72,645
Tax on undistributed surplus earnings	539	1,323
Deferred income tax		
Incurred in the current year	( <u>14,792</u> )	( <u>14,152</u> )
Income tax expense recognized in profit or loss	<u>\$ 8,761</u>	<u>\$ 59,816</u>

The reconciliation between the accounting income and the current income tax expense is as follows:

	<u>2022</u>	<u>2021</u>
Net income (loss) before tax	( <u>\$ 15,873</u> )	<u>\$141,900</u>
Income tax expenses calculated based on statutory tax rate of each country for pre-tax income	( \$ 1,132 )	\$105,127
Non-deductible expenses	6,209	6,659
Tax on undistributed surplus earnings	539	1,323
Unrecognized loss carryforwards and deductible temporary differences	<u>3,145</u>	( <u>53,293</u> )
Income tax expense recognized in profit or loss	<u>\$ 8,761</u>	<u>\$ 59,816</u>

(II) Current income tax assets and liabilities

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Current income tax assets		
Tax refund receivable	<u>\$ 13</u>	<u>\$ 91</u>

Current income tax liabilities		
Income tax payable	<u>\$ 28,752</u>	<u>\$ 36,540</u>

(III) Deferred income tax assets

The changes in deferred tax assets are as follows:

2022

Deferred income tax assets	Balance at beginning of the year	Recognized in profit or loss	Balance at end of the year
Temporary differences	\$ 657	(\$ 87)	\$ 570
Loss carryforward	<u>66,676</u>	<u>14,879</u>	<u>81,555</u>
	<u>\$ 67,333</u>	<u>\$ 14,792</u>	<u>\$ 82,125</u>

2021

Deferred income tax assets	Balance at beginning of the year	Recognized in profit or loss	Balance at end of the year
Temporary differences	\$ 769	(\$ 112)	\$ 657
Loss carryforward	<u>52,412</u>	<u>14,264</u>	<u>66,676</u>
	<u>\$ 53,181</u>	<u>\$ 14,152</u>	<u>\$ 67,333</u>

(IV) Deductible temporary differences and unused loss carryforward from deferred tax assets not recognized in the consolidated balance sheet

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Loss carryforward		
Due to 2022	\$ -	\$ 32,786
Due to 2023	81,183	79,884
Due to 2024	30,714	30,223
Due to 2025	7,531	7,411
Due to 2026	66,305	69,217
Due to 2027	<u>45,826</u>	<u>-</u>
	<u>\$231,559</u>	<u>\$219,521</u>
Deductible temporary differences	<u>\$ 61,988</u>	<u>\$ 54,769</u>

(V) Unused loss carryforwards relevant information

As of December 31, 2022, the relevant information of the loss carryforwards are as follows:

Balance has not been carried forward	The last year of carried forward
<u>\$ 81,183</u>	<u>2023</u>
43,721	2024

7,531	2025
115,445	2026
45,826	2027
32,320	2028
61,672	2029
102,554	2030
74,534	2031
<u>74,549</u>	2032
<u>\$639,335</u>	

(VI) Income tax examination

The profit-seeking enterprise income tax returns filed by the Copartner Company up to 2020 have been approved by the tax collection authority.

XXIV. Earnings (loss) per share

	Unit: NT\$ per share	
	2022	2021
Earnings (loss) per share - basic	<u>(\$ 0.26)</u>	<u>\$ 0.93</u>
Earnings (loss) per share - diluted	<u>(\$ 0.26)</u>	<u>\$ 0.93</u>

When calculating the earnings per share, the impact of the free-gratis dividends has been adjusted retrospectively, and the base date of the free-gratis dividends is set on August 23, 2022. Due to the retrospective adjustment, the changes in basic and diluted earnings per share in 2021 are as follows:

	Unit: NT\$ per share	
	Before retrospective adjustment	After retrospective adjustment
	2021	2021
Earnings per share - basic	<u>\$ 0.96</u>	<u>\$ 0.93</u>
Earnings per share - diluted	<u>\$ 0.96</u>	<u>\$ 0.93</u>

The net earnings (net losses) and the weighted average number of ordinary shares adopted to calculate the earnings (losses) per share are as follows:

Current net income (loss)

	2022	2021
Net income (loss) attributable to owners of the parent company	<u>(\$ 22,606)</u>	<u>\$ 81,823</u>
Net income (net loss) used in the computation of the basic and diluted earnings (losses) per share	<u>(\$ 22,606)</u>	<u>\$ 81,823</u>



Quantity

	Unit: thousand shares	
	2022	2021
Weighted average number of ordinary shares in computation of basic earnings (losses) per share	87,550	87,550
Effect of potential dilutive common shares:		
Remuneration to employees	<u>-</u>	<u>173</u>
Weighted average number of ordinary shares used in the computation of diluted earnings (losses) per share	<u>87,550</u>	<u>87,723</u>

If the Company can settle the compensation to employees in cash or shares, the Group assumes the entire amount of the compensation would be settled in shares and the resulting potential shares are included in the weighted average number of shares outstanding used in the computation of diluted earnings per share if the effect is dilutive. Such a dilutive effect of the potential shares is included in the computation of diluted earnings per share until the shareholders resolve the number of shares to be distributed to employees at their meeting in the following year.

XXV. Capital risk management

The Company manages capital to ensure enterprises within the Company can maximize shareholder returns by optimizing the balance of debt and equity before continuing to operate. There has been no material change in the Company's overall strategy.

The Company's capital structure consists of net debt (ie, borrowings less cash and cash equivalents) and equity (ie, common stock, capital surplus, retained earnings, other equity, and other non-controlling interests).

The Company is not subject to other external capital requirements.

The Company's main management reviews its capital structure quarterly, including considering the costs of various types of capital and relevant risks while investing in financial products to increase the Company's income and manage the capital structure. Based on the recommendations of main management, the Company will balance its overall capital structure by paying dividends, issuing new shares, repurchasing shares, and issuing new debts or repaying old debts.

XXVI. Financial instruments

(I) Fair value - financial instruments not at fair value

The Company's management believes that the carrying amount of financial assets and financial liabilities not measured at fair value approximates their fair value.

(II) Fair value - financial instruments at fair value on a recurring basis

1. Fair value hierarchy

December 31, 2022

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Financial assets at fair value through other comprehensive income</u>				
Investment in equity instruments				
- Foreign unlisted stocks	\$ -	\$ -	\$ 3,089	\$ 3,089

December 31, 2021

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Financial assets at fair value through other comprehensive income</u>				
Investment in equity instruments				
- Foreign unlisted stocks	\$ -	\$ -	\$ 3,043	\$ 3,043

No transfer between Level 1 and Level 2 fair values in 2022 and 2021.

2. Valuation techniques and inputs applied for Level 3 fair value measurement

Foreign unlisted equity investment adopts the asset-based approach to evaluate the total value of individual assets and individual liabilities covered by the target to reflect the overall value of the enterprise or business. If the liquidity discount of significant unobservable input value decreases, the fair value of these investments will increase.

(III) Categories of financial instruments

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
<u>Financial assets</u>		
Financial assets measured at amortized cost		
Cash and cash equivalents	\$ 1,264,821	\$ 829,781
Notes receivable, net	161,021	198,676
Accounts receivable, net	1,312,657	1,728,276
Accounts receivable due from related parties, net	816	2,745
Other receivables, net	12,237	10,841

Restricted assets (recognized other current assets)	-	85
Refundable deposits paid	20,632	18,657
Investments in equity instruments of financial assets at fair value through other comprehensive income	3,089	3,043
<u>Financial liabilities</u>		
Measured at amortized cost		
Short-term borrowings	850,000	927,680
Short-term notes payable	40,000	40,000
Accounts payable	237,862	262,340
Accounts payable due from related parties	137	267
Long-term borrowings due within one year	17,995	-
Long-term borrowings	604,072	260,048
Long-term notes payable	-	200,000

(IV) Financial risk management objective and policies

The Company's main financial instruments include equity investments, Notes and accounts receivable, accounts payable, short-term notes payable, lease liabilities, and borrowings. The Company's financial management department provides services to various business units, coordinates the operations in the domestic and international financial markets, and supervises and manages the financial risks related to the Company's operations through the internal reports on risk exposure analyses based on the degree and breadth of risks. These risks include market risk (including exchange rate risk and interest rate risk), credit risk, and liquidity risk.

1. Market risk

The main financial risks borne by the Company due to its operating activities are the fluctuation of foreign exchange rate (refer to below (1)) and interest rate (refer to below (2)).

There has been no change to the Company's exposures to financial instrument market risk and the way it manages and measures these exposures.

(1) Exchange rate risk

Part of the Company's main operating activities are sales and purchases in foreign currencies, so there is a natural risk hedging effect; the Company's exchange rate risk management is for hedging, not profit. To avoid the value drop and future cash flow fluctuations caused by exchange rate changes, the Company has signed a foreign exchange hedging line with the bank and will consider the Company's foreign currency position at any time and take hedging measures in response to exchange rate fluctuations, to reduce the impact of exchange rate changes on the Company's operations.

For the carrying amount of the Company's monetary assets and monetary liabilities denominated in non-functional currencies at the balance sheet date (including monetary items denominated in non-functional currencies that have been written off in the consolidated financial statements), please refer to Note XXIX.

Sensitivity analysis

The Company is mainly affected by fluctuations in the exchange rates of USD, HKD and RMB.

The sensitivity rate of 3% is used by the Company when reporting exchange rate risk to main management and also represents management's assessment of the range of reasonably possible changes in foreign currency exchange rates. Sensitivity analysis only includes monetary items in foreign currencies in circulation, and the year-end translation is adjusted by a 3% exchange rate change. The table below shows the amount of increase or decrease in net profit before tax when each functional currency appreciates/depreciates by 3% relative to the relevant currencies.

	Effect on USD		Effect on HKD		Effect on RMB	
	2022	2021	2022	2021	2022	2021
Gains (losses)	(\$ 6,629)	(\$ 4,645)	(\$ 1,666)	(\$ 1,452)	\$ 1,908	\$ 193

Management believes that the sensitivity analysis can not represent the risk inherent in exchange rates.

(2) Interest rate risk

The Company's entities holds assets and borrowing capital by adopting fixed and floating interest rates at the same time, thus,

interest rate risk exposure arises. The Company regularly evaluates hedging activities to make them consistent with interest rate views and existing risk preferences to ensure the most cost-effective hedging strategies are adopted.

The carrying amount of the Company's financial assets and financial liabilities exposed to the interest rate risk at the balance sheet date is as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Interest rate risk at fair value		
Financial assets	\$ 440,617	\$ 229,341
Financial liabilities	389,026	569,140
Cash flow interest rate risk		
Financial assets	822,265	598,353
Financial liabilities	1,472,067	1,187,728

#### Sensitivity analysis

The sensitivity analysis below is based on the interest rate exposure of non-derivative instruments as of the balance sheet date. For floating rate assets and liabilities, the analysis method assumes that the amount of assets and liabilities outstanding on the balance sheet date is outstanding during the reporting period.

If the interest rate increased by 1% and all other variables remain unchanged, the Company's net income for 2022 and 2021 would have decreased by NT\$ 6,498 thousand and increased by NT\$ 5,894 thousand respectively, mainly because of the Company's deposits and borrowings at floating interest rates exposed to the cash flow interest rate risk.

#### 2. Credit risk

Credit risk refers to the risk that a counterpart will default on its contractual obligations resulting in financial losses to the Company. As of the balance sheet date, the Company's maximum credit risk exposure that may cause financial losses due to the counterparty's failure to perform its

obligations mainly comes from the carrying amount of financial assets recognized in the consolidated balance sheet.

In order to mitigate credit risk, the management of the company assigns a dedicated team to be responsible for the determination of credit line, credit approval and other monitoring procedures to ensure that appropriate actions have been taken for the recovery of overdue receivables. In addition, the Company will review the recoverable amounts of receivables one by one at the balance sheet date to ensure that the unrecoverable receivables have been properly recognized in impairment losses. Accordingly, the Company's management believes that its credit risk has been significantly reduced.

The Company continuously evaluates the financial situation of accounts receivable customers. Accounts receivable cover many customers and are not related to each other, so the concentration of credit risk is not high.

The Company does not hold any collateral or other credit to enhance the hedge the credit risk of financial assets.

### 3. Liquidity risk

The Company manages and maintains sufficient cash to support the Company's operations and mitigate the impact of cash flow fluctuations. The management of the Company supervises the use of bank financing lines and ensures compliance with the terms of the loan agreement.

#### (1) Table of liquidity and interest rate risks of non-derivative financial liabilities

The remaining contractual maturity analysis of non-derivative financial liabilities was based on the earliest date at which the Company might be required to repay and was compiled based on the undiscounted cash flows of financial liabilities. Therefore, the bank borrowings with repayment on demand clause were included in the earliest period in the table below for the Company, regardless of the probability of exercise of the right by banks. The maturity analysis of other non-derivative financial liabilities was compiled under the agreed repayment date.

December 31, 2022

	Demand immediate payment or less than 1 month	1-3 months	3 months-1 year	1-5 years	More than 5 years
<u>Non-derivative financial liabilities</u>					
Non-interest-bearing liabilities	\$ 193,371	\$ 136,750	\$ 29,233	\$ 48,095	\$ 2,757
Lease liabilities	7,017	13,919	61,857	222,265	100,561
Floating interest rate instruments	241,500	392,999	233,496	604,072	-
Fixed interest rate instruments	40,000	-	-	-	-
	<u>\$ 481,888</u>	<u>\$ 543,668</u>	<u>\$ 324,586</u>	<u>\$ 874,432</u>	<u>\$ 103,318</u>

Further information of maturity analysis on the lease liability is as follows:

	Within 1 year	1-5 years	5-10 years	10-15 years	15-20 years
Lease liabilities	<u>\$ 82,793</u>	<u>\$ 222,265</u>	<u>\$ 100,561</u>	<u>\$ -</u>	<u>\$ -</u>

#### December 31, 2021

	Demand immediate payment or less than 1 month	1-3 months	3 months-1 year	1-5 years	More than 5 years
<u>Non-derivative financial liabilities</u>					
Non-interest-bearing liabilities	\$ 199,689	\$ 172,720	\$ 28,370	\$ 49,169	\$ 1,013
Lease liabilities	9,400	12,494	51,789	177,299	138,704
Floating interest rate instruments	310,000	420,000	197,680	260,048	-
Fixed interest rate instruments	40,000	-	-	200,000	-
	<u>\$ 559,089</u>	<u>\$ 605,214</u>	<u>\$ 277,839</u>	<u>\$ 686,516</u>	<u>\$ 139,717</u>

Further information of maturity analysis on the lease liability is as follows:

	Within 1 year	1-5 years	5-10 years	10-15 years	15-20 years
Lease liabilities	<u>\$ 73,683</u>	<u>\$ 177,299</u>	<u>\$ 138,704</u>	<u>\$ -</u>	<u>\$ -</u>

The amount of floating interest rate instruments for the above non-derivative financial assets and liabilities will change due to the difference between the floating interest rate and the estimated rate on the balance sheet date.

#### XXVII. Related party transaction

The transactions, account balances, as well as income and expenses between Copartner Technology Corp. and its subsidiaries (which are related parties of Copartner

Technology Corp.) are all eliminated upon consolidation, so they are not disclosed in this note. The transactions between the Company and other related parties are as follows.

(I) Name of related parties and relationship

<u>Name of related party</u>	<u>Relationship with the Company</u>
HPC Technology Inc.	Associate
Yingding Wire and Cable Co., Ltd.	Substantive related party

(II) Sales revenue

<u>Related party category</u>	<u>2022</u>	<u>2021</u>
Associate	<u>\$ 856</u>	<u>\$ 5,753</u>

The transaction price and conditions of sales between the Company and related parties are based on reference to cost and market prices, which are comparable to other non-related parties.

(III) Purchases

<u>Related party category</u>	<u>2022</u>	<u>2021</u>
Substantive related party	<u>\$ 827</u>	<u>\$ 2,097</u>

The transaction price and conditions of purchases between the Company and related parties are based on reference to cost and market prices, which are comparable to other non-related parties.

(IV) Receivables from related parties

<u>Related party category</u>	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Associate	<u>\$ 816</u>	<u>\$ 2,745</u>

The period for accounts receivable from related parties is equivalent to that of other non-related parties. The outstanding receivables from related parties are not guaranteed. No allowance for losses was provided for receivables accounts from related parties.

(V) Payables from related parties

<u>Account title</u>	<u>Related party category</u>	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Accounts payable due from related parties	Substantive related party	<u>\$ 137</u>	<u>\$ 267</u>



The payment period for related party accounts is equivalent to that of other non-related parties. The outstanding payables to related parties is not guaranteed.

(VI) Remuneration of key management personnel

	<u>2022</u>	<u>2021</u>
Short-term employee benefits	\$ 25,658	\$ 31,538
Post-employment benefits	<u>1,150</u>	<u>1,170</u>
	<u>\$ 26,808</u>	<u>\$ 32,708</u>

The remuneration to directors and other main management is determined by the remuneration committee in accordance with individuals' performance and market trends.

XXVIII. Pledged assets

The following assets of the Company have been provided as collateral for long-term borrowings from banks, lines, issuance letters for guarantee, operating leases, and customs duties on raw materials imported:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Property, plant and equipment	\$ 60,177	\$ 60,757
Refundable deposits paid	20,632	18,657
Refundable fixed deposits (Recognized other current assets)	<u>-</u>	<u>85</u>
	<u>\$ 80,809</u>	<u>\$ 79,499</u>

XXIX. Information on foreign currency assets and liabilities with significant impact

The information below is aggregated and presented in foreign currencies other than the functional currency of each entity of the Company. The exchange rates disclosed refer to the exchange rates of such foreign currencies to the presentation currency. Information on foreign currency assets and liabilities with significant impact are as follows:

Unit: Thousands of foreign currencies

	<u>December 31, 2022</u>		<u>December 31, 2021</u>	
	<u>Foreign currencies</u>	<u>Exchange rate</u>	<u>Foreign currencies</u>	<u>Exchange rate</u>
Foreign currencies assets				
<u>Monetary items</u>				
NTD	\$ 6,238	0.22664	\$ 217	0.23004
USD	8,639	30.72979	8,247	27.67953
HKD	14,196	3.94136	13,747	3.54951

RMB	91,059	4.41228	95,769	4.34707
<u>Foreign currencies liabilities</u>				
<u>Monetary items</u>				
NTD	22,434	0.22664	-	0.23004
USD	1,448	30.72979	2,653	27.67953
HKD	105	3.94136	113	3.54951
RMB	105,470	4.41228	97,250	4.34707

The Company mainly bears foreign currency exchange rate risks for USD, HKD, and RMB. The information below is aggregated and presented in the functional currencies of the entities holding foreign currencies, and the exchange rates disclosed refer to the exchange rates of these functional currencies to the presentation currency. The foreign currency exchange gains (losses) (realized and unrealized) with a significant impact are as follows:

Functional currency	2022			2021		
	Functional currency to presentation currency		Net gains (losses) on foreign currency exchange	Functional currency to presentation currency		Net gains (losses) on foreign currency exchange
NTD	1	(NTD: NTD)	\$ 9,841	1	(NTD: NTD)	( \$ 3,526 )
RMB	4.4347	(RMB: NTD)	7,439	4.3417	(RMB: NTD)	( 3,586 )
			<u>\$ 17,280</u>			( <u>\$ 7,112</u> )

### XXX. Notes to disclosures

(I) Information on significant transactions and (II) Information on investees: nothing else is to disclose unless the matters below. All parent companies and subsidiaries' transactions and balances are eliminated in full upon consolidation.

1. Loaning funds to others: Table 1.
2. Providing endorsements or guarantees for others: Table 2.
3. Marketable securities held at the end of period (excluding investment in subsidiaries and associates): Table 3.
4. Receivables from related parties reaching NT\$100 million or 20% of paid-in capital or more: Table 4.
5. Information on investee: Table 5.

(III) Information on investment in Mainland China

1. Information on any investee in Mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, investment income or loss, carrying amount of the investment at the end of the period,

repatriations of investment income, and limit on the amount of investment in the mainland China area: Table 6.

2. Any of the following significant transactions with investees in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses: Table 7.
3. The Copartner Company's reinvestment in Cablex Wire (ShenZhen) Mfg Co., Ltd. and Copartner Wire And Cable (ShenZhen) Co., Ltd. is based on August 23, 1993, (1993) Tai-Cai (Liu) No. 01968 Letter Note 3, entrusted investment to investors in the mainland area, and the main contents of the entrusted contract should be disclosed as follows:

The Copartner Company entrusts Copartner Wire & Cable Manufacturing Limited to invest in Cablex Wire (ShenZhen) Mfg Co., Ltd. and Copartner Wire And Cable (ShenZhen) Co., Ltd. The two parties agree to abide by the terms as follows:

The Copartner Company uses a capital of USD 913 thousand (including USD 400 thousand in cash, machinery, equipment, and spare parts at a price of US\$ 513 thousand) and capital of USD 2,324 thousand (including USD 512 thousand in cash, machinery, and equipment and spare parts at a price of US\$ 764 thousand and raw materials at a price of US\$ 1,048 thousand) designated Copartner Wire & Cable Manufacturing Limited to invest in Cablex Wire (ShenZhen) Mfg Co., Ltd. and Copartner Wire And Cable (ShenZhen) Co., Ltd., respectively.

- (1) Agreement on the outflow method of investment funds:

Copartner Wire & Cable Manufacturing Limited applied to relevant parties in mainland China to invest in Copartner Wire & Cable Manufacturing Limited to invest in Cablex Wire (ShenZhen) Mfg Co., Ltd. and Copartner Wire And Cable (ShenZhen) Co., Ltd., all in the name of Copartner Wire & Cable Manufacturing Limited, and the funds were inflow from Hong Kong to mainland China by Copartner Wire & Cable Manufacturing Limited.

- (2) Agreement on the method of repatriation of funds if the investee company distributes earnings or closes its business:

A. Copartner Wire & Cable Manufacturing Limited shall transfer all interests from Cablex Wire (ShenZhen) Mfg Co., Ltd. and

Copartner Wire And Cable (ShenZhen) Co., Ltd. to the Copartner Company after obtaining if they have income or interests distribution.

B. If Cablex Wire (ShenZhen) Mfg Co., Ltd. and Copartner Wire And Cable (ShenZhen) Co., Ltd. must return the investment funds due to capital reduction, business closure, or other reasons, Copartner Wire & Cable Manufacturing Limited shall transfer all the funds to the Copartner Company after obtaining the funds.

C. Based on the above reasons, Copartner Wire & Cable Manufacturing Limited shall notify the Copartner Company when transferring investment funds or interests and income, and the Copartner Company shall designate the payment method.

(3) The agreement on the ownership of the rights and obligations of the invested companies:

A. Based on this entrusted investment relationship, Copartner Wire & Cable Manufacturing Limited transfers the rights and obligations arising from Cablex Wire (ShenZhen) Mfg Co., Ltd. and Copartner Wire And Cable (ShenZhen) Co., Ltd. to the Copartner Company. Copartner Wire & Cable Manufacturing Limited does not guarantee its income and profit or loss.

B. Copartner Wire & Cable Manufacturing Limited shall handle responsibly and prudently and have full authority to handle matters such as investment, foreign exchange settlement, and receiving interests.

(IV) The business relationship between the parent and the subsidiaries and between each subsidiary, and the circumstances and amounts of any significant transactions between them: Table 7.

(V) Information on major shareholders: List of all shareholders with ownership of 5 percent or greater showing the names and the number of shares and percentage of ownership held by each shareholder: None.

XXX. Department information

The information used by the Company's chief operating decision-maker to allocate resources and evaluate departmental performance focuses on the type of product or labor service. The measurement basis for this financial report information is the same as this consolidated financial report. The reportable segments of the Company are the production and sales of signal transmission wires and wire sets, the production and sales of plastic pellets, and others.

(I) Segment revenue and operating results

The analysis of the revenue and operating results response to the reportable segment of the Company's continuing operations is as follows:

	Segment revenue		Segment income	
	2022	2021	2022	2021
Production and sales segment of signal transmission wires and wire sets	\$ 2,628,930	\$ 3,276,758	( \$ 33,667 )	\$ 137,623
Production and sales segment of plastic pellets	768,180	1,031,948	( 5,511 )	15,949
Other	<u>769,539</u>	<u>540,928</u>	<u>( 15,143 )</u>	<u>( 26,107 )</u>
Total from continuing operations	<u>\$ 4,166,649</u>	<u>\$ 4,849,634</u>	( 54,321 )	127,465
Unamortized amount				
Non-operating income and expenses			<u>38,448</u>	<u>14,435</u>
Net income (loss) before tax			<u>( \$ 15,873 )</u>	<u>\$ 141,900</u>

The above reportable revenue generates from transactions between external customers.

Segment profit (loss) refers to the profit earned by each segment, excluding unamortized non-operating income and expenditures. The amounts measured are provided to the chief operating decision maker to allocate resources to the segment and measure its performance.

(II) Segment total assets and liabilities

The measure amounts of assets and liabilities are not provided to the Company's operation decision-makers, thus, the measure amounts of segments assets are zero.

(III) Revenue from main products

The analysis of the revenue main products of the Company's continuing operations is as follows:

	2022	2021
Signal transmission line and wire harness	\$ 3,398,469	\$ 3,817,686
Plastic pellets	<u>768,180</u>	<u>1,031,948</u>
	<u>\$ 4,166,649</u>	<u>\$ 4,849,634</u>

(IV) Segment by geographical location

The Company operates mainly in two regions - mainland and Taiwan.

The information on the revenue from the Company's continuing operations from external customers based on operating location and the location where non-current assets are located is listed below:

	<u>Income from external customers</u>		<u>Non-current assets</u>	
	<u>2022</u>	<u>2021</u>	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Taiwan	\$ 253,784	\$ 273,723	\$ 166,884	\$ 177,245
China	<u>3,912,865</u>	<u>4,575,911</u>	<u>938,928</u>	<u>765,766</u>
	<u>\$ 4,166,649</u>	<u>\$ 4,849,634</u>	<u>\$ 1,105,812</u>	<u>\$ 943,011</u>

Non-current assets exclude financial assets at fair value through other comprehensive income, investments accounted for using equity method, deferred income tax assets, refundable deposits paid, and other non-current assets.

(V) Major customer information

No individual customer contributes to at least 10% of the Company's total revenue in 2022 and 2021.

COPARTNER TECHNOLOGY CORP. AND SUBSIDIARIES  
 LOANING FUNDS TO OTHERS  
 FOR THE YEAR ENDED DECEMBER 31, 2022

TABLE 1

Unit: NT\$ thousand and foreign currency, unless otherwise specified

No.	Company that loaning funds	Borrower	Current account	A related party or not	Maximum balance for the current period (Note 5)	Ending balance (Note 4)	Amount drawn (Note 4)	Interest rate range	Loaning funds nature (Note 1)	Amount of trading	Reasons for the need for short-term financing	The appropriate amount of allowance for uncollectible accounts	Collateral		Prescribe limits on the amount of such loans permitted to a single borrower (Note 2)	Prescribe limits on the aggregate amount of such loans (Note 3)
													Name	Value		
1	Copartner Wire And Cable (ShenZhen) Co., Ltd.	Copartner Technology (ShenZhen) Co., Ltd.	Other receivables	Yes	\$ 117,428 (RMB 26,500)	\$ 52,947 (RMB 12,000)	\$ 52,947 (RMB 12,000)	2.10%	2	\$ -	For the Company's working capital	\$ -	None	\$ -	\$ 1,354,007	\$ 1,354,007
2	Copartner Wire And Cable (KunShan) Co., Ltd.	Wujiang City Wanfeng Plastic Limited Company	Other receivables	Yes	32,725 (RMB 7,500)	17,649 (RMB 4,000)	17,649 (RMB 4,000)	4.35%	2	-	For the Company's working capital	-	None	-	164,458 (RMB 37,273)	328,916 (RMB 74,546)
		Copartner Technology (DongTai) Co., Ltd.	Other receivables	Yes	30,886 (RMB 7,000)	30,886 (RMB 7,000)	30,886 (RMB 7,000)	4.35%	2	-	For the Company's working capital	-	None	-	822,290 (RMB 186,364)	822,290 (RMB 186,364)
3	ShenZhen Copartner Communication Co., Ltd.	Copartner Technology (ShenZhen) Co., Ltd.	Other receivables	Yes	110,609 (RMB 24,500)	110,307 (RMB 25,000)	110,307 (RMB 25,000)	2.10%	2	-	For the Company's working capital	-	None	-	702,068 (RMB 159,117)	702,068 (RMB 159,117)
		Huisheng Plastic (ShenZhen) Co., Ltd.	Other receivables	Yes	20,316 (RMB 4,500)	-	-	-	2	-	For the Company's working capital	-	None	-	702,068 (RMB 159,117)	702,068 (RMB 159,117)
		Jia Xin Plastic (ShenZhen) Co., Ltd.	Other receivables	Yes	13,544 (RMB 3,000)	-	-	-	2	-	For the Company's working capital	-	None	-	702,068 (RMB 159,117)	702,068 (RMB 159,117)
		Cablex Metal Tech (Anfu) Co., Ltd.	Other receivables	Yes	22,573 (RMB 5,000)	-	-	-	2	-	For the Company's working capital	-	None	-	702,068 (RMB 159,117)	702,068 (RMB 159,117)
		COPARTNER TECHNOLOGY (Anfu) Co., Ltd.	Other receivables	Yes	13,473 (RMB 3,000)	13,237 (RMB 3,000)	13,237 (RMB 3,000)	2.10%	2	-	For the Company's working capital	-	None	-	702,068 (RMB 159,117)	702,068 (RMB 159,117)
4	Cablex Wire (ShenZhen) Mfg Co., Ltd.	Huisheng Plastic (ShenZhen) Co., Ltd.	Other receivables	Yes	33,860 (RMB 7,500)	-	-	-	2	-	For the Company's working capital	-	None	-	368,533 (RMB 83,525)	368,533 (RMB 83,525)
		Copartner Technology (ShenZhen) Co., Ltd.	Other receivables	Yes	22,573 (RMB 5,000)	-	-	-	2	-	For the Company's working capital	-	None	-	368,533 (RMB 83,525)	368,533 (RMB 83,525)
		Cablex Metal Tech (Anfu) Co., Ltd.	Other receivables	Yes	170,656 (RMB 38,000)	167,667 (RMB 38,000)	167,667 (RMB 38,000)	2.10%	2	-	For the Company's working capital	-	None	-	368,533 (RMB 83,525)	368,533 (RMB 83,525)

5	Wanfu Plastic (ShenZhen) Co., Ltd.	Huisheng Plastic (ShenZhen) Co., Ltd.	Other receivables	Yes	79,414 (RMB 18,200)	35,298 (RMB 8,000)	35,298 (RMB 8,000)	2.10%	2	-	For the Company's working capital	-	None	-	105,535 (RMB 23,919)	105,535 (RMB 23,919)
		Cablex Metal Tech (Anfu) Co., Ltd.	Other receivables	Yes	13,544 (RMB 3,000)	13,237 (RMB 3,000)	13,237 (RMB 3,000)	2.10%	2	-	For the Company's working capital	-	None	-	105,535 (RMB 23,919)	105,535 (RMB 23,919)
		Copartner Technology (ShenZhen) Co., Ltd.	Other receivables	Yes	13,544 (RMB 3,000)	13,237 (RMB 3,000)	13,237 (RMB 3,000)	2.10%	2	-	For the Company's working capital	-	None	-	105,535 (RMB 23,919)	105,535 (RMB 23,919)
		Jia Xin Plastic(ShenZhen) Co., Ltd.	Other receivables	Yes	9,029 (RMB 2,000)	-	-	-	2	-	For the Company's working capital	-	None	-	105,535 (RMB 23,919)	105,535 (RMB 23,919)
6	Cablex Wire And Cable (KunShan) Mfg.	Copartner Technology (DongTai) Co., Ltd.	Other receivables	Yes	\$ 13,544 (RMB 3,000)	\$ -	\$ -	-	2	\$ -	For the Company's working capital	\$ -	None	\$ -	\$ 270,424 (RMB 61,289)	\$ 270,424 (RMB 61,289)
7	United Electric Wire (KunShan) Co., Ltd.	Copartner Technology (DongTai) Co., Ltd.	Other receivables	Yes	22,061 (RMB 5,000)	22,061 (RMB 5,000)	22,061 (RMB 5,000)	4.35%	2	-	For the Company's working capital	-	None	-	342,144 (RMB 77,544)	342,144 (RMB 77,544)

Note 1: 2 need for short-term financing.

Note 2: For a Group that needs short-term financing, the loan shall not exceed 20% of the loan Company's net worth. The Company's direct and indirect holding of 100% of the voting shares of foreign companies engaged in loaning funds shall not exceed the loan Company's net worth.

Note 3: Prescribe limits on the aggregate amount of such loans to others shall not exceed 40% of the loan Company's net worth. The Company's direct and indirect holding of 100% of the voting shares of foreign companies engaged in loaning funds shall not exceed the loan Company's net worth.

Note 4: Current exchange rate to NTD based on RMB\$ 1=NT\$ 4.41228 on December 31, 2022.

Note 5: Current exchange rate to NTD based on the end of the month with the highest balance in the current period.



COPARTNER TECHNOLOGY CORP. AND SUBSIDIARIES  
PROVIDING ENDORSEMENTS OR GUARANTEES FOR OTHERS  
FOR THE YEAR ENDED DECEMBER 31, 2022

TABLE 2

Unit: NT\$ thousand and foreign currency, unless otherwise specified

No.	Company name of endorsement/guarantee	Party endorsed/guaranteed		Limit of endorsement/guarantee for single enterprise	Maximum endorsement/guarantee balance for the year	Balance of endorsement/guarantee at end of the year	Amount drawn	Amount of endorsements/guarantees with assets pledged	Ratio of cumulative endorsements/guarantees to net worth as in the latest financial statements (%)	Upper limit on endorsements/guarantees	Parent company to subsidiary	Subsidiary to parent company	To entity in Mainland China
		Company name	Relation										
0	Copartner Technology Corp.	Copartner Wire & Cable Manufacturing Limited	A company in which the Company directly or indirectly holds more than fifty percent (50%) of the voting shares	\$ 1,930,024 (Note 1)	\$ 164,457	\$ 83,880 (Note 2)	\$ -	\$ -	4	\$ 2,895,036 (Note 1)	Yes	—	—
		United Electric Wire (KunShan) Co., Ltd.	A company in which the Company directly or indirectly holds more than fifty percent (50%) of the voting shares	1,930,024 (Note 1)	(USD 76,264 2,500) (Note 4)	(USD 29,193 950) (Note 3)	-	-	2	2,895,036 (Note 1)	Yes	—	Yes
		Cablex Wire And Cable (KunShan) Mfg.	A company in which the Company directly or indirectly holds more than fifty percent (50%) of the voting shares	1,930,024 (Note 1)	(USD 24,404 800) (Note 4)	-	-	-	-	2,895,036 (Note 1)	Yes	—	Yes
		Copartner Technology (DongTai) Co., Ltd.	A company in which the Company directly or indirectly holds more than fifty percent (50%) of the voting shares	1,930,024 (Note 1)	(USD 64,461 2,000) (Note 4)	(USD 61,460 2,000) (Note 3)	(USD 1,536 50) (Note 3)	-	3	2,895,036 (Note 1)	Yes	—	Yes

Note 1: The accumulated total external endorsements/guarantees responsibilities provided by the Company are limited to no more than 150% of the Company's net worth at the end of the period, and the total endorsements/guarantees provided to a single enterprise is limited to no more than 100% of the Company's net worth at the end of the period.

Note 2: The ending balance also includes the endorsement/ guarantee of NT\$ 83,880 thousand shared by the Company and Copartner Wire & Cable Manufacturing Limited.

Note 3: Current exchange rate to NTD according to US\$ 1=NT\$ 30.72979 on December 31, 2022.

Note 4: Current exchange rate to NTD based on the end of the month with the highest balance in the current period.

COPARTNER TECHNOLOGY CORP. AND SUBSIDIARIES  
HOLDING OF MARKETABLE SECURITIES AT THE END OF THE PERIOD  
DECEMBER 31, 2022

TABLE 3

Unit: NT\$ thousand, unless otherwise specified

Holds of the Company	Type and name of marketable securities	Marketable securities relationship with securities issuer	Account title	End of period				Remark
				Quantity (thousand shares)	Carrying amount	Ratio of shareholding (%)	Fair value	
Copartner Technology Corp.	A Point Technology Co., Ltd.	Investees at fair value	Financial assets at fair value through other comprehensive income - non-current	4,160	\$ -	19	\$ -	Note 1
Copartner Technology (ShenZhen) Co., Ltd.	Yisite Precision Instrument (Dongguan) Co., Ltd.	Investees at fair value	Financial assets at fair value through other comprehensive income - non-current	-	3,089	19	3,089	-

Note 1: According to the assessment of recoverable value, impairment loss has been appropriated.

Note 2: At the end of December 2022, the securities listed above did not provide guarantees, pledged loans, or other restricted users as agreed

COPARTNER TECHNOLOGY CORP. AND SUBSIDIARIES  
RECEIVABLES FROM RELATED PARTIES REACHING NT\$100 MILLION OR 20% OF PAID-IN CAPITAL OR MORE  
DECEMBER 31, 2022

TABLE 4

Unit: NT\$ thousand

Company under the account of receivables	Counterparty	Relation	Balance of receivables from related parties (Note 1)	Turnover	Overdue receivables from related parties		Amount of receivables from related parties recovered after the balance sheet date	The appropriate amount of allowance for uncollectible accounts
					Amount	Handling method		
<u>Recognized other receivables from related parties</u>								
Copartner Wire And Cable (ShenZhen) Co., Ltd.	Copartner Technology Corp.	Parent company	\$ 563,195	Note 2	\$ -	—	\$ -	\$ -
Huisheng Plastic (ShenZhen) Co., Ltd.	Copartner Technology Corp.	Ultimate parent company	169,333	Note 2	-	—	-	-
Copartner Wire & Cable Manufacturing Limited	Copartner Technology Corp.	Ultimate parent company	249,386	Note 2	-	—	-	-
Jia Xin Plastic(ShenZhen) Co., Ltd.	Copartner Technology Corp.	Ultimate parent company	111,665	Note 2	-	—	-	-
Cablex Wire (ShenZhen) Mfg Co., Ltd.	Copartner Technology Corp.	Parent company	136,267	Note 2	-	—	-	-
Cablex Wire (ShenZhen) Mfg Co., Ltd.	Cablex Metal Tech (Anfu) Co., Ltd.	Same with ultimate parent company	167,774	Note 2	-	—	-	-
ShenZhen Copartner Communication Co., Ltd.	Copartner Technology (ShenZhen) Co., Ltd.	Same with ultimate parent company	110,379	Note 2	-	—	-	-
Copartner Technology Corp.	Copartner Technology (ShenZhen) Co., Ltd.	Indirectly holds of the subsidiaries	238,787	Note 2	-	—	-	-
Copartner Technology Corp.	Hotek Technology Corporation	Directly holds of the subsidiaries	228,878	Note 2	-	—	-	-

Note 1: Calculated based on the total amount before write-off.

Note 2: Other receivables (payments) from related parties are mainly payment or receiving payments for goods on behalf of subsidiaries, and the receivables (payments) period depends on the status of funds.

COPARTNER TECHNOLOGY CORP. AND SUBSIDIARIES  
INFORMATION ON INVESTEE  
FOR THE YEAR ENDED DECEMBER 31, 2022

TABLE 5

Unit: NT\$ thousand and foreign currency, unless otherwise specified

Investment company	Invested company	Location	Main business activities	Initial investment amount		Holding at the end of the period			Invested company's profit and/or loss this term (Note 1)	Profit and/or loss recognized this term (Note 1)	Remark
				End of the current period	End of last year	Quantity (thousand shares)	Percentage (%)	Carrying amount			
Copartner Technology Corp.	Hotek Technology Corporation	SAMOA	Investment	\$ 614,596 (USD 20,000 ) (Note 2)	\$ 614,596 (USD 20,000 ) (Note 2)	20,000	100	\$ 2,056,425	\$ 32,344	\$ 32,344	Subsidiary
	Sunagaru International Inc.	SAMOA	General international trade business	-	11,677 (USD 380 ) (Note 2)	-	-	-	123	123	Subsidiary
	HPC Technology Inc.	New Taipei City	Manufacture, wholesale and retail of wires, cables, wired and wireless communication machinery and equipment, electronic components, etc.	30,600	30,600	2,057	48.98	42,811	15,361	7,524	Pricing investees accounted for using equity method
Hotek Technology Corporation	Copartner Wire & Cable Manufacturing Limited	Hong Kong	General international trade and general investment business	526,463 (USD 17,132 ) (Note 2)	526,463 (USD 17,132 ) (Note 2)	-	100	2,302,662	50,698	50,698	Indirectly holds of the subsidiaries

Note 1: The recognized profit and loss for the year are calculated based on the financial statements audited by accountants for the same period.

Note 2: Current exchange rate to NTD according to US\$ 1=NT\$ 30.72979 on December 31, 2022.

Note 3: Please refer to Table 6 for relevant information on investees in Mainland China.

Note 4: Sunagaru International Inc. has been liquidated in December 2022.

COPARTNER TECHNOLOGY CORP. AND SUBSIDIARIES  
INFORMATION ON INVESTMENT IN MAINLAND CHINA  
FOR THE YEAR ENDED DECEMBER 31, 2022

TABLE 6

Unit: NT\$ thousand and foreign currency, unless otherwise specified

Name of investee	Main business activities	Paid-in shares capital	Investment method	Accumulated outflow of investment from Taiwan as of January 1, 2022 (Note 1)	Investment flows		Accumulated outflow of investment from Taiwan as of December 31, 2022	Invested company's profit and/or loss this term	The Company's direct or indirect holding percentage (%)	Profit and/or loss recognized this term (Note 2)	Carrying amount of investments as of December 31, 2022 (Note 2)	Cumulative amount of investment income repatriated to Taiwan as of the current period
					Outflow	Inflow						
Cablex Wire (ShenZhen) Mfg Co., Ltd.	Production and sales of copper wires	\$ 56,903 (Note 6)	The mainland company entrusted to invest by the Company	\$ 12,292 (USD 400)	\$ -	\$ -	\$ 12,292 (USD 400)	(\$ 2,219)	100	(\$ 2,219)	\$ 368,533	\$ -
Copartner Wire And Cable (ShenZhen) Co., Ltd.	Investment	63,900	The mainland company entrusted to invest by the Company	15,734 (USD 512)	-	-	15,734 (USD 512)	5,656	100	5,656	1,354,007	203,194 (USD1,461 and RMB 36,000) (Notes 5 and 7)
United Electric Wire (KunShan) Co., Ltd.	Production and sales of wires, cables, and computer cables	57,703 (Note 6)	Indirect investment in mainland companies through third-region investment established companies	-	-	-	-	25,807	100	26,507	341,248	-
Copartner Wire And Cable (KunShan) Co., Ltd.	Investment	197,190 (Note 6)	Indirect investment in mainland companies through third-region investment established companies	12,292 (USD 400)	-	-	12,292 (USD 400)	53,430	100	53,430	822,290	-
Cablex Wire And Cable (KunShan) Mfg.	Production and sales of wires, cables, and computer wire harness	65,773 (Note 6)	Indirect investment in mainland companies through third-region investment established companies	-	-	-	-	53,413	100	53,000	270,013	-
Copartner Technology (DongTai) Co., Ltd.	R&D, production, and sales of high-end communication signal transmission cables and copper conductors	178,688 (Note 6)	Indirect investment in mainland companies through third-region investment established companies	-	-	-	-	( 3,219)	100	( 3,219)	181,903	-

Wanfu Plastic (ShenZhen) Co., Ltd.	Production and sales of plastic pellets	73,640 (Note 6)	Indirect investment in mainland companies through third-region investment established companies	-	-	-	-	724	100	724	105,535	-
Huisheng Plastic (ShenZhen) Co., Ltd.	Production and sales of plastic pellets	82,099 (Note 6)	Indirect investment in mainland companies through third-region investment established companies	-	-	-	-	( 3,824)	100	( 3,361)	327,413	-
Copartner Technology (ShenZhen) Co., Ltd.	Production and sales of wires, cables, and computer cables	311,445 (Note 6)	Indirect investment in mainland companies through third-region investment established companies	-	-	-	-	( 16,440)	100	( 16,440)	346,678	-
ShenZhen Copartner Communication Co., Ltd.	Production and sales of wires, cables, and computer cables	258,518 (Note 6)	Indirect investment in mainland companies through third-region investment established companies	-	-	-	-	2,354	100	2,610	702,068	-
Shin Ya Wire And Cable (ShenZhen) Co., Ltd.	Production and sales of wires, cables, and computer cables	\$ 36,750 (Note 6)	Indirect investment in mainland companies through third-region investment established companies	\$ -	\$ -	\$ -	\$ -	\$ 9,493	100	\$ 9,493	\$ 137,392	\$ -
Wujiang City Wanfeng Plastic Limited Company	Production and sales of plastic pellets	27,577 (Note 6)	Indirect investment in mainland companies through third-region investment established companies	-	-	-	-	( 11,752)	82.4	( 9,492)	46,701	-
Jia Xin Plastic (ShenZhen) Co., Ltd.	Production and sales of plastic pellets	30,356 (Note 6)	Indirect investment in mainland companies through third-region investment established companies	-	-	-	-	7,276	100	7,295	330,109	-

Jia Xin New Materials (Anfu) CO., LTD.	Production and sales of plastic pellets	171,231 (Note 6)	Indirect investment in mainland companies through third-region investment established companies	-	-	-	-	( 1,096)	100	( 1,096)	169,465	-
Cablex Metal Tech (Anfu) Co., Ltd.	Production and sales of copper wires	42,874 (Note 6)	Indirect investment in mainland companies through third-region investment established companies	-	-	-	-	11,962	100	11,672	52,029	-
COPARTNER TECHNOLOGY (Anfu) Co., Ltd.	Production and sales of wires, cables, and computer cables	178,110 (Note 6)	Indirect investment in mainland companies through third-region investment established companies	-	-	-	-	( 18,132)	100	( 18,132)	149,026	-

Accumulated investment in Mainland China as of December 31, 2022	Investment amounts authorized by Investment Commission, MOEA	Limit on Investments in Mainland China imposed by the Investment Commission
\$ 40,318 (Note 1) (USD 1,312 thousand)	\$ 492,322 (Note 1) (USD 16,021 thousand) (Note 3)	\$ 1,163,864 (Note 4)

Note 1: Current exchange rate to NTD according to the exchange rate of US\$ 1=NT\$ 30.72979 on December 31, 2022.

Note 2: The recognized investment gains and losses for the current period are calculated based on the financial statements audited by accountants during the same period.

Note 3: It includes the approved amount of direct investment of subsidiaries.

Note 4: It is calculated based on the higher of the net value or 60% of the combined net value in accordance with the amendment proposal for the Regulations Governing the Examination of Investment or Technical Cooperation in Mainland by the Investment Commission of the Ministry of Economic Affairs on December 30, 2020.

Note 5: Current exchange rate to NTD according to the 2022 average exchange rate US\$ 1=NT\$ 29.80450.

Note 6: Current exchange rate to NTD according to the exchange rate RMB\$ 1=NT\$ 4.41228 on December 31, 2022.

Note 7: Current exchange rate to NTD based on the 2022 average exchange rate RMB\$ 1=NT\$ 4.43470.

COPARTNER TECHNOLOGY CORP. AND SUBSIDIARIES  
THE BUSINESS RELATIONSHIP BETWEEN THE PARENT AND THE SUBSIDIARIES AND BETWEEN EACH SUBSIDIARY, AND THE CIRCUMSTANCES AND  
AMOUNTS OF ANY SIGNIFICANT TRANSACTIONS BETWEEN THEM

2022

TABLE 7

Unit: NT\$ thousand

No.	Company Name	Counterparty	Relationship with the Company (Note 4)	Transaction			
				Financial Statement Account	Amount (Note 5)	Transaction Condition	As a Percentage of Consolidated Total Operating Revenues or Total Assets
0	Copartner Technology Corp.	Copartner Technology (ShenZhen) Co., Ltd.	2	Purchases	\$ 18,547	Note 1	-
			2	Accounts payable	4,087	Note 3	-
			1	Other receivables from related parties	238,787	Note 2	5%
		ShenZhen Copartner Communication Co., Ltd.	2	Purchases	11,688	Note 1	-
			2	Accounts payable	4,240	Note 3	-
			2	Other payables from related parties	1,994	Note 2	-
		Hotek Technology Corp.	1	Other receivables from related parties	228,878	Note 2	5%
		Shin Ya Wire And Cable (ShenZhen) Co., Ltd.	2	Purchases	565	Note 1	-
			1	Revenue	16	Note 1	-
			1	Other receivables from related parties	64,599	Note 2	1%
		Cablex Wire And Cable (KunShan) Mfg.	2	Accounts payable	253	Note 3	-
			2	Purchases	66,871	Note 1	2%
			2	Accounts payable	24,562	Note 3	1%
		Cablex Wire (ShenZhen) Mfg Co., Ltd.	1	Accounts receivable	54	Note 3	-
			1	Revenue	239	Note 1	-
			2	Other payables from related parties	136,267	Note 2	3%
		Copartner Wire & Cable Manufacturing Limited	2	Other payables from related parties	249,386	Note 2	6%
2	Sales management expenses		455	Note 1	-		
2	Other payables from related parties		169,333	Note 2	4%		
Huisheng Plastic (ShenZhen) Co., Ltd.	2	Other payables from related parties					



No.	Company Name	Counterparty	Relationship with the Company (Note 4)	Transaction			
				Financial Statement Account	Amount (Note 5)	Transaction Condition	As a Percentage of Consolidated Total Operating Revenues or Total Assets
0	Copartner Technology Corp.	Copartner Wire And Cable (ShenZhen) Co., Ltd.	2	Other payables from related parties	563,195	Note 2	13%
		Wanfu Plastic (ShenZhen) Co., Ltd.	2	Other payables from related parties	392	Note 2	-
		United Electric Wire (KunShan) Co., Ltd.	2	Purchases	38,196	Note 1	1%
		Jia Xin Plastic(ShenZhen) Co., Ltd.	2	Accounts payable	4,471	Note 3	-
			1	Revenue	1,520	Note 1	-
			2	Purchases	421	Note 1	-
			2	Accounts payable	261	Note 3	-
2	Other payables from related parties	111,665	Note 2	3%			
1	ShenZhen Copartner Communication Co., Ltd.	Copartner Technology (ShenZhen) Co., Ltd.	3	Other receivables from related parties	110,379	Note 2	2%
		United Electric Wire (KunShan) Co., Ltd.	3	Interest income	2,207	Note 1	-
			3	Purchases	220	Note 1	-
			3	Accounts payable	120	Note 3	-
		United Electric Wire (KunShan) Co., Ltd.	3	Revenue	107	Note 1	-
			3	Revenue	\$ 532	Note 1	-
		Jia Xin Plastic(ShenZhen) Co., Ltd.	3	Purchases	4,234	Note 1	-
			3	Accounts payable	1,207	Note 3	-
		Cablex Wire (ShenZhen) Mfg Co., Ltd.	3	Interest income	162	Note 1	-
			3	Purchases	11,533	Note 1	-
		Cablex Wire And Cable (KunShan) Mfg.	3	Accounts payable	2,213	Note 3	-
			3	Revenue	1,939	Note 1	-
		Huisheng Plastic (ShenZhen) Co., Ltd.	3	Accounts receivable	821	Note 3	-
			3	Interest income	382	Note 1	-
		COPARTNER TECHNOLOGY (Anfu) Co., Ltd.	3	Purchases	41,238	Note 1	1%
			3	Accounts payable	14,831	Note 3	-
3	Interest income		165	Note 1	-		
Cablex Metal Tech (Anfu) Co., Ltd.	3	Other receivables from related parties	13,245	Note 2	-		
	3	Interest income	337	Note 1	-		

(Carried forward)

(Brought forward)

No.	Company Name	Counterparty	Relationship with the Company (Note 4)	Transaction			
				Financial Statement Account	Amount (Note 5)	Transaction Condition	As a Percentage of Consolidated Total Operating Revenues or Total Assets
2	Shin Ya Wire And Cable (ShenZhen) Co., Ltd.	Cablex Wire (ShenZhen) Mfg Co., Ltd.	3	Purchases	5,071	Note 1	-
			3	Accounts payable	887	Note 3	-
		Cablex Wire And Cable (KunShan) Mfg.	3	Revenue	205	Note 1	-
			3	Accounts receivable	56	Note 3	-
		Cablex Metal Tech (Anfu) Co., Ltd.	3	Purchases	4,309	Note 1	-
		Huisheng Plastic (ShenZhen) Co., Ltd.	3	Purchases	9,546	Note 1	-
			3	Accounts payable	3,008	Note 3	-
		Copartner Technology (ShenZhen) Co., Ltd.	3	Purchases	2,976	Note 1	-
			3	Accounts payable	234	Note 3	-
			3	Other payables from related parties	248	Note 2	-
			3	Revenue	191	Note 1	-
			3	Rental income	1,437	Note 1	-
			3	Purchases	5	Note 1	-
		3	Cablex Wire (ShenZhen) Mfg Co., Ltd.	Copartner Technology (ShenZhen) Co., Ltd.	3	Revenue	28,735
	3			Accounts receivable	2,649	Note 3	-
	3			Interest income	321	Note 1	-
	3			Rental income	1,242	Note 1	-
United Electric Wire (KunShan) Co., Ltd.	3			Accounts payable	13	Note 3	-
Huisheng Plastic (ShenZhen) Co., Ltd.	3			Interest income	577	Note 1	-
Cablex Metal Tech (Anfu) Co., Ltd.	3			Revenue	24,350	Note 1	1%
	3			Accounts receivable	22,096	Note 3	-
	3			Purchases	12,535	Note 1	-
	3			Accounts payable	1,465	Note 3	-
Cablex Metal Tech (Anfu) Co., Ltd.	3			Interest income	\$ 3,208	Note 1	-
	3			Sales fixed assets	32	Note 2	-
	3			Other receivables from related parties	167,774	Note 2	4%

(Carried forward)

(Brought forward)

No.	Company Name	Counterparty	Relationship with the Company (Note 4)	Transaction			
				Financial Statement Account	Amount (Note 5)	Transaction Condition	As a Percentage of Consolidated Total Operating Revenues or Total Assets
4	Copartner Wire And Cable (KunShan) Co., Ltd.	United Electric Wire (KunShan) Co., Ltd.	3	Rental income	8,027	Note 1	-
		Cablex Wire And Cable (KunShan) Mfg.	3	Rental income	3,519	Note 1	-
		Wujiang Wanfeng Plastic Cement Co., Ltd.	3	Interest income	906	Note 1	-
			3	Other receivables from related parties	17,671	Note 2	-
		Copartner Technology (DongTai) Co., Ltd.	3	Interest income	582	Note 1	-
			3	Other receivables from related parties	30,925	Note 2	1%
5	Copartner Wire And Cable (ShenZhen) Co., Ltd.	Copartner Technology (ShenZhen) Co., Ltd.	3	Interest income	1,833	Note 1	-
			3	Other receivables from related parties	52,981	Note 2	1%
6	United Electric Wire (KunShan) Co., Ltd.	Cablex Wire And Cable (KunShan) Mfg.	3	Revenue	31,387	Note 1	1%
			3	Accounts receivable	14,363	Note 3	-
		3	Other receivables from related parties	107	Note 2	-	
		Wujiang Wanfeng Plastic Cement Co., Ltd.	3	Purchases	22,724	Note 1	1%
			3	Accounts payable	5,307	Note 3	-
		Copartner Technology (ShenZhen) Co., Ltd.	3	Purchases	11	Note 1	-
		Copartner Technology (DongTai) Co., Ltd.	3	Interest income	13	Note 1	-
		COPARTNER TECHNOLOGY (Anfu) Co., Ltd.	3	Purchases	23,819	Note 1	1%
			3	Accounts payable	1,179	Note 3	-
			3	Sales fixed assets	785	Note 2	-
7	Huisheng Plastic (ShenZhen) Co., Ltd.	Copartner Technology (ShenZhen) Co., Ltd.	3	Revenue	27,803	Note 1	1%
			3	Accounts receivable	9,785	Note 3	-
			3	Purchases	15,205	Note 1	-
		Wanfu Plastic (ShenZhen) Co., Ltd.	3	Accounts payable	5,190	Note 3	-
			3	Other payables from related parties	35,321	Note 2	1%
			3	Sales management expenses	6,984	Note 1	-
			3	Interest expenditure	929	Note 1	-

(Carried forward)

(Brought forward)

No.	Company Name	Counterparty	Relationship with the Company (Note 4)	Transaction			
				Financial Statement Account	Amount (Note 5)	Transaction Condition	As a Percentage of Consolidated Total Operating Revenues or Total Assets
7	Huisheng Plastic (ShenZhen) Co., Ltd.	Jia Xin Plastic(ShenZhen) Co., Ltd.	3	Purchases	268	Note 1	-
			3	Revenue	24	Note 1	-
			3	Accounts payable	149	Note 3	-
		COPARTNER TECHNOLOGY (Anfu) Co., Ltd.	3	Revenue	3,540	Note 1	-
		United Electric Wire (KunShan) Co., Ltd.	3	Accounts receivable	1,143	Note 3	-
8	Copartner Technology (ShenZhen) Co., Ltd.	Jia Xin Plastic(ShenZhen) Co., Ltd.	3	Purchases	\$ 11,261	Note 1	-
			3	Accounts payable	4,275	Note 3	-
		Cablex Wire And Cable (KunShan) Mfg.	3	Revenue	504	Note 1	-
			3	Accounts receivable	298	Note 3	-
		Wanfu Plastic (ShenZhen) Co., Ltd.	3	Other payables from related parties	13,245	Note 2	-
			3	Interest expenditure	250	Note 1	-
		Cablex Metal Tech (Anfu) Co., Ltd.	3	Purchases	41,630	Note 1	1%
			3	Accounts payable	8,069	Note 3	-
		COPARTNER TECHNOLOGY (Anfu) Co., Ltd.	3	Purchases	19,354	Note 1	-
			3	Accounts payable	10,882	Note 3	-
9	Jia Xin Plastic(ShenZhen) Co., Ltd.		3	Sales fixed assets	689	Note 2	-
			3	Revenue	40	Note 1	-
		Shin Ya Wire And Cable (ShenZhen) Co., Ltd.	3	Rental income	136	Note 1	-
		Cablex Wire And Cable (KunShan) Mfg.	3	Revenue	31	Note 1	-
			3	Accounts receivable	12	Note 3	-
		Wujiang Wanfeng Plastic Cement Co., Ltd.	3	Revenue	2,877	Note 1	-
			3	Interest expenditure	82	Note 1	-
10	Cablex Wire And Cable (KunShan) Mfg.	Wanfu Plastic (ShenZhen) Co., Ltd.	3	Revenue	468	Note 1	-
		COPARTNER TECHNOLOGY (Anfu) Co., Ltd.	3	Accounts receivable	400	Note 3	-
			3	Purchases	64	Note 1	-
		Wujiang Wanfeng Plastic Cement Co., Ltd.	3	Accounts payable	18	Note 3	-
		Copartner Technology (DongTai) Co., Ltd.	3	Interest income	505	Note 1	-

(Carried forward)

(Brought forward)

No.	Company Name	Counterparty	Relationship with the Company (Note 4)	Transaction			As a Percentage of Consolidated Total Operating Revenues or Total Assets
				Financial Statement Account	Amount (Note 5)	Transaction Condition	
11	Cablex Metal Tech (Anfu) Co., Ltd.	Wanfu Plastic (ShenZhen) Co., Ltd.	3	Interest expenditure	274	Note 1	-
			3	Other payables from related parties	13,245	Note 2	-
		United Electric Wire (KunShan) Co., Ltd.	3	Revenue	2,959	Note 1	-
			3	Revenue	25,165	Note 1	1%
		COPARTNER TECHNOLOGY (Anfu) Co., Ltd.	3	Accounts receivable	2,351	Note 3	-
			3	Other receivables from related parties	12	Note 2	-

Note 1: It refers to the costs and market prices determined by both parties.

Note 2: The method of receivable and payable depends on the funds.

Note 3: The period for accounts receivable and payable is equivalent to related parties.

Note 4: 1 represents transactions from parent to subsidiary; 2 represents transactions from subsidiary to parent; 3 represents transactions from subsidiary to subsidiary.

Note 5: It is listed based on the amount of processing consigned material that has been deducted. Receivables (payables) and other receivables (payables) due from related parties are presented in total.