



Stock Code:3550

COPARTNER TECHNOLOGY CORPORATION

Annual Report of 2022 (Translation)

The Company's annual report is available on <http://mops.twse.com.tw>

The Company's website: <http://www.copartner.com.tw>

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IV. Independent auditor:

Names of CPAs: Tsai, Mei-Chen and Huang, Yu-Feng

Name of accounting firm: Deloitte & Touche

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V. Name of any exchange where the Company's securities are traded offshore, and the method by which to access information on said offshore securities: N/A.

VI. Company website: <http://www.copartner.com.tw>

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Chapter I Letter to Shareholders

Dear Shareholders,

The global economy during 2022 was impacted by viral mutations, the Russo-Ukrainian War, high inflation, and climate change, and most countries implemented a tight monetary policy to curb high inflation. The adverse impacts of rising inflation, a tight monetary policy, and financial pressure have dimmed the outlook for the global economy, resulting in a decrease in the Company's 2022 revenue compared with the prior year. Thus, the Company suffered a loss for 2022. In the future, the Company will continue to reinforce its core capabilities, diversify products, and provide high-quality client services, thereby bringing the Group's overall operations up a notch.

I. 2022 Business Operating Results

- (I) For 2022, the Company's consolidated revenue totaled NT\$4.16665 billion, a 14% decrease from NT\$4.84963 billion for 2021; net loss after tax was NT\$23.11 million and loss per share was NT\$0.26, both of which decreased from the net income after tax of NT\$82.08 million and earnings per share of NT\$0.93 for 2021, respectively. Although the global economy in 2022 continued to be affected by the outbreak of the Covid-19 epidemic, China's epidemic prevention and lockdown measures, the Russia-Ukraine war, and high inflation, the excess inventory of customers has not yet been sold, resulting in a slowdown in the sales of goods. In addition, most countries were trying to curb inflation and expected to continue to take measures to raise interest rates, which will make the global economic outlook turn bleak, thus affecting the Company's annual profit, making the 2022 annual revenue and profit decline compared with the previous year.
- (II) Budget implementation status
Not applicable because the Company has not disclosed a financial forecast for 2022 according to the current laws and regulations.
- (III) Financial income, expenditure, and profitability analysis (based on consolidated financial statements)

Unit: NT\$ thousand

Type	Item	2022	2021
Financial income & expenditure	Operating revenue - net	4,166,649	4,849,634
	Net income (loss) after tax	(24,634)	82,084
Profitability	Return on assets (%)	0.08	2.36
	Return on equity (%)	(1.27)	4.26
	Net profit (loss) margin (%)	(0.59)	1.69
	Earnings (loss) per share	(0.26)	0.93

(IV) R&D Status

The Company's R&D expenses in 2022 were NT\$150.54 million, which accounted for about 3.6% of the annual revenue. The R&D strategy primarily aimed to meet clients' new product design demands, optimize the existing products and processes, and develop high-end products in various application fields. We will continue to develop low-loss coaxial cables for 5G base stations and related cables and cable groups for automobiles, industrial automation, medical, servers, high-end industrial cameras, etc., to increase the breadth of the company's product applications and expand our product and market shares.

II. Impact of the external competitive environment, regulatory environment, and overall business environment

The Company's main production sites are located in Taiwan and mainland China. Therefore, either changes in Taiwan's or China's government policies or laws or changes in the international situation will affect the Company's operating costs. The global economic slowdown has dragged on to 2023, and the economic growth of the United States and Europe may be flat. Although China's economy is estimated to rebound due to the relaxation of the anti-pandemic measures, the extent of the rebound depends on the impact of the relaxed anti-pandemic measures on the economy, which still needs to be closely observed. Therefore, major international forecasting agencies believe that the global economy and trade growth rate during 2023 will slow down compared with 2022. This may cause an impact on the Company's production costs and inventory management. Facing this daunting challenge, the Company, to stabilize our competitiveness in the market, will continue to disperse production sites, integrate resources, control inventories, change order acceptance strategies, develop more product lines, and expand applications, thereby increasing our overall profit.

III. The 2023 business plan and future development strategies

Looking ahead to 2023, the global economy is still faced with many downward risks, and the slowdown trend may drag up, even resulting in a mild recession. In addition to paying close attention to the development, the Company, to cope with such uncertainties, will proactively establish production sites and invest and establish manufacturing competitiveness that keeps pace with the times, to lay a solid foundation for our basic skills, thereby reinforcing our market competitiveness and flexibility in the coordination of production and sales. Meanwhile, the Company will continue to focus on the applications in the fields of 5G, automobiles, industrial automation, medical care, and high-end industrial cameras, to increase the proportion of our niche products, continue to optimize our client portfolio, and seek more opportunities for collaboration with international businesses. All of this aims to lay a solid foundation for the Company's sustainable development and profitability, with a view to maintaining the momentum of

our continuous growth.

Over the past 30 years, the Company has continued to advance, but our core values, namely technological innovation, client first, integrity and pragmatism, and sustainable development, have remained unchanged. The Company promises to all our shareholders with great trust in us that we will strive to develop innovative products, optimize business models, enhance production technology, and improve the cost structure in the future; as such, the Company can continue to maintain our competitive advantages in the industry and ensure stable growth in profitability.

Finally, I, on behalf of all employees of the Company, would like to thank all our shareholders for your support and motivation over the years. I believe that the Company, with all employees' collective endeavors, will create a new chapter and cope with various challenges in the future. I hope that you will continue to support and provide your precious guidance to the Company.

I wish all of you

good health and all the best!

Copartner Technology Corp.

Chairman: Ho, Chun-Hsien

Chapter II Company Profile

I. Date of Establishment: April 30, 1987

II. Company history

April 1987	Founded Copartner Electric Wire Corp. Had paid-in capital of NT\$15 million; engaged in the manufacturing of electronic wires
March 1991	Obtained the U.S. UL Certification
September 1992	Obtain Canadian CSA Certification
August 1993	Established subsidiary, Copartner Wire And Cable ShenZhen Co., Ltd.
September 1995	Subsidiaries in Taiwan and Shenzhen, China, obtained Japan Quality Assurance- (JQA-) F Certification
November 1996	Conducted a cash capital increase by NT\$29 million, with the paid-in capital increasing to NT\$44 million
December 1996	Established subsidiary, Cablex Wire ShenZhen Mfg Co., Ltd.
February 1998	Invested in Copartner Wire And Cable (KunShan) Co., Ltd.
January 1999	Shenzhen subsidiary obtained UL ISO9002 Certification
March 1999	Kunshan subsidiary obtained UL ISO9002 Certification
August 1999	Conducted a cash capital increase by NT\$14 million, with the paid-in capital increasing to NT\$58 million
September 1999	Purchased and moved into an office (where the Company is currently located) in Zhonghe District, New Taipei City (formerly known as Zhonghe City, Taipei County)
June 2001	Conducted a cash capital increase by NT\$42 million, with the paid-in capital increasing to NT\$100 million
September 2001	Copartner Wire And Cable (ShenZhen) Co., Ltd. invested in subsidiary, ShenZhen Copartner Communication Co., Ltd.
April 2002	Kunshan subsidiary obtained UL ISO9001: 2000 Certification
May 2002	Copartner Wire And Cable (KunShan) Co., Ltd. invested in subsidiary, United Electric Wire (KunShan) Co., Ltd.
October 2002	Copartner Wire And Cable (ShenZhen) Co., Ltd. passed U.S. UL's ISO9001: 2000 quality management system certification
November 2002	Copartner Wire And Cable (ShenZhen) Co., Ltd. passed Sony's Green Partner (GP) certification
July 2003	Established subsidiary, Sunagaru International Inc. (SAMOA)
October 2003	Conducted a cash capital increase by NT\$200 million, with the paid-in capital increasing to NT\$300 million
November 2003	Established subsidiary, Copartner Wire & Cable Manufacturing Limited, in Hong Kong
December 2003	December 2003 Copartner Wire And Cable (KunShan) Co., Ltd. passed Sony's GP certification
February 2004	Copartner Wire And Cable (ShenZhen) Co., Ltd. passed U.S. UL's ISO: 14001: 2004 environmental management system certification
April 2004	Copartner Wire And Cable (KunShan) Co., Ltd. invested in its subsidiary, Cablex Wire And Cable (KunShan) Mfg.
July 2004	Conducted a cash capital increase by NT\$50 million, with the paid-in capital increasing to NT\$350 million

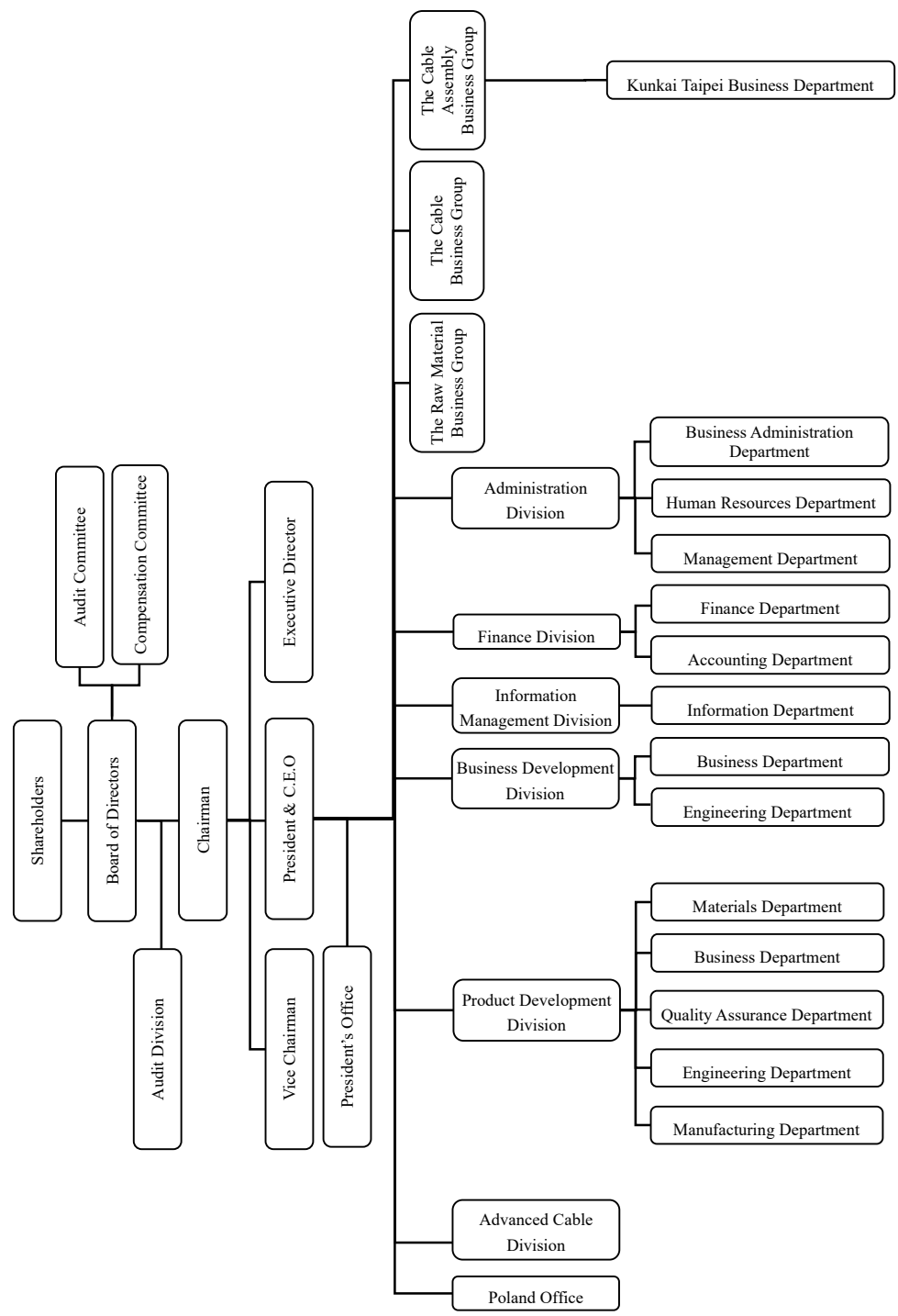
August 2004	Approved for being renamed Copartner Technology Corporation in the business registration
November 2004	Established subsidiary, Hotek Technology Corporation (SAMOA) by exchanging shares with Copartner Wire & Cable Manufacturing Limited
November 2004	Copartner Wire & Cable Manufacturing Limited invested in its subsidiaries, Huisheng Plastic (ShenZhen) Co., Ltd. and Wanfu Plastic (ShenZhen) Co., Ltd.
January 2005	Copartner Wire & Cable Manufacturing Limited invested in its subsidiary, Copartner Technology (ShenZhen) Co., Ltd.
January 2005	Copartner Wire And Cable (KunShan) Co., Ltd. and United Electric Wire (KunShan) Co., Ltd. passed TUV QS9000 certification
January 2005	Copartner Technology (ShenZhen) Co., Ltd. invested in its subsidiary, Cablex Wire And Cable (ShenZhen) Mfg.
July 2005	Shut down Huilian Plastic Hardware Factory (ShenZhen) and had Huisheng Plastic (ShenZhen) Co., Ltd. take over its facilities and business
August 2005	Conducted a cash capital increase by NT\$68 million and capitalization of earnings to increase the capital by NT\$21 million with the paid-in capital increasing to NT\$439 million
December 2005	Copartner Technology (ShenZhen) Co., Ltd. invested in its subsidiary, Cablex Wire And Cable (WuJiang) Mfg.
December 2005	Copartner Wire And Cable (ShenZhen) Co., Ltd. invested in its subsidiary, Shin Ya Wire And Cable (ShenZhen) Co., Ltd.
June 2006	Shut down Dongguan Mingdian Electronics Factory, a processing factory, and had Cablex Wire And Cable (ShenZhen) Mfg. take over its facilities and business
June 2006	Cablex Wire And Cable (KunShan) Mfg., United Electric Wire (KunShan) Co., Ltd., and Cablex Wire And Cable (KunShan) Mfg. passed WIT Assessment's ISO 14001: 2004 certification
September 2006	Conducted a cash capital increase by NT\$101 million and capitalization of earnings to increase the capital by NT\$60 million with the paid-in capital increasing to NT\$600 million
December 2006	Launched the initial public offering
June 2007	Copartner Technology Corporation conducted a cash capital increase in Hotek Technology Corporation (SAMOA) and Sunagaru International Inc. (SAMOA)
July 2007	Conducted capitalization of earnings to increase the capital by NT\$136 million with the paid-in capital increasing to NT\$736 million
September 2007	Approved by Taipei Exchange to be listed on the emerging stock market for trading
June 2008	Conducted capitalization of earnings to increase the capital by NT\$44.8 million with the paid-in capital increasing to NT\$780.8 million
December 2009	Copartner Wire And Cable (ShenZhen) Co., Ltd. held 74% equity in Shin Ya Wire And Cable (ShenZhen) Co., Ltd. and sold 69% to Copartner Technology (ShenZhen) Co., Ltd. And 5% to Copartner Wire & Cable Manufacturing Limited

November 2010	Conducted a cash capital increase by NT\$99.2 million before the stock was listed on Taiwan Stock Exchange for trading with the paid-in capital increasing to NT\$880 million; had the stock listed on Taiwan Stock Exchange for trading
January 2011	Copartner Technology (ShenZhen) Co., Ltd. invested in its subsidiary, Wujiang Wanfeng Plastic Cement Co., Ltd.
September 2011	Copartner Technology (ShenZhen) Co., Ltd. . invested in its subsidiary, Jia Xin Plastic (ShenZhen) Co., Ltd.
December 2011	Repurchased and canceled treasury shares of NT\$30 million and completed the registration of capital reduction, with the paid-in capital reduced to NT\$850 million
July 2012	Copartner Technology (ShenZhen) Co., Ltd. invested in its subsidiary, Shenzhen Qingying Precision Components Co., Ltd.
January 2015	Renamed Shenzhen Qingying Precision Components Co., Ltd. Shenzhen Xiechang Trading Co., Ltd.
January 2015	Obtained IEC 60332 certification
July 2015	Shut down Cablex Wire And Cable (WuJiang) Mfg.
January 2016	Shut down Cablex Wire And Cable (ShenZhen) Mfg.
June 2017	Established the Poland Office
January 2019	Copartner Wire And Cable (KunShan) Co., Ltd. invested in its subsidiary, Copartner Technology (DongTai) Co., Ltd.
February 2019	Copartner Technology (ShenZhen) Co., Ltd. obtained UL 9990 Certification
May 2019	Established the Shulin Plant in Taipei
May 2020	Shut down Shenzhen Xiechang Trading Co., Ltd.
October 2020	Copartner Wire And Cable (ShenZhen) Co., Ltd. invested in its subsidiary, Jia Xin New Materials (Anfu) CO., LTD.
January 2021	Copartner Wire And Cable (KunShan) Co., Ltd. invested in its subsidiary, Cablex Metal Tech (Anfu) Co., Ltd.
January 2021	Copartner Wire And Cable (KunShan) Co., Ltd. invested in its subsidiary, Copartner Technology (Anfu) Co., Ltd.
April 2021	Copartner Technology Corp. obtained HDMI 2.1 certification
August 2022	Conducted capitalization of retained earnings to increase the capital by NT\$25.5 million with the paid-in capital increasing to NT\$875.5 million
December 2022	Liquidated and canceled the business registration of subsidiary, Sunagaru International Inc. (SAMOA)

I. Organizational structure
(I) Organization

Copartner Technology Corp.
Organizational chart

Effective date: July 15, 2022



(II) Main business by each major department

Department	Business affairs
President and President's Office	Formulating business strategies, business plans, and business goals and policies; managing business performance; managing the Company's various business administration systems; planning, evaluating, and executing the establishment of investment business; planning and implementation of coordination of production and sales; launching various corporate social responsibility initiatives.
Audit Division	Auditing and evaluating the correctness, reliability, efficiency, and effectiveness of the Company's operating records and internal management control; in turn, providing improvement suggestions to ensure the security of the Company's operations, thereby reducing risks and malpractice and ensuring the effective implementation of internal control; evaluating and auditing the management system; drawing up internal audit plans.
The Cable Assembly Business Group	Planning and executing business objectives; planning and managing market development, customer service, product sales, and receivables collection; surveying global clients and markets and collecting and analyzing business information; executing product marketing plans and developing major overseas sales markets; researching and developing (R&D) and designing new products, technologies, and new manufacturing processes; handling product problems and client complaints; planning and implementing the quality audit and certification business and providing after-sales services.
The Cable Business Group	Responsible for market development, client credit investigation, product marketing; providing client service and handling customer complaints; setting goals, implementing plans, and surveying and analyzing markets; transferring orders to other supply chains and collecting overdue receivables; offering quotes; formulating product specifications; R&D and designing new products and new processes; planning and implementing the quality audit and certification business.
The Raw Material Business Group	Responsible for market development as well as planning and execution of business goals; surveying markets and collecting and analyzing business information; executing product marketing plans and developing sales markets; planning and implementing the quality audit and certification business; planning and managing client service, product sales, and receivable collection; handling product problems and client complaints and providing after-sales services.
Administration Division	Establishing and implementing human resources, personnel, benefit, education, and general affairs management systems, policies, and procedures. Establishing and implementing administrative and general affairs systems; handling public relations, safety, health, environmental protection, and legal affairs; purchasing and managing major goods, equipment, and general items; collecting overdue receivables and handling triangular trade affairs.

Department	Business affairs
Finance Division	Planning and managing budgets as well as accounting, finance, taxation, and stock affairs; managing funds and capital movements; drawing up and executing financing and fundraising plans; handling accounting business and financial reports; planning the operations of shareholders' meetings and board meetings and executing the plans.
Information Management Division	Planning, establishing, and operating the Company's management information systems; planning, establishing, and operating the ERP system, data warehousing centers, OA, VPN, and LAN environments; purchasing, using, and maintaining hardware and system software.
Business Development Division	Responsible for the Company's new business launch and implementation as well as client support and services.
Product Development Division	Developing and producing nitrogen foam high-frequency coaxial cables (PTFE, PE, and XLPE), and developing new markets and promoting products in new markets.
Advanced Cable Division	Responsible for developing domestic and overseas high-end wire (QSFP, CMP, CL2P, etc.) clients.
Poland Office	Responsible for promoting business in Europe.

II. Data of Directors, President, Vice President, Assistant Manager, and heads of various departments and branches

(I) Director

1. Information on directors

May 2, 2023 Unit: shares

Title	Nationality and Registry	Name	Gender/ Age	Date elected	Term	Date first elected	Shares at Election		Current number of shares held		Shareholdings of spouse and minor children		Shares held in the names of others		Major career (academic) achievements	Current duties in the Company and in other companies	Spouse or relatives of second degree or closer acting as department heads, directors or supervisor			Remark
							Quantity	Ratio of Shareholding	Quantity	Ratio of Shareholding	Quantity	Ratio of Shareholding	Quantity	Ratio of Shareholding			Title	Name	Relation	
Chairman	Republic of China	Ho, Chun-Hsien	Male 61-70 years old	June 24, 2020	3 years	April 15, 1987	3,715,965	4.37%	3,827,443	4.37%	—	—	—	—	National Chushan Senior High School Director of Copartner Wire & Cable Manufacturing Limited	Chairman of Copartner Wire And Cable (ShenZhen) Co., Ltd. Chairman of Cablex Wire (ShenZhen) Mfg Co., Ltd. Director of Copartner Wire & Cable Manufacturing Limited Chairman of Shin Ya Wire And Cable (ShenZhen) Co., Ltd. Chairman of ShenZhen Copartner Communication Co., Ltd. Chairman of Copartner Technology (ShenZhen) Co., Ltd. Chairman of Huisheng Plastic (ShenZhen) Co., Ltd. Chairman of Wanfu Plastic (ShenZhen) Co., Ltd. Chairman of Cablex Wire And Cable (KunShan) Mfg. Cable (KunShan) Co., Ltd. Chairman of Copartner Wire And Cable (KunShan) Co., Ltd. Chairman of United Electric Wire (KunShan) Co., Ltd. Chairman of HoteK Technology Corp. Executive Director of Wujiang Wanfeng Plastic Cement Co., Ltd. Executive Director of Jia Xin Plastic(ShenZhen) Co., Ltd. Chairman of Copartner Technology (DongTai) Co., Ltd. Chairman of Jia Xin New Materials (Anfu) CO., LTD. Chairman of Cablex Metal Tech (Anfu) Co., Ltd. Chairman of Copartner Technology (Anfu) Co., Ltd.	—	—	—	—

Title	Nationality and Registry	Name	Gender / Age	Date elected	Term	Date first elected	Shares at Election		Current number of shares held		Shareholdings of spouse and minor children		Shares held in the names of others		Major career (academic) achievements	Current duties in the Company and in other companies	Spouse or relatives of second degree or closer acting as department heads, directors or supervisor			Remark
							Quantity	Ratio of Shareholding	Quantity	Ratio of Shareholding	Quantity	Ratio of Shareholding	Quantity	Ratio of Shareholding			Title	Name	Relation	
Director	Republic of China	Wang, Shih-Tsung	Male 61-70 years old	June 24, 2020	3 years	April 15, 1987	3,604,671	4.24%	3,712,811	4.24%	941,250	1.08%	-	-	Forestry High School (non-completion) Director of Copartner Wire & Cable Manufacturing Limited	President of the Cable Business Group, Copartner Technology Corp. President of Copartner Wire And Cable (ShenZhen) Co., Ltd. Director of Cablex Wire (ShenZhen) Mfg Co., Ltd. Director of Copartner Wire & Cable Manufacturing Limited Director of Shin Ya Wire And Cable (ShenZhen) Co., Ltd. Director of ShenZhen Copartner Communication Co., Ltd. Director of Copartner Technology (ShenZhen) Co., Ltd. Director of Huisheng Plastic (ShenZhen) Co., Ltd. Director of Wanfu Plastic (ShenZhen) Co., Ltd. Director of Cablex Wire And Cable (KunShan) Mfg. Director of Copartner Wire And Cable (KunShan) Co., Ltd. Director of United Electric Wire (KunShan) Co., Ltd. Chairman of Hotek Technology Corp. Director of Jia Xin Plastic(ShenZhen) Co., Ltd. Director of Copartner Technology (DongTai) Co., Ltd. Director of Jia Xin New Materials (Anfu) CO., LTD. Director of Cablex Metal Tech (Anfu) Co., Ltd. Director of Copartner Technology (Anfu) Co., Ltd.	-	-	-	

Title	Nationality and Registry	Name	Gender / Age	Date elected	Term	Date first elected	Shares at Election		Current number of shares held		Shareholdings of spouse and minor children		Shares held in the names of others		Major career (academic) achievements	Current duties in the Company and in other companies	Spouse or relatives of second degree or closer acting as department heads, directors or supervisor			Remark
							Quantity	Ratio of Shareholding	Quantity	Ratio of Shareholding	Quantity	Ratio of Shareholding	Quantity	Ratio of Shareholding			Title	Name	Relation	
Director	Republic of China	Chen, Hung-Yao	Male 61-70 years old	June 24, 2020	3 years	September 3, 1990	2,878,745	3.39%	2,965,107	3.39%	1,315,213	1.50%	—	—	Three-year program of Shih Hsin University Director of Copartner Wire & Cable Manufacturing Limited	Executive Director of Copartner Technology Corp. Director of Cablex Wire (ShenZhen) Mfg Co., Ltd. Director of Copartner Wire & Cable Manufacturing Limited Director of Shin Ya Wire And Cable (ShenZhen) Co., Ltd. Vice Chairman of ShenZhen Copartner Communication Co., Ltd. Director of Copartner Technology (ShenZhen) Co., Ltd. Director of Huisheng Plastic (ShenZhen) Co., Ltd. Vice Chairman of Wanfu Plastic (ShenZhen) Co., Ltd. Director of Cablex Wire And Cable (KunShan) Mfg. Director of Copartner Wire And Cable (KunShan) Co., Ltd. Director of United Electric Wire (KunShan) Co., Ltd. Chairman of Hotek Technology Corp. Supervisor of Wujiang Wanfeng Plastic Cement Co., Ltd. Director of Jia Xin Plastic(ShenZhen) Co., Ltd. Director of Copartner Technology (DongTai) Co., Ltd. Director of Jia Xin New Materials (Anfu) CO., LTD. Director of Cablex Metal Tech (Anfu) Co., Ltd. Director of Copartner Technology (Anfu) Co., Ltd. Supervisor of HPC Technology Inc.	—	—	—	—

Title	Nationality and Registry	Name	Gender/ Age	Date elected	Term	Date first elected	Shares at Election		Current number of shares held		Shareholdings of spouse and minor children		Shares held in the names of others		Major career (academic) achievements	Current duties in the Company and in other companies	Spouse or relatives of second degree or closer acting as department heads, directors or supervisor			Remark
							Quantity	Ratio of Shareholding	Quantity	Ratio of Shareholding	Quantity	Ratio of Shareholding	Quantity	Ratio of Shareholding			Title	Name	Relation	
Director	Republic of China	Liao, Wen-Hung	Male 51-60 years old	June 24, 2020	3 years	June 20, 2014	585,000	0.69%	650,960	0.74%	—	—	—	—	MBA, Wharton School of the University of Pennsylvania, U.S. Vice President of H&Q Asia Pacific	President of Copartner Technology Corp. Representative of director, HPC Technology Inc. Director of Sunfun Info Co., Ltd. Director of Sweet Tech Ltd. Independent Director of Jochu Technology Co., Ltd.	—	—	—	—
Independent Director	Republic of China	Chang, Chung-Chiu	Male 61-70 years old	June 24, 2020	3 years	June 20, 2014	—	—	—	—	—	—	—	—	MBA, National Chengchi University Senior Assistant Vice President of China Development Industrial Bank	Chairman-cum-President of STL Technology Co., Ltd. Supervisor of Top Taiwan X Venture Capital Co., Ltd. Director of Xinding No.1 Energy Co., Ltd. Director of STL Investment Director of STL Corporation	—	—	—	—
Independent Director	Republic of China	Li, Chien-fan	Male 51-60 years old	June 24, 2020	3 years	August 22, 2007	—	—	—	—	—	—	—	—	Ph.D. in Accounting, National Chengchi University	Professor, Department of Accountancy, National Taipei University Independent Director of Voltronic Power Technology Corp. Independent Director of L&K Engineering Co., Ltd.	—	—	—	—
Independent Director	Republic of China	Hsu, Yung-Chen	Male 51-60 years old	June 24, 2020	3 years	November 27, 2009	—	—	—	—	—	—	—	—	Ph.D. in Electrical Engineering, National Tsing Hua University	Professor of the Department of Electrical Engineering and Institute of Electronics Engineering, National Tsing Hua University	—	—	—	—

2. Major shareholders of institutional shareholders: None.
3. Major shareholders of institutional shareholders who are juridical persons: None.
4. Information on directors

Qualification Name		Professional qualification and experience	Independence criteria (Note 1)	Number of positions as an Independent Director in other public listed companies
Chairman	Ho, Chun-Hsien	<ol style="list-style-type: none"> 1. Has experience in founding and operating publicly listed companies and the ability to manage multinational companies; is familiar with business development and has industry knowledge; possesses leadership, decision-making ability, and the ability to formulate business strategies. See the above table: Information on directors. 2. Does not meet any descriptions stated in Article 30 of the Company Act. 	(1), (4), (5), (6), (8), (9), (10), (11)	-
Director	Wang, Shih-Tsung	<ol style="list-style-type: none"> 1. Has experience in founding and operating publicly listed companies and the ability to manage multinational companies, has the knowledge of the industry's upstream, midstream, and downstream business, and possesses expertise in finance, business operations, and governance. See the above table: Information on directors. 2. Does not meet any descriptions stated in Article 30 of the Company Act. 	(5), (6), (8), (9), (10), (11)	-
Director	Chen, Hung-Yao	<ol style="list-style-type: none"> 1. Has experience in founding and operating publicly listed companies and the ability to manage multinational companies; is familiar with the international market business, marketing, and industry technology. See the above table: Information on directors. 2. Does not meet any descriptions stated in Article 30 of the Company Act. 	(5), (6), (8), (9), (10), (11)	-

Qualification		Professional qualification and experience	Independence criteria (Note 1)	Number of positions as an Independent Director in other public listed companies
Name				
Director	Liao, Wen-Hung	1. Has more than 10 years of experience in business administration in this industry; can provide timely advice on operations and financial plans to diversify the Company’s strategic thinking in business. See the above table: Information on directors. 2. Does not meet any descriptions stated in Article 30 of the Company Act.	(2), (3), (4), (5), (6), (7), (8), (9), (10), (11)	1
Independent Director	Chang, Chung-Chiu	1. Has industry knowledge of the technology industry chains and expertise in investment management; is equipped with insight into governance and technology applications; can improve the quality of the governance by the Board of Directors and the supervisory function of the Audit Committee. See the above table: Information on directors. 2. Does not meet any descriptions stated in Article 30 of the Company Act.	(1), (2), (3), (4), (5), (6), (7), (8), (9), (10), (11)	-
Independent Director	Li, Chien-Jan	1. Has expertise in financial accounting and governance; can improve the quality of the governance by the Board of Directors and the supervisory function of the Audit Committee. See the above table: Information on directors. 2. Does not meet any descriptions stated in Article 30 of the Company Act.	(1), (2), (3), (4), (5), (6), (7), (8), (9), (10), (11)	2

Qualification		Professional qualification and experience	Independence criteria (Note 1)	Number of positions as an Independent Director in other public listed companies
Name				
Independent Director	Hsu, Yung-Chen	1. Has relevant knowledge of industry technology and expertise in industry application development; can improve the quality of the governance by the Board of Directors and the supervisory function of the Audit Committee. See the above table: Information on directors. 2. Does not meet any descriptions stated in Article 30 of the Company Act.	(1), (2), (3), (4), (5), (6), (7), (8), (9), (10), (11)	-

Note 1: Each director who has met the independence criteria during the two years before the election and during the term of office is disclosed in the above table:

- (1) Not an employee of the Company or any of its affiliates.
- (2) Not a director or supervisor of the company or any of its affiliates. The same does not apply, however, in case where the person is an independent director of the company, its parent company or any subsidiary, as appointed in accordance with the laws of Taiwan or with the laws of the country of the parent company or subsidiary.
- (3) Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children or held by the person under others' names, in an aggregate amount of 1% or more of the total number of issued shares of the company or ranks as one of its top ten shareholders.
- (4) Not a manager of (1) or spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of any of (2) or (3).
- (5) Not a director, supervisor or employee of an institutional shareholder that directly holds 5% or more of the total number of issued shares of the Company or ranks as one of its top five shareholders or was appointed pursuant to Article 27, paragraph 1 or 2 of the Company Act. (The same does not apply, however, in case where the person is an independent director of the company, its parent company, or any subsidiary, as appointed in accordance with the laws of Taiwan or with the laws of the country of the parent company or subsidiary.)
- (6) Not a director, supervisor, or employee of another company where a majority of the Company's directorships or voting shares and those of another company are controlled by the same person (except for an independent director engaged concurrently by the Company, its parent company, and its subsidiary or a subsidiary under the same parent company in accordance with the Act or local laws and regulations).
- (7) Not the same person as the Company's Chairman, President or person with equivalent position or the director (managing director), supervisor or employee of company or institution of the spouse thereof. (The same does not apply, however, in cases where the person is an independent director of the company, its parent company, or any subsidiary as appointed in accordance with the laws of Taiwan or with the laws of the country of the parent company or subsidiary.)

- (8) Not a director (managing director), supervisor, manager, or shareholder holding 5% or more of the shares of a specific company or institution which has a financial or business relationship with the Company (except for a specific company or institution holding more than 20% and no more than 50% of the total issued shares of the Company and for an independent director engaged concurrently by the Company, its parent company, and its subsidiary or a subsidiary under the same parent company in accordance with the Act or local laws and regulations).
- (9) Not a professional individual who or an owner, partner, director (managing director), supervisor or officer of a sole proprietorship, partnership, company or institution that, provides commercial, legal, financial, accounting services or consultation to the Company or to any affiliate of the Company in the most recent 2 years with an accumulated service compensation of less than NT\$500 thousand or a spouse thereof. This restriction does not apply to any member of the Remuneration Committee, public tender offers Audit Committee or mergers and acquisition special committee, who exercises powers pursuant to relative regulations of the Securities and Exchange Act and Business Mergers and Acquisitions Act.
- (10) Not having a marital relationship or a relative within the second degree of kinship to any other director of the Company.
- (11) Not a governmental, juridical person or its representative as defined in Article 27 of the Company Act.

(II) Information on the President, Vice Presidents, Assistant Vice Presidents, and the heads of various departments and branches

May 2, 2023 Unit: shares

Title	Nationality	Name	Gender	Date taking office	Shareholding		Shareholdings of spouse and minor children		Shares held in the names of others		Major career (academic) achievements	Current positions in the company and other companies	Spouse or relatives of second degree or closer acting as managers			Remark
					Quantity	Ratio of Shareholding	Quantity	Ratio of Shareholding	Quantity	Ratio of Shareholding			Title	Name	Relation	
President	Republic of China	Liao, Wen-Hung	Male	January 1, 2012	650,960	0.74%	—	—	—	—	MBA, Wharton School of the University of Pennsylvania, U.S. Vice President of H&Q Asia Pacific	Representative of director, HPC Technology Inc. Director of Sunfun Info Co., Ltd. Director of Sweet Tech Ltd. Independent Director of Jochu Technology Co., Ltd.	—	—	—	—
President of the Cable Business Group	Republic of China	Wang, Shih-Tsung	Male	December 1, 1987	3,712,811	4.24%	941,250	1.08%	—	—	Forestry High School (non-completion) Director of Copartner Wire & Cable Manufacturing Limited	President of Copartner Wire And Cable (ShenZhen) Co., Ltd. Director of Cablex Wire (ShenZhen) Mfg Co., Ltd. Director of Copartner Wire & Cable Manufacturing Limited Director of Shin Ya Wire And Cable (ShenZhen) Co., Ltd. Director of ShenZhen Copartner Communication Co., Ltd. Director of Copartner Technology (ShenZhen) Co., Ltd. Director of Huisheng Plastic (ShenZhen) Co., Ltd. Director of Wanfu Plastic (ShenZhen) Co., Ltd. Director of Cablex Wire And Cable (KunShan) Mfg. Director of Copartner Wire And Cable (KunShan) Co., Ltd. Director of United Electric Wire (KunShan) Co., Ltd. Chairman of Hotek Technology Corp. Director of Jia Xin Plastic(ShenZhen) Co., Ltd. Director of Copartner Technology (DongTai) Co., Ltd. Director of Jia Xin New Materials (Anfu) CO., LTD. Director of Cablex Metal Tech (Anfu) Co., Ltd. Director of Copartner Technology (Anfu) Co., Ltd.	—	—	—	

Title	Nationality	Name	Gender	Date taking office	Shareholding		Shareholdings of spouse and minor children		Shares held in the names of others		Major career (academic) achievements	Current positions in the company and other companies	Spouse or relatives of second degree or closer acting as managers			Remark
					Quantity	Ratio of Shareholding	Quantity	Ratio of Shareholding	Quantity	Ratio of Shareholding			Title	Name	Relation	
Executive Director	Republic of China	Chen, Hung-Yao	Male	February 1, 2020	2,965,107	3.39%	1,315,213	1.50%	—	—	Three-year program of Shih Hsin University Director of Copartner Wire & Cable Wire & Cable Manufacturing Limited	Director of Cablex Wire (ShenZhen) Mfg Co., Ltd. Director of Copartner Wire & Cable Manufacturing Limited Director of Shin Ya Wire And Cable (ShenZhen) Co., Ltd. Vice Chairman of ShenZhen Copartner Communication Co., Ltd. Director of Copartner Technology (ShenZhen) Co., Ltd. Director of Huisheng Plastic (ShenZhen) Co., Ltd. Vice Chairman of Wanfu Plastic (ShenZhen) Co., Ltd. Director of Cablex Wire And Cable (KunShan) Mfg. Director of Copartner Wire And Cable (KunShan) Co., Ltd. Director of United Electric Wire (KunShan) Co., Ltd. Chairman of Hotek Technology Corp. Supervisor of Wujiang Wanfeng Plastic Cement Co., Ltd. Director of Jia Xin Plastic(ShenZhen) Co., Ltd. Director of Copartner Technology (DongTai) Co., Ltd. Director of Jia Xin New Materials (Anfu) CO., LTD. Director of Cablex Metal Tech (Anfu) Co., Ltd. Director of Copartner Technology (Anfu) Co., Ltd. Supervisor of HPC Technology Inc.	—	—	—	—
					—	—	—	—	—	—			—	—	—	
President of the Raw Material Business Group	Republic of China	Li, Yi-Ta	Male	August 1, 2017	—	—	—	—	—	—	Department of Chemical Engineering, Taipei City University of Science and Technology	President of Jia Xin Plastic(ShenZhen) Co., Ltd. Business Manager of Jia Xin New Materials (Anfu) CO., LTD.	—	—	—	—
Vice President of the Business Development Division	Republic of China	Su, Chun-Hsiung	Male	March 1, 2010	93,730	0.11%	—	—	—	—	Master of Business Administration, National Taipei University		—	—	—	—

Title	Nationality	Name	Gender	Date taking office	Shareholding		Shareholdings of spouse and minor children		Shares held in the names of others		Major career (academic) achievements	Current positions in the company and other companies	Spouse or relatives of second degree or closer acting as managers			Remark
					Quantity	Ratio of Shareholding	Quantity	Ratio of Shareholding	Quantity	Ratio of Shareholding			Title	Name	Relation	
Assistant Vice President of the Product Development Division	Republic of China	Chen, Chiu-Hsiung	Male	April 18, 2022	1,297	-	-	-	-	-	New Taipei Private Tamkang High School Manager of Wonderful Hi-tech Co., Ltd.	-	-	-	-	-
Manager of the Finance Division	Republic of China	Cheng, Shu-Ching	Female	May 11, 2022	-	-	-	-	-	-	Master of Accounting, Soochow University	-	-	-	-	-

Remuneration payment to directors, president, and vice president in the last year

1. Remuneration for directors and independent directors

Unit: NT\$ thousand/ May 15, 2023

Title	Name	Remuneration to Directors				Sum of A, B, C, and D and as a % of the net income (loss) after tax (Note 7)	Remuneration as an employee				Sum of A, B, C, D, E, F, and G and as a % of the net income (loss) after tax (Note 7)		Remuneration received from the invested companies other than the subsidiaries and the parent company		
		Remuneration (A) (Note 1)	Pension (B)		Remuneration to directors (C) (Note 2)		Fees for services rendered (D) (Note 3)	Salaries, bonuses, special allowances etc. (E) (Note 4)	Pension (F)	Remuneration to employees (G) (Note 5)					
			The Company	All companies shown in the financial report (Note 6)						The Company	Cash amount	Stock amount		All companies shown in the financial report (Note 6)	
Chairman	Ho, Chun-Hsien	2,545	4,347	193	332	—	—	—	—	—	—	2,773	4,714	—20.85%	None
	Wang, Shih-Tsung	—	—	—	—	—	—	35	2,322	176	311	2,533	4,431	—11.20%	None
	Chen, Hung-Yao	—	—	—	—	—	—	35	2,225	108	108	2,368	3,419	—10.47%	None
	Liao, Wen-Hung	—	—	—	—	—	—	35	2,820	108	108	2,963	2,963	—13.11%	None
Independent Director	Chang, Chung-Chiu	360	360	—	—	—	—	390	—	—	—	390	390	—1.72%	None
	Li, Chien-Jan	360	360	—	—	—	—	395	—	—	—	395	395	—1.75%	None
	Hsu, Yung-Chen	360	360	—	—	—	—	395	—	—	—	395	395	—1.75%	None
1.	Please describe the remuneration policy, system, standard and structure of independent directors, and describe the linkage to the remuneration amount according to the responsibilities, risks, time, and other factors: The remuneration paid to our independent directors is evaluated in accordance with Article 16 of the Articles of Incorporation and the Remuneration Committee Charter, determined based on their individual responsibilities, contribution values, performance, risks, and the general standard in the industry, and paid in a fixed amount regardless of the Company's profit or loss. Except for the receipt of fixed monthly remuneration and honoraria for attendance at each board meeting, they are not entitled to the distribution of the annual director remuneration, severance pay, and executive differential pay. The payment standard and structure of independent directors' remuneration shall be submitted to the Board of Directors for resolution after being approved by the Remuneration Committee. The remuneration to independent directors is regularly evaluated according to the results of the evaluation by Board of Directors per year.														
2.	Except as disclosed in the above table, the remuneration received by the Company's directors for providing services (such as serving as a consultant in a non-employee capacity at the parent company/all companies in the financial statements/investees) in the last year: None.														

1. Please describe the remuneration policy, system, standard and structure of independent directors, and describe the linkage to the remuneration amount according to the responsibilities, risks, time, and other factors:

The remuneration paid to our independent directors is evaluated in accordance with Article 16 of the Articles of Incorporation and the Remuneration Committee Charter, determined based on their individual responsibilities, contribution values, performance, risks, and the general standard in the industry, and paid in a fixed amount regardless of the Company's profit or loss. Except for the receipt of fixed monthly remuneration and honoraria for attendance at each board meeting, they are not entitled to the distribution of the annual director remuneration, severance pay, and executive differential pay. The payment standard and structure of independent directors' remuneration shall be submitted to the Board of Directors for resolution after being approved by the Remuneration Committee. The remuneration to independent directors is regularly evaluated according to the results of the evaluation by Board of Directors per year.

2. Except as disclosed in the above table, the remuneration received by the Company's directors for providing services (such as serving as a consultant in a non-employee capacity at the parent company/all companies in the financial statements/investees) in the last year: None.

Note 1: Refers to the directors' remuneration for 2022 (including director salary, executive differential pay, severance pay, various bonuses, and incentives).

Note 2: The Board of Directors passed the 2022 directors' remuneration of NT\$1,650 thousand on March 29, 2023.

The 2022 remuneration to subsidiaries' directors and supervisors is not included as it is a performance bonus for concurrently serving as directors at subsidiaries and is disclosed in directors remuneration and salary for concurrently serving as employees.

Note 3: It refers to the directors' professional service fees for 2022 (including honoraria, special allowance, and various allowances).

Note 4: It refers to the salary, executive differential pay, severance pay, various bonuses, incentives, honoraria, special allowance, and various allowances received by directors who concurrently serve as employees (including the President, Vice Presidents, other managers, and employees) for 2022.

Note 5: It refers to directors who have received employee remuneration (including stock and cash) for 2022 for serving as employees concurrently (including the President, Vice Presidents, other managers, and employees).

Note 6: It is the total amount of remuneration paid to the directors of the Company by all companies (including the Company) in the consolidated financial statements.

Note 7: After-tax net income (loss) refers to the after-tax net income (loss) of individual financial reports in 2022

2. Presidents' and Vice Presidents' remuneration

Unit: NT\$ thousand / May 15, 2023

Title	Name	Salary (A) (Note 1)		Pension (B)		Bonuses and allowances etc. (C) (Note 2)		Remuneration to employees (D) (Note 3)				Sum of A, B, C, and D and as a % of the net income (loss) after tax (Note 5)	Remuneration received from the invested companies other than the subsidiaries and the parent company
		The Company	All companies shown in the financial report (Note 4)	The Company	All companies shown in the financial report (Note 4)	The Company	All companies shown in the financial report (Note 4)		The Company	All companies shown in the financial report (Note 4)			
							Cash Amount	Stock Amount			Cash Amount		
President	Liao, Wen-Hung	2,610	2,610	108	108	210	210	—	—	—	2,928 -12.95%	2,928 -12.95%	None
President of the Cable Business Group	Wang, Shih-Tsung	2,146	3,774	176	311	176	311	—	—	—	2,498 -11.05%	4,396 -19.45%	None
Executive Director	Chen, Hung-Yao	2,057	3,027	108	108	168	249	—	—	—	2,333 -10.32%	3,384 -14.97%	None
President of the Raw Material Business Group	Li, Yi-Ta	—	2,237	—	33	—	262	—	—	—	—	2,532 -11.20%	None
Vice President of the Business Development Division	Su, Chun-Hsiung	1,792	1,792	103	103	402	402	—	—	—	2,297 -10.16%	2,297 -10.16%	None

Note 1: It refers to the President's and Vice Presidents' 2022 salary and executive differential pay.

Also, the 2022 remuneration to subsidiaries' directors and supervisors is disclosed in salary and wages as it is a performance bonus for concurrently serving as directors at subsidiaries.

Note 2: It refers to the President's and Vice Presidents' various bonuses, incentives, honoraria, special allowance, various allowances, and other remuneration for 2022.

Note 3: It refers to the amount of employee remuneration (including stock and cash) for 2022 approved by the Board of Directors and paid out to the President and Vice Presidents.

Note 4: The total amount of remuneration paid to the President and Vice Presidents of the Company by all companies (including the Company) in the consolidated financial statements shall be disclosed.

Note 5: After-tax net income (loss) refers to the after-tax net income (loss) of individual financial reports in 2022

3. Remuneration to the top five managers with the highest remuneration

Unit: NT\$ thousand/ May 15, 2023

Title	Name	Salary (A) (Note 1)		Pension (B)		Bonuses and allowances etc. (C) (Note 2)		Remuneration to employees (D) (Note 3)				Sum of A, B, C, and D and as a % of the net income (loss) after tax (Note 5)	Remuneration received from the invested companies other than the subsidiaries and the parent company	
		The Company	All companies shown in the financial report (Note 4)	The Company	All companies shown in the financial report (Note 4)	The Company	All companies shown in the financial report (Note 4)		The Company	All companies shown in the financial report (Note 4)				
							Cash amount	Stock amount			Cash amount			Stock amount
President	Liao, Wen-Hung	2,610	2,610	108	108	210	210	—	—	—	—	2,928 -12.95%	2,928 -12.95%	None
President of the Cable Business Group	Wang, Shih-Tsung	2,146	3,774	176	311	176	311	—	—	—	—	2,498 -11.05%	4,396 -19.45%	None
Executive Director	Chen, Hung-Yao	2,057	3,027	108	108	168	249	—	—	—	—	2,333 -10.32%	3,384 -14.97%	None
President of the Raw Material Business Group	Li, Yi-Ta	—	2,237	—	33	—	262	—	—	—	—	—	2,532 -11.20%	None
Vice President of the Business Development	Su, Chun-Hsiung	1,792	1,792	103	103	402	402	—	—	—	—	2,297 -10.16%	2,297 -10.16%	None

Note 1: It refers to the 2022 salary and executive differential pay received by the top five managers with the highest remuneration.

Also, the 2022 remuneration to subsidiaries' directors and supervisors is disclosed in salary and wages as it is a performance bonus for concurrently serving as directors at subsidiaries.

Note 2: It refers to the various bonuses, incentives, honoraria, special allowance, various allowance, and other remuneration received by the top five managers with the highest remuneration for 2022.

Note 3: It refers to the amount of employee remuneration (including stock and cash) approved by the Board of Directors and paid out to the top five managers with the highest remuneration for 2022.

Note 4: The total amount of remuneration paid to the Company's the top five managers with the highest remuneration by all companies (including the Company) in the consolidated financial statements shall be disclosed.

Note 5: After-tax net profit (loss) refers to the after-tax net profit (loss) of individual financial reports in 2022

1. Name of the managers received remuneration and the distribution of remuneration

Unit: NT\$ thousand / May 15, 2023

	Title	Name	Stock amount	Cash amount (Note 1)	Total	As a percentage of net profit after tax (Note 2)
Manager	President	Liao, Wen-Hung				
	President of the Cable Business Group	Wang, Shih-Tsung				
	Executive Director	Chen, Hung-Yao				
	President of the Raw Material Business Group	Li, Yi-Ta				
	Vice President of the Business Development Division	Su, Chun-Hsiung	-	-	-	-
	Assistant Vice President of the Product Development Division	Chu, Chien-Chung(Note 3)				
	Assistant Vice President of the Product Development Division	Chen, Chiu-Hsiung(Note 4)				
	Assistant Vice President of the Finance Division	Tseng, Kuei-Chih (Note 5)				
	Manager of the Finance Division	Cheng, Shu-Ching(Note 6)				

Note 1: It refers to the amount of the 2022 employee remuneration approved by the Board of Directors and paid out to the managers.

Note 2: It is a net loss after tax as per the 2022 parent company-only financial statements, so the percentage was not calculated.

Note 3: Assistant Vice President of the Product Development Division Chu, Chien-Chung resigned on April 18, 2022.

Note 4: Assistant Vice President of the Product Development Division Chen, Chiu-Hsiung was newly appointed on April 18, 2022.

Note 5: Assistant Vice President of the Finance Division Tseng, Kuei-Chih resigned on May 11, 2022.

Note 6: Manager of the Finance Division Cheng, Shu-Ching was newly appointed on May 11, 2022.

(III) An analysis of the total remuneration paid to the Company's directors, the President, and Vice Presidents by the Company and all companies in the consolidated financial statements as a percentage of the net income after tax in the parent company-only financial statements for the last two years, and a description of the remuneration policy, standard, and package, the procedure for determining the remuneration, and the association between business performance and future risks.

1. Remuneration payment to the directors, the President, and Vice Presidents of the Company as a % of the net income (loss) after tax for 2021 and 2022:

Title	Remuneration as a % of the net income (loss) after tax			
	2021		2022	
	The Company	All companies shown in the financial report	The Company	All companies shown in the financial report
Director	17.45%	29.18%	-52.27%	-73.91%
Presidents and the Vice Presidents	13.35%	23.76%	-44.48%	-68.73%

2. Remuneration policy, standard, and package, the procedure for determining the remuneration, and the association between business performance and future risks:

- (1) Remuneration to Directors

The Company has established a Remuneration Committee in accordance with the competent authority's regulations. Directors' remuneration is distributed in accordance with Article 19 of the Articles of Incorporation. The Remuneration Committee refers to the general payment standard in the industry in accordance with the law and evaluates each director's participation in and contribution to the Company's operations, and the reasonability of the association between the Company's business performance and future risks. After the individual board member performance evaluation results have come out, the committee will submit remuneration suggestions to the Board of Directors for discussion and approval.

- (2) President's and Vice Presidents' remuneration

The Company has established a Remuneration Committee in accordance with the competent authority's regulations. The remuneration to the President and Vice Presidents (including salary and pay raise) is handled in accordance with the Human Resources Management Regulations formulated by the Company, and the committee submits its suggestions to the Board of Directors for discussion and approval. The salary and remuneration package includes three parts: base salary, year-end bonus, and performance bonus/employee remuneration, among which the salary is determined according to the general standards for the positions held in the market; the year-end bonus is based on the Company's annual policy; the performance bonus/employee remuneration is determined based on the Company's profitability and individual performance.

The Company will review the remuneration system at all times depending on the operating performance and applicable laws and regulations, to achieve a balance between the Company's sustainable development and risk control.

III. Corporate governance

(I) Facts about performance by the board of directors:

The Board of Directors held six (A) meetings during 2022, and directors' attendance is as follows:

Title	Name	Actual attendance (B)	Proxy Attendance	Actual attendance (%) (B/A)	Remark
Chairman	Ho, Chun-Hsien	6	0	100	
Director	Wang, Shih-Tsung	6	0	100	
Director	Chen, Hung-Yao	6	0	100	
Director	Liao, Wen-Hung	6	0	100	
Independent Director	Chang, Chung-Chiu	6	0	100	
Independent Director	Li, Chien-Jan	6	0	100	
Independent Director	Hsu, Yung-Chen	6	0	100	

Other remarks:

I. For the operation of the Board of Directors in any of the following circumstances, please specify the date, session, the contents of the proposals, the opinions of all independent directors, and the process of the opinions proposed by the independent directors:

(I) Issues required under Article 14-3 of the Securities and Exchange Act:

Date of board meeting	Discussion	Independent Directors' opinions	Response to independent directors' opinions
March 28, 2022	Proposal for the Company's 2021 employee remuneration and directors' remuneration	Approved as proposed without objection	Not applicable
March 28, 2022	Proposal to amend the Remuneration Committee Charter	Approved as proposed without objection	Not applicable
March 28, 2022	Proposal to issue the Company's 2021 Statement of the Internal Control System	Approved as proposed without objection	Not applicable
March 28, 2022	Proposal to amend the Company's Approval Hierarchy Chart	Approved as proposed without objection	Not applicable
March 28, 2022	Proposal to amend the Company's Corporate Governance Best Practice Principles	Approved as proposed without objection	Not applicable
March 28, 2022	Proposal to amend the Company's Rules of the Performance Evaluation of the Board of Directors	Approved as proposed without objection	Not applicable

March 28, 2022	Proposal to amend the Company's Corporate Social Responsibility Best Practice Principles and rename it the Sustainable Development Best Practice Principles	Approved as proposed without objection	Not applicable
March 28, 2022	Proposal to amend the Company's "Articles of Incorporation."	Approved as proposed without objection	Not applicable
March 28, 2022	Proposal to amend the Company's "Assets Acquisition or Disposal Handling Procedures."	Approved as proposed without objection	Not applicable
March 28, 2022	Proposal to amend the Company's "Shareholders Meeting Procedure Rules"	Approved as proposed without objection	Not applicable
March 28, 2022	Proposal for the Company's 2021 annual business report and financial report	Approved as proposed without objection	Not applicable
March 28, 2022	Proposal for the Company's 2021 earnings distribution	Approved as proposed without objection	Not applicable
March 28, 2022	Proposal to conduct capitalization of earnings to increase capital by issuing new shares	Approved as proposed without objection	Not applicable
March 28, 2022	Proposal to lift the non-competition restriction for the Company's directors	Approved as proposed without objection	Not applicable
March 28, 2022	Proposal to replace the responsible CPAs due to the accounting firm's internal rotation	Approved as proposed without objection	Not applicable
March 28, 2022	Proposal to evaluate the independence and remuneration of the Company's CPAs	Approved as proposed without objection	Not applicable
May 11, 2022	Proposal to provide a guarantee for a loan taken out by subsidiary, Copartner Technology (DongTai) Co., Ltd., from the Shanghai Commercial & Savings Bank, Ltd.	Approved as proposed without objection	Not applicable
May 11, 2022	Proposal to replace the Company's chief accountant, financial supervisor, and spokesperson	Approved as proposed without objection	Not applicable
May 11, 2022	Proposal to distribute the Company's 2021 managers' remuneration and performance bonus	Approved as proposed without objection	Not applicable
May 11, 2022	Proposal to distribute the Company's 2021 directors' remuneration and the performance bonuses to subsidiaries' directors	Approved as proposed without objection	Not applicable

July 11, 2022	Approved the proposal to apply for a syndicated loan of NT\$1 billion or an equivalent amount in USD with Chang Hwa Commercial Bank as the arranger and the manager	Approved as proposed without objection	Not applicable
August 10, 2022	Proposal to apply to the First Commercial Bank for credit line renewal and guarantee business based on operational needs	Approved as proposed without objection	Not applicable
August 10, 2022	Proposal to provide a guarantee for a loan taken out by subsidiary, United Electric Wire (KunShan) Co., Ltd., from the Shanghai Commercial & Savings Bank, Ltd.	Approved as proposed without objection	Not applicable
November 9, 2022	Proposal to amend the Company's Rules of the Procedure for Board of Directors Meetings	Approved as proposed without objection	Not applicable
November 9, 2022	Proposal to provide a guarantee for a loan taken out by subsidiary, United Electric Wire (KunShan) Co., Ltd., from the Shanghai Commercial & Savings Bank, Ltd.	Approved as proposed without objection	Not applicable
November 9, 2022	Proposal to liquidate and cancel the business registration of subsidiary, Sunagaru International Inc. (SAMOA)	Approved as proposed without objection	Not applicable
December 23, 2022	Proposal to purchase directors liability insurance	Approved as proposed without objection	Not applicable
December 23, 2022	Proposal to amend the Company's Merger and Acquisition Information Disclosure Self-Regulatory Regulations	Approved as proposed without objection	Not applicable
December 23, 2022	Proposal to amend the Company's Procedures for Ethical Management and Guidelines for Conduct	Approved as proposed without objection	Not applicable
December 23, 2022	Proposal to amend the Company's Corporate Governance Best Practice Principles	Approved as proposed without objection	Not applicable
December 23, 2022	Proposal to amend the Company's Procedures for Handling Material Inside Information	Approved as proposed without objection	Not applicable
December 23, 2022	Proposal to appoint a new governance officer	Approved as proposed without objection	Not applicable
December 23, 2022	Proposal for the Company's 2023 Business Plan and 2023 consolidated financial budget	Approved as proposed without objection	Not applicable
(II) Other than the aforementioned issues, the issue objected by an independent director or where an independent director maintain a qualified opinion with record or documented declaration in a decision resolved by the Board of Directors: None.			

II. With respect to the avoidance of conflicting interest agendas, describe the names of directors, details of the relevant agendas, reasons for avoiding conflicting interest, and the voting decisions:

Date of board meeting	Name of director	Discussion	Reason for recusal	Participation in voting
May 11, 2022	Liao, Wen-Hung Chen, Hung-Yao	Proposal to distribute the Company's 2021 managers' remuneration and performance bonus	As this proposal involved the content of salary and remuneration and the amount of performance bonus for individual managers, directors who were also managers needed to recuse themselves in accordance with Article 16 of Rules of the Procedure for Board of Directors Meetings regarding directors' recusal due to personal interest involved.	Except for director Liao, Wen-Hung (concurrently served as the President of the Company) and director Chen, Hung-Yao (concurrently served as an executive director), who needed to recused themselves due to their personal interest involved, the chair consulted all the directors present and passed the proposal as proposed without objection.
May 11, 2022	Ho, Chun-Hsien Wang, Shih-Tsung Chen, Hung-Yao Liao, Wen-Hung	Proposal to distribute the Company's 2021 directors' remuneration and the performance bonuses to subsidiaries' directors	As this proposal involved the distribution of individual directors' remuneration, Article 16 of Rules of the Procedure for Board of Directors Meetings regarding directors' recusal due to personal interest involved applied.	Except for Chairman Ho, Chun-Hsien, director Wang, Shih-Tsung, director Chen, Hung-Yao, and director Liao, Wen-Hung, who needed to recused themselves due to their personal interest involved, the acting chairman consulted all the directors present and passed the proposal as proposed without objection.

III. Details of the implementation of board evaluation:

Evaluation cycle	Evaluation period	Evaluation scope	Evaluation method	Evaluation content
Evaluation performed once a year	January 1, 2022 - December 31, 2022	Board of Directors	1. Internal board self-evaluation 2. Peer evaluation	Performance aspect and weighting factor: 1. Level of participation in the Company's operations: 28% 2. Improvement of the quality of the board of directors' decision making: 28% 3. Composition and structure of the board of directors: 16% 4. Election and continuing education of the directors: 14% 5. Internal control: 14%
Evaluation performed once a year	January 1, 2022 - December 31, 2022	Individual board members	Board member self-evaluation	Performance aspect and weighting factor: 1. Alignment of the company's goals and mission: 14% 2. Awareness of responsibilities as a director: 14% 3. Level of participation in the Company's operations: 34% 4. Internal relations management and communication: 10% 5. Director's professional and continuing education: 14% 6. Internal control: 14%
Evaluation performed once a year	January 1, 2022 - December 31, 2022	Functional committees	Audit Committee's self-evaluation	Performance aspect and weighting factor: 1. Level of participation in the Company's operations: 18% 2. Awareness of responsibilities as a functional committee member: 22% 3. Improvement to the quality of the functional committee's decision-making: 32% 4. The composition and election of functional committee members: 14% 5. Internal control: 14%
			Remuneration Committee's self-evaluation	Performance aspect and weighting factor: 1. Level of participation in the Company's operations: 22% 2. Awareness of responsibilities as a functional committee member: 22%

				3. Improvement to the quality of the functional committee's decision-making: 39% 4. The composition and election of functional committee members: 17%
<p>IV. Targets for strengthening of the functions of the board during the current and immediately preceding fiscal years</p> <p>(I) The objectives of enhancing the functions of the Board of Directors</p> <p>The Company has established the Rules of the Procedure for Board of Directors Meetings, and the board meetings thereafter are all handled in accordance with the rules. The Company arranges for the board members, during their term of office, to attend the courses on corporate governance offered the institutions designated under the Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEx Listed Companies or appoint instructors to offer training at the Company to reinforce their expertise in corporate governance. A total of seven directors received a total of 42 hours of training during 2022. In addition, the Company established the Remuneration Committee on December 16, 2011 and the Audit Committee on June 20, 2014. Each of the two functional committees is formed by three independent directors to assist the board in fulfilling its supervisory duties, and they submit their proposals to the board to duly implement corporate governance. Our independent directors' attendance at board meetings are in good condition, and they provide useful suggestions to the board about the implementation of the Company's internal control system, business, finance, among other relevant proposals using their industry knowledge, accounting and financial analysis, and other professional skills. To enhance the board functions and the effectiveness of the committees, the Company established the Board of Directors Self-evaluation or Peer Evaluation Procedure on August 12, 2019, and the Board of Directors approved the amendments to the Board of Directors Self-evaluation or Peer Evaluation Procedure on May 10, 2021 and renamed it Rules of the Performance Evaluation of the Board of Directors. The 2022 board, board members, Audit Committee, and Remuneration Committee performance results were all positive and reported to the Board of Directors on March 29, 2023. The performance evaluation results will be adopted as a reference for determining the remuneration of individual directors or members of functional committees and nominating candidates for directors.</p> <p>(II) Improve information transparency</p> <p>The Company's financial statements are regularly audited by Deloitte & Touche, and we timely and accurately disclose all information required by laws and regulations to be disclosed on the Market Observation Post System (MOPS). The Company has also designated personnel to be dedicated to collecting and disclosing company information and established a spokesperson system to ensure that all material information can be disclosed in a timely and appropriate manner for the reference of shareholders and stakeholders.</p> <p>(III) Proactively engage with stakeholders:</p> <p>The Company has a spokesperson and an acting spokesperson in place. Stakeholders can use this as a means of communication with us or ask questions and make suggestions online through the Stakeholders section of our official website. The Company accepts shareholder proposals before the annual shareholders' meeting is held according to the</p>				

schedule. Shareholders who have the right to make proposals can submit applications to the Company during the acceptance period, and the Company will convene a board meeting to review such applications in accordance with rules. Moreover, the Company regularly holds investor conferences to disclose the Company's operating performance and our views on future industry prospects to our investors in a timely manner, thereby increasing the means for investors to communicate with the Company.

(II) Operations of the Audit Committee

1. Composition of the Audit Committee and scope of duties

Three independent directors are elected at the annual general meeting of shareholders, and they, in turn, form the Audit Committee, which meets at least once per quarter and is responsible for reviewing the Company's financial statements, appointing (dismissing) CPAs, evaluating their independence and performance, ensuring the effective implementation of the Company's internal control, and reviewing the Company's compliance with applicable laws and regulations. Its main duties are as follows:

- (1) Establishing or modifying the internal control system in accordance with Article 14-1 of the Securities and Exchange Act.
- (2) Assessing the effectiveness of the internal control system.
- (3) Formulating or amending the procedures for handling material financial or business activities, such as asset acquisition and disposal, derivative trading, loans to others, and provision of endorsements/guarantees to others as per Article 36-1 of the Securities and Exchange Act.
- (4) Handling matters involving directors' personal interest.
- (5) Handling material asset or derivative trading.
- (6) Handling material loans to others or provision of endorsements/guarantees to others.
- (7) Handling matters related to the offering, issuance, or private placement of equity securities.
- (8) Appointing or dismissing CPAs or determining their remuneration.
- (9) Appointing or dismissing financial supervisor, chief accountant, or chief internal auditor.
- (10) Reviewing the annual financial statements signed or sealed by the Chairman, manager, and chief accountant, and the financial statements for Q2 that should be audited by a CPA.
- (11) Handling other major matters stipulated by the Company or competent authorities.

2. Major tasks during 2022

- (1) Completed the assessment of the effectiveness of the internal control system.
- (2) Modified the internal control system, including the Audit Committee Charter, in accordance with Article 14-1 of the Securities and Exchange Act.
- (3) Reviewed the matters involving directors' personal interest submitted to the committee in accordance with the law.
- (4) Reviewed the major guarantees provided.
- (5) Appointed 2022 CPAs and reviewed audit fees.
- (6) Reviewed the 2021 Business Report and financial statements.
- (7) Obtained the statement of independence issued by the accounting firm appointed as the basis for the assessment of the independent of CPAs.
- (8) Handling other major matters stipulated by the Company or competent authorities.

The Audit Committee held six (A) meetings during 2022, and the independent directors' attendance is as follows:

Title	Name	Actual attendance (B)	Proxy Attendance	Actual attendance (%) (B/A)	Remark
Independent Director	Chang, Chung-Chiu	6	0	100	
Independent Director	Li, Chien-Jan	6	0	100	
Independent Director	Hsu, Yung-Chen	6	0	100	

Other remarks:

I. If the operations of the Audit Committee fall under any of the circumstances below, the date of the Audit Committee meeting, the session, the content of the proposal, any objection, reservation, or major suggestion made by independent directors, the committee's resolution results, and the Company's response to the committee's opinions shall be specified:

(I) Issues required under Article 14-5 of the Securities and Exchange Act:

Date of Audit Committee meeting	Discussion	Audit Committee's resolution results	Response to independent directors' opinions
March 28, 2022	Proposal for the Company's 2021 employee remuneration and directors' remuneration	Approved as proposed without objection	Not applicable
March 28, 2022	Proposal to issue the Company's 2021 Statement of the Internal Control System	Approved as proposed without objection	Not applicable
March 28, 2022	Proposal to amend the Company's Approval Hierarchy Chart	Approved as proposed without objection	Not applicable
March 28, 2022	Proposal to amend the Company's Corporate Governance Best Practice Principles	Approved as proposed without objection	Not applicable
March 28, 2022	Proposal to amend the Company's Corporate Social Responsibility Best Practice Principles and rename it the Sustainable Development Best Practice Principles	Approved as proposed without objection	Not applicable
March 28, 2022	Proposal to amend the Company's "Assets Acquisition or Disposal Handling Procedures."	Approved as proposed without objection	Not applicable
March 28, 2022	Proposal for the Company's 2021 Business Report and financial statements	Approved as proposed without objection	Not applicable
March 28, 2022	Proposal for the Company's 2021 earnings distribution	Approved as proposed without objection	Not applicable
March 28, 2022	Proposal by the Company to convert surplus into capital and issue new shares	Approved as proposed without objection	Not applicable
March 28,	Proposal to replace responsible CPAs due to the	Approved as	Not

2022	accounting firm's internal rotation	proposed without objection	applicable
March 28, 2022	Proposal to lift the non-competition restriction for the Company's directors	Approved as proposed without objection	Not applicable
March 28, 2022	Proposal to evaluate the independence and remuneration of the Company's CPAs	Approved as proposed without objection	Not applicable
May 11, 2022	Proposal to provide a guarantee for a loan taken out by subsidiary, Copartner Technology (DongTai) Co., Ltd., from the Shanghai Commercial & Savings Bank, Ltd.	Approved as proposed without objection	Not applicable
May 11, 2022	Proposal to replace the Company's chief accountant, financial supervisor, and spokesperson	Approved as proposed without objection	Not applicable
July 11, 2022	Approved the proposal to apply for a syndicated loan of NT\$1 billion or an equivalent amount in USD with Chang Hwa Commercial Bank as the arranger and the manager	Approved as proposed without objection	Not applicable
August 10, 2022	Proposal to apply to the First Commercial Bank for credit line renewal and guarantee business based on operational needs.	Approved as proposed without objection	Not applicable
August 10, 2022	Proposal to provide a guarantee for a loan taken out by subsidiary, United Electric Wire (KunShan) Co., Ltd., from the Shanghai Commercial & Savings Bank, Ltd.	Approved as proposed without objection	Not applicable
November 9, 2022	Proposal to provide a guarantee for a loan taken out by subsidiary, United Electric Wire (KunShan) Co., Ltd., from the Shanghai Commercial & Savings Bank, Ltd.	Approved as proposed without objection	Not applicable
December 23, 2022	Proposal to amend the Company's Merger and Acquisition Information Disclosure Self-Regulatory Regulations	Approved as proposed without objection	Not applicable
December 23, 2022	Proposal to amend the Company's Procedures for Ethical Management and Guidelines for Conduct	Approved as proposed without objection	Not applicable
December 23, 2022	Proposal to amend the Company's Corporate Governance Best Practice Principles	Approved as proposed without objection	Not applicable
December 23, 2022	Proposal to amend the Company's Procedures for Handling Material Inside Information	Approved as proposed without objection	Not applicable
December 23, 2022	Proposal for the Company's 2023 audit plan	Approved as proposed without objection	Not applicable
December 23, 2022	Proposal to purchase directors liability insurance	Approved as proposed without objection	Not applicable
December 23, 2022	Proposal for the Company's 2023 Business Plan and 2023 consolidated financial budget	Approved as proposed without objection	Not applicable

- (II) Except the aforementioned issue, other issue not yet resolved in the Audit Committee but has been duly resolved by two-thirds majority of the total number of director seats: None
- II. With respect to the avoidance of conflicting interest agendas, describe the names of independent directors, details of the relevant agendas, reasons for avoiding conflicting interest, and the voting decisions: None
- III. Communication between independent directors and the chief internal auditor/CPAs:
There are means for independent directors to directly communicate with the chief internal auditor/CPAs, and the communication is smooth.
- (I) The Company regularly emails an audit report on the previous month or a follow-up report to independent directors for review, and independent directors provide feedback or opinions as necessary. The chief internal auditor regularly participates in the Audit Committee meeting convened quarterly and reports to the independent directors on the audits performed and the audit results. The communication between the independent directors and the chief internal auditor during 2022 is briefly stated below:

Date	Communication method	Matters communicated, independent directors' opinions, and subsequent response
March 28, 2022	10th meeting of the 3rd Audit Committee	The chief internal auditor reported on the items audited, results, and improvement follow-up, while issuing the Company's 2021 Statement of the Internal Control System and stating the risk and internal control self-assessment results. None of the independent directors expressed objection.
May 11, 2022	11th meeting of the 3rd Audit Committee	The chief internal auditor reported on the items audited, results, and improvement follow-up, and the independent directors agreed with the content of the report.
July 11, 2022	Symposium (alone)	The chief internal auditor communicated the internal audit business with the independent directors, who expressed their awareness of the content without making other suggestions.
July 11, 2022	12th meeting of the 3rd Audit Committee	The chief internal auditor reported on the items audited, results, and improvement follow-up, and the independent directors agreed with the content of the report.
August 10, 2022	13th meeting of the 3rd Audit Committee	The chief internal auditor reported on the items audited, results, and improvement follow-up, and the independent directors agreed with the content of the report.
November 9, 2022	14th meeting of the 3rd Audit Committee	The chief internal auditor reported on the items audited, results, and improvement follow-up, and the independent directors agreed with the content of the report.
December 23, 2022	15th meeting of the 3rd Audit Committee	The chief internal auditor reported on the items audited, results, and improvement follow-up, and submitted the 2023 audit plan. The independent directors agreed with the content of the report.

- (II) In addition to reporting to the independent directors on the audit or review of the financial statements, the CPAs appointed by the Company held at least one event to raise awareness of laws in the Company per year to update our employees' knowledge of financial and tax laws and countermeasures against relevant impacts. Independent directors and CPAs usually communicate with each other by email or phone at any time when necessary. Their communication during 2022 is briefly stated below:

Date	Communication method	Matters communicated
March 28, 2022	10th meeting of the 3rd Audit Committee	CPAs' 2021 audit report The 2022 audit plan and update of laws and regulations
May 11, 2022	11th meeting of the 3rd Audit Committee	CPAs' review report on the financial statements for 2022 Q1 and update of laws and regulations
August 10, 2022	13th meeting of the 3rd Audit Committee	CPAs' review report on the financial statements for 2022 Q2 and update of laws and regulations
November 9, 2022	14th meeting of the 3rd Audit Committee	CPAs' review report on the financial statements for 2022 Q3 and update of laws and regulations
November 9, 2022	Symposium (alone)	The independent directors communicated the audit work with the CPAs, and the independent directors expressed their awareness of the content without making other suggestions.
December 23, 2022	15th meeting of the 3rd Audit Committee	The 2022 audit plan report and update of laws and regulations

(III) The operations of corporate governance and the deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor

Assessment Items	Actual governance			Deviation and causes of deviation from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
I. Will the Company based on the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies set up and disclose the Company's corporate governance best-practice principles?	✓		The Company has formulated the Corporate Governance Best Practice Principles as per the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and published it on the Corporate Governance section of our official website and the MOPS for reference of stakeholders.	None
II. Shareholding structure and shareholders' equity				None
(I) Will the Company have the internal procedures regulated to handle shareholders' proposals, doubts, disputes, and litigation matters; also, have the procedures implemented accordingly?	✓		The Company has set up a spokesperson and acting spokesperson mechanism to communicate with external parties and set up a section dedicated to stakeholders on our official website, so we can properly handle shareholders' suggestions, questions, and disputes, thereby ensuring their rights and interest. In addition, we have appointed a professional shareholder service agency, which sends shareholder service personnel to deal with relevant rights and interest issues.	
(II) Will the Company possess the list of the Company's major shareholders and the list of the ultimate controllers of the major shareholders?	✓		Our insiders (directors, managers, and major shareholders, each holding at least 10% of the total issued shares) report the changes in their shareholdings to the Company in accordance with regulations per month. The Company also appoints a professional shareholder service agency to handle stock affairs as per law; as such, we can effectively keep abreast of major shareholders' shareholdings and disclose them in accordance with the regulations.	

Assessment Items	Actual governance			Deviation and causes of deviation from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
(III) Will the Company establish and implement the risk control and firewall mechanisms with the related parties?	✓		The Company has established the Subsidiary Monitoring and Management Operating Procedures in the internal control system as per laws and regulations, and each subsidiary's assets, finance, and business operate independently. We have established an appropriate risk control mechanism and firewall, and our auditors regularly monitor the operation.	
(IV) Will the Company set up internal norms to prohibit insiders from utilizing the undisclosed information to trade securities?	✓		The Company has formulated the Procedures for Handling Material Inside Information and proceed in accordance with Article 157-1 of the Securities and Exchange Act. We prohibit company insiders from using undisclosed information on the market to trade stocks, and the Company also passes out the publicly listed company insiders' trading of equity FAQ brochure to new directors and managers when they take office for them to follow applicable rules. We also send emails to raise their awareness of applicable laws and regulations from time to time. Furthermore, we, on December 23, 2022, added "Stock trading control measures for insiders from the day they learn about the Company's financial statements or relevant performance information include the restriction that directors must not trade their shares during the closed periods of 30 days prior to the publication of the annual financial statements and 15 days prior to the publication of quarterly financial statement." to Article 15 of the Procedures for Ethical Management and Guidelines for Conduct.	

Assessment Items	Actual governance			Deviation and causes of deviation from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
III. The constitution and obligations of the board of directors (I) Has the Board of Directors formulated a diversity policy and specific management objectives and implemented them accordingly?	✓		<p>The Company has specified the diversity policy for the composition of the Board of Directors in the Corporate Governance Best Practice Principles. the Company have considered the issue of diversity for the board members and elected outstanding talents who have the knowledge, skills, and competencies required to perform duties based on the Company's business model and development needs. Therefore, among the seven board members, four directors are outstanding talents in the industry; of the three independent directors, there are a professor at the Department of Accountancy of the National Taipei University, a professor at the Department of Electrical Engineering and Institute of Electronics Engineering of the National Tsin Hua University, and chairman-cum-president of STL Technology Co., Ltd. with professional backgrounds and industry experience. (See Note 1 and Information on directors on pages 10-17 of this annual report). Although there are currently no female director on the board, the Company still pays attention to gender equality in the composition of the Board of Directors. We plan to include at least one female director in the next term of the Board of Directors. Also, directors who are also employees account for 43% of all directors, independent directors 43%, directors under the age of 60 43%, and independent directors with the length of service of fewer than nine years 100%, to duly implement the Company's diversity policy for the composition of the Board of Directors. The Company has disclosed the diversity policy for the board members on the official website.</p>	None

Assessment Items	Actual governance			Deviation and causes of deviation from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
(II) Will the Company, in addition to setting the Remuneration Committee and Audit Committee lawfully, have other functional committee set up voluntarily?	✓		The Company has established the Remuneration Committee and the Audit Committee, both of which are formed by all independent directors, and has established operating procedures for them to follow. The Company has also established a Business Administration Committee, which is formed by inside directors. It regularly analyzes and discusses materials issues, such as company strategies, operations, and organization, as a reference for the Board of Directors and execution units to make decisions and implement plans. In the future, we will assess if there is a need to set up other functional committees.	
(III) Does the company establish a method to evaluate board performance and evaluate board performance every year? Are the performance evaluation results reported to the board and used as a reference for the remuneration and nomination for re-election of directors?	✓		At present, the Remuneration Committee formulates and regularly reviews the director performance evaluation and remuneration policies, systems, standards, and structures and submits its suggestions to the Board of Directors for discussion. To improve the corporate governance system, the Company established the Board of Directors Self-evaluation or Peer Evaluation Procedure on August 12, 2019 and amended and renamed it Rules of the Performance Evaluation of the Board of Directors on May 10, 2021. We conduct internal performance self-evaluation after the end of each year and distribute questionnaires to board members, directors, as well as the Audit Committee and Remuneration Committee members. After compiling the survey results, we submit them to the Board of Directors for review and improvement and also adopt the results as a reference for determining individual directors' remuneration and nominating candidates for directors. The Company completed the 2022 internal board, directors, and functional committee members performance self-evaluation in February 2023 and	

Assessment Items	Actual governance			Deviation and causes of deviation from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
(IV) Will the Company have the independence of the public accountant evaluated regularly?	✓		<p>submitted the results to the Board of Directors on March 29, 2023, while disclosing them on our official website. As per the self-evaluation results, the overall operations of the Board of Directors and each functional committee were considered to be in good condition, and the directors had positive reviews of the efficiency and effectiveness of various indicators, thereby effectively enhancing the board functions and safeguarding shareholders' rights and interest.</p> <p>To duly implement corporate governance, the Company evaluates the independence of each CPA before signing the annual appointment contract with each of them. The Company has confirmed that Deloitte & Touche is not involved in other financial and business relations with the Company except for the financial statements and taxation audit cases. The CPAs have met the Company's independence criteria (see Note 2) and are eligible to serve as the Company's CPAs for 2022. The Company also requires CPAs to provide a statement of independence, and their family members have also met the independence criteria. The Company also compiled the two CPAs' statements of independence and the audit quality indicators (AQI) (Please refer to details of Note 2, page 51 of the annual report) provided by Deloitte & Touche and submitted them to the Audit Committee and the Board of Directors as a reference for evaluating their independence. We appointed them for 2022 after they were approved by the Audit Committee on March 29, 2023 and by the resolution of the Board of Directors on the same day. In addition, the CPAs go through job rotation in accordance with the regulations and adhere to the impartiality, rigor, integrity, and independence principles.</p>	

Assessment Items	Actual governance			Deviation and causes of deviation from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
IV. Has the Company has appointed an appropriate number of competent corporate governance personnel and designated a corporate governance officer to be responsible for corporate governance affairs (including but not limited to providing directors and supervisors with the materials required for performance of their duties, assisting directors and supervisors with compliance, handling matters related to board meetings and the shareholders' meetings, and preparing minutes of board meetings and shareholders' meetings)?	✓		<p>The Company appointed Cheng, Shu-Ching, Manager of the Finance Division, as the corporate governance officer on December 23, 2022, and the Board of Directors, on March 29, 2023, resolved a decision to amend the Standard Operating Procedures for Handling Directors' Requests and designated the Finance Division to handle directors' requests and corporate governance matters and to appointed the Registrar and Transfer Agency Department of Mega Securities to handle the shareholder service business.</p> <p>The tasks completed during 2022 are as follows:</p> <ol style="list-style-type: none"> 1. Notified the directors to convene a board meeting seven days before a board meeting agenda was set out, provided meeting materials, reminded directors to recuse themselves from certain proposals in advance, if any, and sent the minutes of the board meetings to the directors within 20 days after the conclusion of each board meeting. 2. Evaluated and purchased directors liability insurance for directors. 3. Provided board members with the information on training courses, allowing all board members to complete at least six hours of training courses. 4. Provided the Company's business or financial information to directors upon their request, maintained smooth communication between directors and various managers, and provided board members with the information on new or amended laws related to their duties, corporate governance, or business administration from time to time. 5. Convened at least a communication meeting between independent directors and CPAs/auditors/financial supervisor per quarter. 6. Completed the registration of the date of a 	None

Assessment Items	Actual governance			Deviation and causes of deviation from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
			<p>shareholders' meeting beforehand according to law, prepared meeting notices, a meeting handbook, and meeting minutes prior to a deadline stipulated in law, and completed the change registration after the Articles of Incorporation were amended or new directors were elected.</p> <p>7. Held an investor conference on business performance in 2022 to establish a variety of means for communication with investors.</p> <p>8. Reviewed the achievement of corporate governance evaluation indicators one by one per year and discussed the indicators, for which the Company failed to obtain scores.</p>	
V. Has the Company established a communication channel with the stakeholders (including but not limited to the shareholders, employees, customers, and suppliers), set up a stakeholder section on the Company's website, and responded appropriately to the important corporate social responsibilities concerned by the stakeholders?	✓		<p>1. The Company instructs the President's Office to communicate with stakeholders depending on the situation and has a spokesperson and an acting spokesperson in place to communicate with external parties.</p> <p>2. The Company has set up a section dedicated to stakeholders on our official website (www.copartner.com.tw) and clearly state the detailed contact information (phone number and email), to provide stakeholders a means to communicate with the Company depending on their needs.</p> <p>3. Various stakeholders' issues and the methods of the Company's response and communication are as follows:</p> <p>(1) Shareholders: Departments to respond: Finance Division and the spokesperson. Issues of concern: Company operating performance, dividend distribution, corporate governance, and R&D direction. Communication means, frequency, and response: We hold a shareholders' meeting per</p>	None

Assessment Items	Actual governance			Deviation and causes of deviation from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
			<p>year, and shareholders can fully exercise their voting rights by electronic means. The Company also holds an investor conference per year, publishes the annual report for the shareholders' meeting, and discloses monthly revenue among other information, to keep shareholders informed of the Company's operating performance.</p> <p>(2) Employees: Departments to respond: Human Resources Department and Employee Welfare Committee. Issues of concern: Workplace safety, employee benefits, labor-management relations, and opinion expression methods. Communication means, frequency, and response: We can communicate the issues of workplace safety, employee benefits, and labor-management relations with employees through quarterly labor-management meetings.</p> <p>(3) Suppliers: Departments to respond: Management Department and procurement units. Issue of concern: Supplier management evaluation. Communication means, frequency, and response: The Company lives up to the spirit of sustainable development and abide by the principle of fair trade, require suppliers to comply with applicable laws and regulations on safety and environmental protection. Our procurement contact points communicate relevant requirements with suppliers from time to time. Suppliers can also ask questions at any time to</p>	

Assessment Items	Actual governance			Deviation and causes of deviation from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
			<p>strive to achieve the goal of information symmetry.</p> <p>(4) Clients Departments to respond: Management Department and procurement units. Issue of concern: Supplier management evaluation. Communication means, frequency, and response: We visit clients and participate in exhibitions to respond to issues of product quality and sales services that clients emphasize. In addition, we have set up a section on the official website for clients to ask questions about each product, and there are personnel dedicated to responding to their questions in a timely manner.</p>	
VI. Has the Company commissioned a professional stock service agent to handle shareholders affairs?	✓		The Company has appointed the Registrar and Transfer Agency Department of Mega Securities to handle various shareholder services.	None
VII. Disclosure of information				None
(I) Does the Company have a website setup and the financial business and corporate governance information disclosed?	✓		The Company has set up an official website to disclose various financial business and corporate governance information, while reporting and disclosing it on the MOPS at the same time according to law.	
(II) Has the Company adopted other information disclosure methods (such as, establishing an English website, designating a	✓		The official website is in both Chinese and English languages, and the Company has designated personnel to be responsible for collecting company information and publishing and disclosing material information, and there are a spokesperson and an acting spokesperson in place to respond to investors' questions. If an investor conference	

Assessment Items	Actual governance			Deviation and causes of deviation from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
<p>responsible person for collecting and disclosing information of the Company, substantiating the spokesman system, placing the juristic person seminar program on the Company's website, etc.)?</p> <p>(III) Does the company announce and report its financial statements within two months after the end of a fiscal year, and publish and declare in advance the financial statements of Q1, Q2 and Q3 as well as status of monthly operations?</p>		✓	<p>is held, we will disclose the time and the information on the official website or the MOPS.</p> <p>The Company announces and discloses the annual financial statements, quarterly financial statements, and monthly operating performance on the MOPS before the deadline required by law and on the Company's website simultaneously.</p>	
VIII. Are there any other important information (including but not limited to the interests of employees, employee care, investor relations, supplier relations, the rights of stakeholders, the advanced study of directors and supervisors, the implementation of risk management	✓		<p>1. Employee rights and employee care: The Company believes that human capital is one of our precious assets and have been committed to providing them with a safe and comfortable work environment with reasonable rewards, while constantly planning various employee benefits. In addition to safeguard employees' legitimate rights and interest in accordance with the Labor Standards Act, we provide domestic and overseas travel and health examination subsidies and hold Labor Day activities.</p> <p>2. Investors' and stakeholders' rights and interest: The Company has a spokesperson and an</p>	None

Assessment Items	Actual governance			Deviation and causes of deviation from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
policies and risk measurement standards, the execution of customer policy, the purchase of liability insurance for the Company's directors and supervisors) that are helpful in understanding the corporate governance operation of the Company?			<p>acting spokesperson in place to maintain investor relations. In addition, we appoint a professional shareholder service agency to handle issues related to shareholders' rights and interest.</p> <p>3. Implementation of supplier relations and client policies: The Company has long maintained stable and positive relations with clients and suppliers with adequate bilateral communication and has personnel dedicated to responding to clients' complaints.</p> <p>4. Directors' training: Our directors not only have professional industry expertise and practical experience in business administration but also receive training per year depending on their individual needs.</p> <p>5. Directors liability insurance: The Company purchases directors liability insurance per year and reports to the Board of Directors after signing a new insurance policy per year.</p> <p>6. Functional committees established and board meetings convened: (1) The Company holds at least a board meeting per quarter, and all directors' attendance at the board meetings is in good condition, thereby duly monitoring the Company's operations and managing relevant risks. (2) The Company has three independent directorships in place and have established the Audit Committee and the Remuneration Committee.</p> <p>7. Implementation of the risk management policy and the risk measurement standards: The Company has formulated internal rules and regulations according to law and conduct various risk management and assessments accordingly.</p>	

Assessment Items	Actual governance			Deviation and causes of deviation from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
<p>IX. Please describe the improvement performed according to the corporate governance evaluation results published by the Governance Center of Taiwan Stock Exchange in last year, and propose the matters with priority for improvement and the respective measures and Corporate:</p> <p>(I) The Company reviews the corporate governance evaluation results and the corporate governance evaluation indicators, for which the Company failed to obtain scores, released in the last year one by one per year. The indicators, for which we have completed the improvements, are as follows:</p> <ol style="list-style-type: none"> 1. The English version of a meeting notice is uploaded 30 days before an annual general meeting of shareholders. 2. The English version of a meeting handbook and supplementary materials for an annual general meeting of shareholders is uploaded 30 days before it is held. 3. A corporate governance officer is appointed, and the scope of their duties and the training they received are disclosed on the official website and in the annual report. 4. The board and functional committee performance evaluation results are disclosed on the official website and in the annual report. 5. The information on corporate governance English is disclosed additionally on the official website. 6. The ethical corporate management policy is carried out, directors and senior managers have issued a statement of ethical management. 7. The implementation of a policy that prohibits insiders, such as directors and employees, from using undisclosed information in the market to make profits is disclosed on the official website. <p>(II) Prioritized indicators to improve and improvement measures:</p> <ol style="list-style-type: none"> 1. The English version of an annual report is uploaded 16 days before an annual general meeting of shareholders is held. 2. The English version of the annual financial statements is disclosed. 3. The board of directors include at least one female member. 4. The company's information security risk management framework is disclosed on the official website, and an information security policy and specific management plans are formulated. 				

Note 1: The implementation of the diversity policy for each board member is as follows.

Core diversity indicator

Name of director	Gender	Nationality	60 years old or above	Current positions in our company	Business management ability	Leadership and decision making	Knowledge of the industry	Crisis management	An international market perspective	Finance and accounting	The independent directors' length of service is fewer than nine years
Chairman: Ho, Chun-Hsien	Male	Republic of China	✓		✓	✓	✓	✓	✓		
Director: Wang, Shih-Tsung	Male	Republic of China	✓	✓	✓	✓	✓	✓	✓		
Director: Chen, Hung-Yao	Male	Republic of China	✓	✓	✓	✓	✓	✓	✓		
Director: Liao, Wen-Hung	Male	Republic of China		✓	✓	✓	✓	✓	✓		
Independent Director: Chang, Chung-Chiu	Male	Republic of China	✓		✓	✓	✓	✓	✓		✓
Independent Director: Li, Chien-Jan	Male	Republic of China				✓	✓	✓	✓	✓	✓
Independent Director: Hsu, Yung-Chen	Male	Republic of China				✓	✓	✓	✓		✓

Note 2: Standards for assessing the independence of CPA and Audit Quality Index (AQI) evaluation procedure

Standards for assessing the independence:

Assessment Items	Assessment Result	Qualify for Independence
Has the CPA or spouse or a dependent relative thereof is involved in direct or significant indirect financial interest with the Company?	No	Yes
Has the CPA or spouse or a dependent relative thereof is involved in any commercial relations with the Company's directors and managers that affects the independence?	No	Yes
Is the CPA or spouse or a dependent relative thereof the Company's director, manager, or a position with a direct and significant impact on the audit work during the audit period?	No	Yes
Is the CPA the spouse, lineal relative by blood, direct relative by marriage, or relative within second degree of kinship of any of the Company's directors or managers?	No	Yes
Has the CPA has provided this service for more than seven years?	Yes	Yes

Audit Quality Index (AQI) evaluation procedure:

The accounting year of the firm was non-calendar year, so the information period was 2021 (from June 1, 2021 to May 31, 2022).

Aspect 1: Professional Index

With 10 years of checking experience, certified CPA performed well in checking experience, training hours, turnover rate and professional support. The turnover rate index 11.2% was much lower than the industry average 17.4%.

Aspect 2: Quality Control Index

Maintain a certain level with CPA load, check input, Case Quality Control Review (EQCR) situation and quality control support capability.

Aspect 3: Independence

The proportion of non-audit services at public expense is low, accounting for only 10-12% in the past two years, which did not affect the professional judgment and independence of accountants. In addition, although the company and DELOITTE & TOUCHE had visaed annual financial reports for 16 years, the internal certified CPA of the firm made regular internal transfer to prevent independence from being affected by the long audit service period for the same visa client.

Aspect 4: Supervision

As for the performance of missing external check of the firm, the punishment index and competent authorities issue letters for improvement sent by the competent authority were within the range of the same industry, the firm had checked that the company had no competent authority to issue a letter of improvement.

Aspect 5: Innovation Ability

The firm had planned to introduce audit innovation tools, expand the audit support center and import to the cloud audit platform in order to improve audit quality.

The results of the latest annual evaluation were discussed and approved by the Audit Committee on March 29, 2023, and then submitted to the Board of Directors on March 29, 2023 for the approval of the independence and suitability evaluation of CPA.

(IV) The composition, responsibility, and operations of the Remuneration Committee: (provided by Human Resources personnel)

The Company has set up the Remuneration Committee on December 16, 2011, formed by all independent directors, in accordance with the Securities and Exchange Act, and it operates in accordance with the Company's Remuneration Committee Charter. The committee holds at least two meetings per year and held two meetings during 2022.

1. Information on the members of the Remuneration Committee:

May 15, 2023

Identity	Qualification	Professional qualification and experience	Compliance of independence (Note 1)	Number of other public companies where the members are also the members of the remuneration committee of these companies.
	Name			
Independent Director (Convener)	Chang, Chung-Chiu	See Information on directors, Data of Directors, President, Vice President, Assistant Manager, and heads of various departments and branches (I), Chapter III. Corporate Governance (II) (pages 10-17 of this annual report).		-
Independent Director	Li, Chien-Jan			2
Independent Director	Hsu, Yung-Chen			-

2. Responsibility of the Remuneration Committee:

The Remuneration Committee shall fulfill its duty of care as a good manager, faithfully perform the following responsibilities, and submit suggestions to the Board of Directors for discussion:

- (1) Establish and regularly review the directors and managers' performance evaluation standards, annual and long-term performance targets, and remuneration policies, systems, standards, and structures, as well as disclose the performance evaluation standards in the annual report.
- (2) Regularly evaluate the achievement of the performance goals of the Company's directors and managers, and determine the content and amount of individual remuneration based on the evaluation obtained from the performance evaluation standards.

The individual board and manager performance evaluation results, the content of individual remuneration, the association between the amount of remuneration and evaluation results, and the reasonability shall be disclosed in the annual report and reported to the shareholders' meeting.

3. Operations of the Remuneration Committee:

- (1) The Remuneration Committee consists of three members.
- (2) The term of office of the committee members is from August 7, 2020 through June 23, 2023. The Remuneration Committee held two meetings (A) during the last year. The qualifications and attendance of the members are as follows:

Title	Name	Actual attendance (B)	Proxy Attendance	Actual attendance (%) (B/A) (Note)	Remark
Convener	Chang, Chung-Chiu	2	0	100%	
Committee	Li, Chien-Jan	2	0	100%	
Committee	Hsu, Yung-Chen	2	0	100%	

Other remarks:

- I. Where the board of directors does not adopt or amend the proposal(s) posed by the Remuneration Committee: The Company shall expressly elaborate on the date, session while the board of directors meeting was convened, contents of the issues, outcome of decisions resolved in the board of directors and the Company's response to the opinions posed by the Remuneration Committee (For instance, if the salary pay resolved by the board of directors is higher than that proposed by the Remuneration Committee, the Company should elaborate on the fact of differential gap and the cause thereof): None.
- II. Where a decision resolved in the Remuneration Committee is found in contravention of rules or in qualified opinion as verified with records or documented declaration, the Company shall expressly elaborate on the date, sessions of the meeting convened by the Remuneration Committee, contents of agenda, opinions of all members and acts taken in response to such opinions: None.

Note The attendance (%) is calculated with the number of meetings attended by each member divided by the number of committee meetings held during their term of office.

4. The dates of the committee meetings during 2022, the contents of the proposals, resolution results, and the Company's response to the committee members' opinions:

Date of meeting	Discussion	Resolution result	Response to independent directors' opinions
March 28, 2022	1. Proposal for the Company's 2021 employee remuneration and directors' remuneration 2. Proposal to amend the Remuneration Committee Charter.	Approved as proposed without objection.	Submitted to the Board of Directors and approved by all directors present.
May 11, 2022	1. Proposal to evaluate the Company 2021 directors' and managers' remuneration. 2. Proposal to regularly review the board performance evaluation indicators and make suggestions. 3. Proposal for the remuneration to new managers. 4. Proposal to adjust managers' remuneration. 5. Proposal to distribute the Company's 2021 managers' remuneration and performance bonus. 6. Proposal to distribute the Company's 2021 directors' remuneration and the performance bonuses to subsidiaries' directors.	Approved as proposed without objection.	Submitted to the Board of Directors and approved by all directors present.

(V) Implementation of the promotion of sustainable development and the deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies

Item	Implementation		Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	
I. Does the Company have a specific (or part-time) unit set up to promote the sustainable development governance framework, and the Board of Directors authorizing the management to handle matters and report the supervision results to the Board of Directors?	✓		None
	To fulfill our corporate social responsibility and facilitate economic, environmental, and social progress to achieve sustainable development, we amended the Sustainable Development Best Practice Principles with the approval of the Board of Directors in March 2022. The President's Office is responsible for putting forth and implementing sustainable development policies, systems or relevant management approaches, and specific implementation plans, while reporting to the Board of Directors. The Board of Directors and senior management should supervise the relevant units responsible for promoting sustainable development at any time and pay attention to the development of relevant domestic and overseas sustainable development guidelines and changes in the business environment, with a view to reviewing and improving our sustainable development system. We disclose the above rules on our official website to enhance the effectiveness of our sustainable development endeavors.		

Item	Implementation			Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies							
			Summary description								
	Yes	No									
			<table><tr><th>Material issue</th><th>Risk assessment indicator</th><th>Risk management policy</th></tr><tr><td rowspan="2">Governance</td><td>Anti-corruption</td><td>The Company has formulated the Ethical Corporate Management Best Practice Principles, the Procedures for Ethical Management and Guidelines for Conduct, an internal control system, a delegation system, division of labor, and other anti-fraud measures; carry out internal audits and internal control self-assessments; and provides channels for reporting violations of business ethics to duly implement anti-corruption measures.</td></tr><tr><td>Socioeconomic compliance</td><td>The Company complies with laws and regulations, such as the trade laws in Taiwan and China and international standards, to ensure that our business operations are eco-friendly and in alignment with ethical conduct.</td></tr></table>	Material issue	Risk assessment indicator	Risk management policy	Governance	Anti-corruption	The Company has formulated the Ethical Corporate Management Best Practice Principles, the Procedures for Ethical Management and Guidelines for Conduct, an internal control system, a delegation system, division of labor, and other anti-fraud measures; carry out internal audits and internal control self-assessments; and provides channels for reporting violations of business ethics to duly implement anti-corruption measures.	Socioeconomic compliance	The Company complies with laws and regulations, such as the trade laws in Taiwan and China and international standards, to ensure that our business operations are eco-friendly and in alignment with ethical conduct.
Material issue	Risk assessment indicator	Risk management policy									
Governance	Anti-corruption	The Company has formulated the Ethical Corporate Management Best Practice Principles, the Procedures for Ethical Management and Guidelines for Conduct, an internal control system, a delegation system, division of labor, and other anti-fraud measures; carry out internal audits and internal control self-assessments; and provides channels for reporting violations of business ethics to duly implement anti-corruption measures.									
	Socioeconomic compliance	The Company complies with laws and regulations, such as the trade laws in Taiwan and China and international standards, to ensure that our business operations are eco-friendly and in alignment with ethical conduct.									

Item	Implementation		Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	
III. Environmental issues (I) Does the company have an appropriate environmental management system established in accordance with its industrial characteristics?	✓		<p>The environmental management of the Company's domestic and overseas plants is handled in accordance with local government laws and regulations. United Electric Wire (KunShan) Co., Ltd., Cablex Wire And Cable (KunShan) Mfg., Copartner Technology (ShenZhen) Co., Ltd., and ShenZhen Copartner Communication Co., Ltd. in China have all obtained ISO 14001 environmental management system certification to effectively prevent and control environmental pollution and improve the resource and energy efficiency, while we adopt RoHS as our production target in line with clients' requirements and the international environmental protection trends.</p> <p>The latest certificate of United Electric Wire (KunShan) Co., Ltd. is valid from November 25, 2021 through November 24, 2024, that of Copartner Technology (ShenZhen) Co., Ltd. is valid from February 22, 2022 through March 23, 2025, and that of ShenZhen Copartner Communication Co., Ltd. is valid from January 13, 2022 through January 23, 2025.</p> <p>Relevant information is available on our official website: http://www.copartner.com.tw/front/bin/ptlist.phtml?Category=101774</p>

Item	Implementation		Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	
(II) Is the company committed to enhancing the power efficiency and using renewable materials that are with low impact on the environmental impacts?	✓		<p>In recent years, energy shortages and global carbonization have exacerbated. To respond to and reduce the impact of environmental changes, we continue to implement energy conservation and carbon reduction measures. Such measures are stated below:</p> <p>Adopting energy-saving equipment in offices</p> <p>We have adopted energy-saving energy-efficiency LED lights in our offices in compliance with the energy-saving and carbon reduction policy.</p> <p>Raising awareness of energy conservation and carbon reduction</p> <p>Putting up energy-saving slogans at lighting and air-conditioning switches and continuing to hold activities to raise awareness of greenhouse gas reduction.</p> <p>Resource use and recycling</p> <p>We recycle copper and PVC pellets, print paper, and water, to increase the resource use rate and reduce our impact on the environment, thereby enabling the sustainable use of resources on Earth.</p>
(III) Has the Company assessed its current and future potential risks and opportunities of climate change and taken countermeasures against climate-related issues?	✓		<p>The Company is a manufacturer. In response to climate change issues, we recycle and reuse materials and have VOCs treatment facilities in place, so that the waste gas from the PVC pellet production process can be collected and treated to meet the emission standards, to greatly reduce the emissions. In addition, we have taken measures to update equipment, replace old lamps with LED ones, save water, turn off lights,</p>

Item	Implementation		Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	
(IV) Has the Company counted the greenhouse gas emissions, water consumption, and total weight of waste over the past two years and formulated policies on greenhouse gas reduction, water consumption reduction, or other waste management?	✓		<p>, and controlling the air conditioning temperature to cope with climate change issues. The Company also continues to assess the potential risks and opportunities caused by climate change to ensure the stability of our operations and maintain our competitiveness.</p> <p>Due to the characteristics of the industry, the Company only uses a small amount of water to cool the wires during the manufacturing process and have a water circulation system in place to recycle water. In addition, no gas is generated from the wire manufacturing process, and our PVC pellet plant is equipped with VOCs treatment facilities collect and treat the waste gas from the production process and discharge it only after meeting the emission standards. With the facilities, the discharge volume can be reduced by up to 65%. We are committed to minimizing the impact of operations on the environment. In addition, we adopt energy-saving and carbon reduction measures, implement energy-saving management plans for offices, factories, and public areas, adopt energy-saving lamps comprehensively, and raise employees' awareness of saving water, turning off lights when necessary, controlling the air-conditioning temperature, taking the stairs more and the elevator less, as well as recycling print paper and copper and other materials, to reduce the impact of our operations on the environment.</p>

Item	Implementation		Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	
<p>IV. Social issues</p> <p>(I) Does the Company have the relevant management policies and procedures stipulated in accordance with the relevant laws and regulations and international conventions on human rights?</p> <p>(II) Has the company established and implemented reasonable employee welfare measures (including remuneration, leave, and other benefits) and appropriately reflected business performance and achievements in the remuneration for employees?</p>	<p>✓</p> <p>✓</p>	<p>The Company has established an internal control system and formulated human resources management rules in accordance with applicable laws and the International Bill of Human Rights to ensure that employees are not treated differently due to race, gender, age, or religion, or party affiliation in the recruitment, assessment, and promotion process.</p> <p>The Company complies with the Labor Standards Act and applicable laws and regulations to formulate various salary and benefit measures for employees, provide a leave of absence and flextime system that are better than legal requirements, various insurance, and subsidies, and proactively implement diverse employee activities to attract and retain outstanding employees. Our excellent talents are from diverse backgrounds. As of May 15, 2023, 78.89% of our employees have a bachelor's degree or above; female employees account for 42.22% of the total employees; and female managers account for 31.11% of all managers. We continue to promote workplace diversity and equal opportunities for promotion. The Company upholds the principle of profit sharing and raises employees' salary appropriately and distributes employee remuneration through employee evaluations, to reflect our operating performance in employee remuneration.</p>	None

Item	Implementation		Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	
(III) Does the Company provide employees with a safe and healthy work environment, and provide safety and health education to employees regularly?	✓		<p>The Company's office entrances and exits are equipped with an access control, monitoring, and security control system to ensure employee security. We appoint a professional company inspect public security every two years and have obtained the building public security independent inspection certificate of approval. We regularly appoint professional companies to repair or maintain various mechanical and electrical or firefighting equipment and report to the competent authority. We regularly repair or maintain the air-conditioning equipment per year; the water dispenser equipment every two months. We conduct self-defense fire exercises every six months and prohibit smoking at business premises in accordance with laws. We hire cleaners to clean the office environment every day to ensure a clean and healthy work environment. We provide hygiene products, such as alcohol and masks, to employees in the offices, organize health examination for employees per year, and continue to care for employees' physical and psychological health. We hold labor-management meetings every three months to reinforce labor-employment collaboration. We have the Regulations for Establishing Measures of Prevention, Correction, Complaint and Punishment of Sexual Harassment at Workplace in place to protect employees' rights. We organize health examination for employees and provide subsidies per year; have full-time health administrators in place to provide health consultation service and advice. Each office has an emergency response contact point to provide effective emergency response guidance in case of any emergency. We</p>

Item	Implementation		Deviation and causes of Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	
(IV) Does the Company have an effective career capacity development training program established for the employees?	✓		<p>invite doctors to the Company to provide medical consultation services on-site and hold relevant health seminars from time to time to enhance employees' medical knowledge. We have blood pressure monitors set up at designated locations in each workplace to ensure employees' health. In addition to alleviating employees' concern at work, we pay equal attention to their family members and provide them and their family members with health examination discounts. We purchase group insurance for each employee and travel insurance additionally for those on a business trip. We also purchase commercial fire insurance, plus theft insurance, for offices and plants, to provide employees with a safe and healthy work environment.</p> <p>The Company's products are not directly sold to consumers. We attach great importance to clients' opinions. In addition to visiting them, we provide them with means to ask questions, file complaints, or make suggestions on the Company's website. Based on the principle of good faith, we properly respond and give feedback to protect their rights.</p>

Item	Implementation		Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	
(V) Does the company comply with the related laws and regulations and international standards regarding the customer health and safety, customer privacy, marketing communication, and labeling of its products and services and establish policies to protect the rights and interests of customers and procedures for grievances?	✓		The Company's products are not directly sold to consumers. We attach great importance to clients' opinions. In addition to visiting them, we provide them with means to ask questions, file complaints, or make suggestions on the Company's website. Based on the principle of good faith, we properly respond and give feedback to protect their rights.
(VI) Has the company established policies for management to request suppliers to comply with the relevant laws and regulations of environmental protection, occupational safety and health, and labor human rights? Does the company keep track on the implementation of such policies?	✓		The Company has the Supplier Evaluation Management Regulations in place, attach great importance to the protection of the environment and society, and select honest suppliers, and visit suppliers from time to time to assess their suitability. All suppliers should live up to the same philosophy as the Company, and should not be involved in violations of environmental protection, occupational safety and health, and labor rights. In the case of a violation, the Company will terminate and cancel the contract at any time and blacklist the supplier.

Item	Implementation		Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	
V. Has the Company referred to the internationally accepted reporting standards or guidelines to prepare reports, such as ESG reports that discloses the Company's non-financial information? Did the Company apply for assurance or guarantee of such reports to a third-party certification body?		✓	The Company has not yet prepared an ESG Report, but to achieve sustainable development, the Company has formulated the Sustainable Development Best Practice Principles and implemented relevant policies, strategies, and measures in accordance with the principles. In the future, we will implement measures accordingly and fulfill our corporate social responsibility.
VI. If the Company has established the corporate social responsibility principles based on “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies,” please describe any discrepancy between the principles and their implementation: The Company has formulated the Sustainable Development Best Practice Principles to fulfill our various social responsibilities. There is no major difference between our implementation and the principles.			
VII. Other important information for the implementation of sustainable development: (I) Social charity: Fulfilling corporate social responsibility and promoting sustainable development is the Group’s commitment to maximizing the values for shareholders. Since 2017, we have held social charity activities from time to time, such as serving as environmental volunteers at the Wugu Wetland Ecological Park magazine, donating materials to child asylums, cleaning the environment, and working with social welfare groups to recruit visually impaired masseurs to provide massage services to all employees at the Company. To respond to the global pandemic in 2022, on the premise of being able to spread love in a contact-less manner, we participated in the Mother’s Day Cake Fundraising Project organized by the Children Are Us Foundation and donated 100 units of Mother’s Day cakes to contribute our share and give back to disadvantaged groups, thereby duly implementing corporate governance, fulfilling corporate social responsibility, and promoting sustainable development. Moreover, we encourage employees to help others by making donations to give back to society. (II) Human rights: The Company attaches great importance to stakeholders’ rights and interest and have set up the Stakeholders section on our official website as a communication platform, thereby learning about stakeholders’ reasonable expectations and needs, either economically or environmentally, complaints, or suggestions. The Company upholds the principle of good faith to properly respond and provide feedback or improvement plans to facilitate effective communication.			

(VI) Performance in ethical corporate management inconsistency with the “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies”

Assessment Items	Actual governance			Variation from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX -Listed Companies and the reasons
	Yes	No	Summary description	
<p>I. Business Integrity Policy and action plans</p> <p>(I) Has the Company established policies for ethical corporate management approved by the board of directors and stated such policies and practices in its regulations and external documents and in the commitment made by the board of directors and senior management to actively implement such policies?</p>	✓		<p>The Company has formulated the Ethical Corporate Management Best Practice Principles as approved by the Board of Directors, which then approved the amendments thereto according to the latest law in 2019. In December 2022, the Board of Directors resolved a decision to formulate the Procedures for Ethical Management and Guidelines for Conduct, which is disclosed on our official website as a statement of our ethical management policy and practice, while the Company required our directors and senior managers to issue a statement of ethical management to declare their commitment to actively implementing the ethical management policy.</p>	None
<p>(II) Has the Company established an assessment mechanism of risk from unethical behavior to regularly analyze and assess business activities with higher risk of involvement in unethical behavior and preventive programs for unethical behaviors containing at least the preventive measures stated in Paragraph 2, Article 7 of the “Ethical Corporate Management Best Practice Principles for TWSE/TPEX-Listed Companies”?</p>	✓		<p>The Company has the code of ethical conduct for directors and managers and a code of ethical conduct for employees in place to guide our directors, managers at all levels, and all employees to comply with the ethical standards and allow our stakeholders to better understand our ethical standards. The code can also be adopted as a code of conduct followed by all our employees. In addition to incorporating the code into the training materials for new employees, we require managers at all levels to lead by example and put it into practice in daily management. We have formulated prevention plans, analyzed business activities with higher risks of unethical conduct, and strengthened relevant preventive measures.</p>	

Assessment Items	Actual governance			Variation from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX -Listed Companies and the reasons
	Yes	No	Summary description	
(III) Has the Company established in the preventive programs the operating procedures for unethical behavior prevention, penalties and grievance systems of breaching the guidelines for conduct, and implemented and periodically review them?	✓		<p>Under the framework of the Ethical Corporate Management Best Practice Principles, the code of ethical conduct for directors and managers, and the code of ethical conduct for employees, the Company has clearly formulated the Procedures for Ethical Management and Guidelines for Conduct to specifically regulate our personnel when performing duties at work, including specifying the operating procedures and guidelines for conduct, a punishment and complaint system for violations, and the scope of application that applies to the Company, our subsidiaries, and other organizations or juridical persons with substantive control over the Company. We increase new employees' awareness and put such regulations into practice. Our internal audit department also plays a crucial role in ensuring compliance with professional ethics and laws and regulations. To ensure that our employees' behavior is in compliance with applicable rules and regulations, standards, procedures, and laws, our internal audit department performs various audits in accordance with the annual audit plan approved by the Board of Directors and reports the relevant audit results and improvement plan follow-up to the Board of Directors and the management team, to ensure the implementation of various management rules to prevent unethical conduct. At the end of each year, when the Board of Directors submits an annual report on the implementation of ethical corporate management to reexamine if the Company's Ethical Corporate Management Best Practice Principles need to be amended.</p>	

Assessment Items	Actual governance		Variation from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX -Listed Companies and the reasons
	Yes	No	
II. Proper enforcement of business integrity (I) Does the Company have the integrity of the trade counterparty assessed and with the code of integrity expressed in the contract signed? (II) Has the Company established a dedicated (concurrent) unit to implement ethical corporate management under Board of Directors and report regularly (at least once a year) to BOD the status of implementation and supervision of ethical management policy and preventive programs of unethical behavior?	✓		None
	✓	<p>Before forming a business tie with another party, the Company will first evaluate its legitimacy, ethical management policy, and if it has ever been involved in unethical conduct, to ensure that its business operations are fair and transparent and will not require, provide, or accept bribe.</p> <p>The Company has designated the President's Office as a unit dedicated to promoting ethical corporate management, including ethical management policy awareness raising, the formulation, implementation, and monitoring of the implementation of the ethical management policy and preventive measures, to ensure proper implementation of the Ethical Corporate Management Best Practice Principles. The Company regularly reports to the Board of Directors per year on the ethical management policy and the monitoring of the prevention of unethical conduct during the prior year and assist the Board of Directors in evaluating if our ethical management prevention measures are effective. The implementation during 2022 is as follows:</p> <ol style="list-style-type: none"> 1. We sent an email at the end of October to raise employees' awareness of the type of insider shareholding change reporting in violation of the Securities and Exchange Act. 2. We sent an email to all employees regarding the Company's rules of ethical management and professional ethics. 	

Assessment Items	Actual governance		Variation from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX -Listed Companies and the reasons
	Yes	No	
(III) Does the Company have developed policies to prevent conflicts of interest, provided adequate channel for communication, and substantiated the policies?			<p>3. We sent an email to inform employees of the self-regulatory regulations on M&A information disclosures and the laws and regulations on the procedures for handling material inside information.</p> <p>4. We reiterated the relevant rules that prohibit insiders, such as directors or employees, from profiting using the undisclosed information in the market in the Stakeholders section on our official website.</p> <p>5. We have disclosed the whistleblowing channels in the Stakeholders section on our official website, including phone number and email, to help stakeholder identify issues and increase their communication means.</p>
	✓		<p>The Company's Ethical Corporate Management Best Practice Principles, Procedures for Ethical Management and Guidelines for Conduct, the code of ethical conduct for directors and managers, and the code of ethical conduct for employees have clearly defined a policy to prevent conflicts of interest, and we have required all units to follow accordingly. Moreover, our personnel present at the board meetings who have personal interest involved in the proposals listed on the board meeting agenda proceeded in accordance with Article 16 of the company's Rules of the Procedure for Board of Directors Meetings on directors' recusal due to conflicts of interest. Also, the contact numbers and emails on the official website are available for internal and external personnel to report unethical conduct or misconduct.</p>

Assessment Items	Actual governance			Variation from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX -Listed Companies and the reasons
	Yes	No	Summary description	
(IV) Has the Company established an effective accounting system and an internal control system for the internal audit unit to establish related audit programs based on the results of risk assessment of involvement in unethical behavior to audit and prevent the compliance with the preventive programs of unethical behavior or hire a CPA to perform the audit?	✓		The Company has established and followed an effective accounting system and an internal control system, and our internal auditors regularly check on the compliance with the accounting system, the internal control system, and relevant rules and report the audit results to the Board of Directors at each board meeting. Moreover, the Company conducts the annual internal control self-assessment per year, each of our departments should examine its internal control system to ensure the effectiveness of the system design and implementation.	
(V) Has the Company organized corporate management internal and external education and training programs on a regular basis?	✓		The Company discloses the Ethical Corporate Management Best Practice Principles and the Procedures for Ethical Management and Guidelines for Conduct in the Corporate Governance section on the official website and informs all employees, directors, or insiders of the applicable regulations on ethical management by email from time to time, while raising their awareness of ethical management through education and training and managers' meetings.	

Assessment Items	Actual governance			Variation from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX -Listed Companies and the reasons
	Yes	No	Summary description	
<p>III. The operations of the Company's Report System</p> <p>(I) Does the Company have a specific report and reward system stipulated, a convenient report channel established and a responsible staff designated to handle the individual being reported?</p>	✓		<p>As per the regulations on the whistleblowing system under Article 23 of the Ethical Corporate Management Best Practice Principles, Article 21 of the Procedures for Ethical Management and Guidelines for Conduct, Article 13 of the code of ethical conduct for directors and managers, and Article 24 of the code of ethical conduct for employees, any violation of the ethical conduct rules in the Group should be reported to independent directors, immediate managers, the President, the human resources officer, the chief internal auditor, or other appropriate personnel. In addition, there is a channel for reporting violations of professional ethics by relevant personnel disclosed on the official website. During 2022, no major violation was reported by internal or external personnel. After investigation and confirmation, internal whistleblowers will be rewarded as appropriate in accordance with the human resources management regulations.</p>	None
<p>(II) Has the Company established standard operating procedures for investigating reported events, follow-up measures to be taken after the investigation was completed, and related confidentiality mechanisms?</p>	✓		<p>As per Article 23 of the Ethical Corporate Management Best Practice Principles and Article 21 of the Procedures for Ethical Management and Guidelines for Conduct, report acceptance and investigation process and results should be recorded and stored, and relevant personnel should issue a written statement to keep whistleblowers' identity and the content of the reports confidential. If it is confirmed that the person being reported</p>	

Assessment Items	Actual governance		Variation from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX -Listed Companies and the reasons
	Yes	No	
(III) Has the Company taken proper measures to protect the whistle-blowers from suffering any consequence of reporting an incident?	✓	<p>has violated the applicable laws or the Company's ethical management policy and regulations, we will immediately ask the violator to stop the relevant conduct and handle it appropriately, while reporting the handling method and subsequent review and improvement measures to the Board of Directors. No such a thing occurred during 2022.</p> <p>As per Article 23 of the Ethical Corporate Management Best Practice Principles and Article 21 of the Procedures for Ethical Management and Guidelines for Conduct, the relevant personnel handling whistleblowing should issue a written statement to keep whistleblowers' identity and the content of the reports confidential and promise to protect whistleblowers from being improperly treated due to whistleblowing.</p>	
IV. Enhanced information disclosure Does the Company have the contents of corporate management and its implementation disclosed on the website and MOPS?	✓	<p>The Company has disclosed the principles and related information on the official website, the MOPS, and annual reports in accordance with Article 25 of the Ethical Corporate Management Best Practice Principles. We have the Corporate Governance section on the official website to disclose the Procedures for Ethical Management and Guidelines for Conduct, the code of ethical conduct for directors and managers, and the code of ethical conduct for employees, as well as the internal awareness-raising events held during the year.</p>	None

V.	<p>If the Company has formulated its own Ethical Corporate Management Best Practice Principles as per the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies, please specify the difference between its operation and the principles: The Company has formulated the Ethical Corporate Management Best Practice Principles to establish and develop a corporate culture of ethical management. There is no difference between the implementation and the principles.</p>
VI.	<p>Other important information that facilitates the understanding of the Company's ethical management (e.g., reviewing and amending the Company's corporate governance best practice principles): The amendments to the Company's Procedures for Ethical Management and Guidelines for Conduct have been approved by the Board of Directors on December 23, 2022 in response to the amended law. Moreover, the Company timely arranges for directors and managers to receive corporate governance education and training and conveys the importance of integrity to them, thereby improving the effectiveness of corporate governance and duly implementing ethical management.</p>

- (VII) If the Company has formulated the corporate governance best practice principles or relevant regulations, it shall disclose where to access it:
The Company has the Corporate Governance section in place under the Investors section under the Stakeholders section for investors to check rules and regulations on corporate governance.

(VI) Other important information that may facilitate the understanding of the operation of corporate governance: The information on the operation of corporate governance is available in the Investors section on the official website.

Directors and managers' continuing education during 2022:

Title	Name	Training date	Organizer	Course name	Training hours
Director	Ho, Chun-Hsien; Wang, Shih-Tsung; Chen, Hung-Yao; Liao, Wen-Hung; Hsu, Yung-Chen; Li, Chien-Jan	November 9, 2022	Corporate Governance Association in Taiwan	How Overseas Taiwanese Businesses Cope with the International Economic Situation and Changes in China's Political and Economic Situation	3 hours
Director	Ho, Chun-Hsien; Wang, Shih-Tsung; Chen, Hung-Yao; Liao, Wen-Hung; Hsu, Yung-Chen; Li, Chien-Jan	November 9, 2022	Corporate Governance Association in Taiwan	The Wave of Anti-tax Avoidance, Necessary CFC Response for Overseas Taiwanese Businesses, and New Thinking of Mergers And Acquisitions	3 hours
Director	Chang, Chung-Chiu	November 10, 2022	Securities and Futures Institute	Digital Technology Innovation and Competitive Advantages	3 hours
Director	Chang, Chung-Chiu	November 10, 2022	Securities and Futures Institute	Competitiveness vs. Survivability: ESG Trends and Strategies	3 hours

(VII) Implementation of the internal control system

1. Declaration of Internal Control Policies

Copartner Technology Corp.
Declaration of Internal Control Policies

Date: March 29, 2023

The following declaration is based on the 2022 self-audit over the Company's internal control policies:

- I. The Company is aware that the establishment, execution, and maintenance of its internal control policies are the responsibilities the Company's board of directors and managers. These policies were implemented throughout the Company. The purpose is to provide a reasonable assurance on the achievement of the goals, including the effectiveness and efficiency of operations (including profitability, performance and security of assets, etc.) and the report with effectiveness, timeliness, transparency, and compliance with the relevant requirements and regulations and laws.
- II. Internal control policies are prone to limitations. No matter how robustly designed, effective internal control policies merely provide reasonable assurance to the achievements of the three goals above. Furthermore, environmental and situational changes may affect the effectiveness of internal control policies. However, self-supervision measures were implemented within The Company's internal control policies to facilitate immediate rectification once procedural flaws have been identified.
- III. Pursuant to the "Regulations Governing the Establishment of Internal Control Systems by Listed Company" (hereinafter referred to as "Governing Regulations"), the Company should study and judge whether the Company's internal control system is effective in design and implementation. The criteria introduced by "The Governing Principles" consisted of five major elements, each representing a different stage of internal control: 1. Control environment, 2. Risk evaluation and response, 3. Procedural control, 4. Information and communication, 5. Supervision. Each element further contains several items. Please refer to "The Governing Principles" for details.
- IV. The Company has adopted the aforementioned judgment items for the internal control system to evaluate the effectiveness of the Company's internal control system in both design and implementation.
- V. On the grounds of the outcome of evaluation mentioned in the preceding Paragraph, the Company firmly holds that the Company's internal control system as of December 31, 2022 (including supervisory control and management over subsidiaries), notably the effect of the business operation, extent of accomplishment of the target where the report proves trustworthy, transparent in real time, the design and implementation of the Company's internal control system proves effective, capable of assuring accomplishment of the aforementioned targets.
- VI. This declaration forms part of the main contents of the Company's annual report and prospectus, and shall be disclosed to the public. Any illegal misrepresentation or non-disclosure relating to the public statement above are subject to the legal consequences

under Articles 20, 32, 171, and 174 of the Securities and Exchange Act.

- VII. The present Internal Control Statement was approved in the Board of Directors meeting convened on March 29, 2023 which was attended by all directors among whom 0 director objected. All present directors unanimously responded with consent to the contents of the Statement. This is another point duly clarified herewith.

Copartner Tech Corp.

Chairman: Ho, Chun-Hsien

President: Liao, Wen-Hung

2. For those who appointed a CPA to conduct an ad-hoc review of the internal control system, the CPA's review report shall be disclosed: The Company did not appoint a CPA to conduct an ad-hoc review of the internal control system, so no review report is available.

(VIII) If there has been any legal penalty against the Company and its internal personnel, or any disciplinary penalty by the Company against its internal personnel for violation of the internal control system, during the last year and up to the publication date of this annual report, where the result of such penalty could have a material effect on shareholders' equity or securities prices, the penalty, the main defects, and the improvements made shall be disclosed: None.

(IX) The important resolutions by the shareholders' meeting and the Board of Directors adopted and implementation during 2022 and up to May 15, 2023:

Date of shareholders' meeting	Important resolution	Implementation
June 29, 2022 Annual general meeting of shareholders	Ratified the proposal for the Company's 2021 Business Report and financial statements	Announced prior to the deadline
	Ratified the Company's 2021 earnings distribution proposal (cash dividend of \$0.3 per share and stock dividend of \$0.3 per share) (\$51,000,000)	Cash dividend record date: July 25, 2022 Book closure period for cash dividend: July 21, 2022- July 25, 2022 Cash dividend payout date: August 11, 2022 Stock dividend record date: August 23, 2022 Book closure period for stock dividend: August 19, 2022-August 23, 2022 Stock dividend payout date: September 16, 2022
	Approved the proposal to conduct capitalization of earnings to increase capital by issuing new shares	Stock dividend record date: August 23, 2022 Book closure period for stock dividend: August 19, 2022-August 23, 2022 Stock dividend payout date: September 16, 2022
	Approved the proposal to amend the Company's Articles of Incorporation.	Uploaded and reported
	Approved the proposal to amend the Company's Procedures for Asset Acquisition and Disposal	Uploaded and reported
	Approved the proposal to amend the Company's Rules of Procedure for Shareholders' Meetings	Uploaded and reported
	Approved the proposal to remove the non-compete clause for the Company's directors	Announced prior to the deadline

Date of board meeting	Important resolution	Implementation
March 28, 2022 Board meetings (1st 2022)	Approved the proposal for the Company's 2021 employee remuneration and directors' remuneration	Proceeded as approved
	Approved the proposal to amend the Remuneration Committee Charter.	Proceeded as approved
	Approved the proposal to issue the Company's 2021 Statement of the Internal Control System	Proceeded as approved
	Approved the proposal to amend the Company's Corporate Governance Best Practice Principles	Proceeded as approved
	Approved the proposal to amend the Company's Rules of the Performance Evaluation of the Board of Directors	Proceeded as approved
	Approved the proposal to amend the Company's Corporate Social Responsibility Best Practice Principles and rename it the Sustainable Development Best Practice Principles	Reported to the 2022 annual general meeting of shareholders
	Approved the proposal to amend the Company's Articles of Incorporation.	Submitted to the 2022 annual general meeting of shareholders for resolution
	Approved the proposal to amend the Company's Procedures for Asset Acquisition and Disposal	Submitted to the 2022 annual general meeting of shareholders for resolution
	Proposal to amend the Company's "Shareholders Meeting Procedure Rules"	Submitted to the 2022 annual general meeting of shareholders for resolution
	Approved the proposal for the Company's 2021 annual business report and financial report	Submitted to the 2022 annual general meeting of shareholders for ratification
	Approved the proposal for the Company's 2021 earnings distribution	Submitted to the 2022 annual general meeting of shareholders for ratification
	Approved the proposal to conduct capitalization of earnings to increase capital by issuing new shares	Submitted to the 2022 annual general meeting of shareholders for resolution
	Approved the proposal to replace responsible CPAs due to the accounting firm's internal rotation	Proceeded as approved
	Approved the proposal to evaluate the independence and remuneration of the Company's CPAs	Proceeded as approved
	Approved the proposal to remove the non-compete clause for the Company's managers	Proceeded as approved
	Approved the proposal to remove the non-compete clause for the Company's directors	Submitted to the 2022 annual general meeting of shareholders for resolution
	Approved the proposal to convene the Company's 2022 annual general meeting of shareholders	Convened the 2022 annual general meeting of shareholders as per law

Date of board meeting	Important resolution	Implementation
	Approved the proposal to accept shareholder proposals and handle related matters	Proceeded as approved
	Approved the proposal to relocate subsidiary, Copartner Wire And Cable (KunShan) Co., Ltd. in China for policy purposes	Proceeded as approved
May 11, 2022 Board meetings (2nd 2022)	Approved the proposal to provide a guarantee for the loan taken out by subsidiary, Copartner Technology (DongTai) Co., Ltd., from the Shanghai Commercial & Savings Bank, Ltd.	Proceeded as approved
	Approved the proposal for the Company's financial statements for 2022 Q1	Proceeded as approved
	Approved the proposal to replace the Company's chief accountant, financial supervisor, and spokesperson	Proceeded as approved
	Approved the proposal to regularly review the board performance evaluation indicators and make suggestions.	Proceeded as approved
	Approved the proposal for the remuneration to new managers.	Proceeded as approved
	Approved the proposal to distribute the Company's 2021 managers' remuneration and performance bonus.	Proceeded as approved
	Approved the proposal to distribute the Company's 2021 directors' remuneration and the performance bonuses to subsidiaries' directors	Proceeded as approved
July 11, 2022 Board meetings (3rd 2022)	Approved the proposal for the Company's and our subsidiaries' plans for the Greenhouse Gas Inventory and Verification Schedule	Proceeded as approved
	Approved the proposal to apply for a syndicated loan of NT\$1 billion or an equivalent amount in USD with Chang Hwa Commercial Bank as the arranger and the manager	Proceeded as approved
August 10, 2022 Board meetings (4th 2022)	Approved the proposal for the Company's financial statements for 2022 Q2	Proceeded as approved
	Approved the proposal to apply to the First Commercial Bank for credit line renewal and guarantee business based on operational needs	Proceeded as approved
	Approved the proposal to provide a guarantee for a loan taken out by subsidiary, United Electric Wire (KunShan) Co., Ltd., from the Shanghai Commercial & Savings Bank, Ltd.	Proceeded as approved
November 9, 2022 Board meetings (5th 2022)	Approved the proposal to amend the Company's Rules of the Procedure for Board of Directors Meetings	Pending a report to the 2023 annual general meeting of shareholders
	Approved the proposal to provide a guarantee for a loan taken out by subsidiary, United Electric Wire (KunShan) Co., Ltd., from the	Proceeded as approved

Date of board meeting	Important resolution	Implementation
	Shanghai Commercial & Savings Bank, Ltd.	
	Approved the proposal to liquidate and cancel the business registration of subsidiary, Sunagaru International Inc. (SAMOA)	Proceeded as approved
	Approved the proposal for the Company's financial statements for 2022 Q3	Proceeded as approved
December 23, 2022 Board meetings (6th 2022)	Approved the proposal for the Company's 2023 annual audit plan	Proceeded as approved
	Approved the proposal to purchase directors liability insurance	Proceeded as approved
	Approved the proposal to amend the Company's Merger and Acquisition Information Disclosure Self-Regulatory Regulations	Proceeded as approved
	Approved the proposal to amend the Company's Procedures for Ethical Management and Guidelines for Conduct	Pending a report to the 2023 annual general meeting of shareholders
	Approved the proposal to amend the Company's Corporate Governance Best Practice Principles	Proceeded as approved
	Approved the proposal to amend the Company's Procedures for Handling Material Inside Information	Proceeded as approved
	Approved the proposal to appoint a new corporate governance officer	Proceeded as approved
	Approved the proposal for the Company's 2023 business plan and consolidated budget	Proceeded as approved
March 29, 2023 Board meetings (1st 2023)	Approved the proposal for the Company's 2022 employee remuneration and directors' remuneration	Pending a report to the 2023 annual general meeting of shareholders
	Approved the proposal to issue the Company's 2022 Statement of the Internal Control System	Proceeded as approved
	Approve the Company's "Procedures for the Selection and Appointment of Directors"	Pending application of the 2023 annual general meeting of shareholders for resolution
	Approve the Company's "Code of Conduct for Financial Business among Relationships"	Proceeded as approved
	Approve the Company's "Code of Practice on Sustainable Development"	Pending a report to the 2023 annual general meeting of shareholders
	Approve the Company's "Code of Practice on Corporate Governance"	Proceeded as approved
	Approve the Company's "Standard Operating Procedure for Handling Directors' Requests"	Proceeded as approved
	Approve the Company's "Implementation Points for Director Training"	Proceeded as approved
	Approve the Company's "Scope of Responsibility Rule for Independent Directors"	Proceeded as approved

Date of board meeting	Important resolution	Implementation
	Approved the proposal for the Company's 2022 annual business report and financial report	Pending application of 2023 annual general meeting of shareholders for ratification
	Approved the proposal for the Company's 2022 earnings distribution	Earnings Distribution Table is pending application of 2023 annual general meeting of shareholders for ratification
	Approve the Company's cash distribution from capital surplus	Pending a report to the 2023 annual general meeting of shareholders
	Approve the proposal to evaluate the independence, fitness assessment and compensation of the Company's certified CPA	Proceeded as approved
	Approve the proposal to general reelect the directors and independent directors	Pending application of the 2023 annual general meeting of shareholders for election
	Approved the proposal to remove the non-compete clause for the Company's managers	Proceeded as approved
	Approve the proposal to remove the non-compete clause for the new director of the Company	Pending application of the 2023 annual general meeting of shareholders for resolution
	Approved the proposal to convene the Company's 2023 annual general meeting of shareholders	Pending convening of the 2023 annual general meeting of shareholders in accordance with the law
	Approved the proposal to accept shareholder proposals and handle related matters	Proceeded as approved
	Approve the proposal to accept shareholder director nominations related to the operational issues	Proceeded as approved
	Approve the proposal to nominate director candidates and candidature examination by the Board of Directors of the Company	Proceeded as approved
	Approve the proposal to apply to Taiwan Shin Kong Commercial Bank for credit line renewal related issues based on operational needs	Proceeded as approved
	Approve the proposal to apply to Huajiang Branch of Hua Nan Commercial Bank for credit line renewal related issues based on operational needs	Proceeded as approved
	Approve the proposal to apply to Huajiang Branch of Hua Nan Commercial Bank for interim credit line related issues based on operational needs	Proceeded as approved
May 10, 2023 Board meetings (2nd 2023)	Approved the 1% shareholder nomination director nominee examination and director candidate list confirmation	Pending application of the 2023 annual general meeting of shareholders for election
	Approved the proposal for the Company's financial statements for 2022 Q2	Proceeded as approved

Date of board meeting	Important resolution	Implementation
	Approved the proposal to regularly review the board performance evaluation indicators and make suggestions.	Proceeded as approved
	Approved the proposal for the remuneration adjustment to managers.	Proceeded as approved
	Approved the proposal to distribute the Company's 2022 managers' performance bonus.	Proceeded as approved
	Approved the company's 2022 director and manager remuneration assessment proposal	Proceeded as approved

(X) During the last year and up to the publication date of this annual report, if the directors had different opinions on important resolutions approved by the Board of Directors with records or written statements, the main content of the opinions: None.

(XI) In the last year and up to the publication date of the annual report, the assembled information of discharge or resignation by the Company for the Company's Chairman, President, chief accountant, financial supervisor, internal audit officer, governance officer and research & development officer: None.

IV. Information in public fees of the Certified Public Accountant Association

Ranges of CPAs' audit fees

Unit: NT\$ thousand

Auditor's firm	Name of CPA	CPA auditing period	Audit remuneration	Non-audit remuneration (Note)	Total	Remark
Deloitte & Touche	Tsai, Mei-Chen	January 1, 2022-December 31, 2022	6,700	411	7,111	None
	Huang, Yu-Feng					

Note: The non-audit fees included NT\$210 thousand for a transfer pricing report; NT\$75 thousand for filing a report to the Investment Commission; NT\$65 thousand for the audit service for a dual-status business entity applying the direct deduction method; and NT\$61 thousand for business registration.

- (I) Where the non-audit fees paid to the CPAs, the accounting firm at which the CPAs work, and the accounting firm's affiliates account for 25% or more of the audit fees, the amount of audit and non-audit fees and the content of non-audit services shall be disclosed: The non-audit fees paid by the Company to the CPAs and the accounting firm, to which the CPAs belong, do not reach 25% of the audit fee.
- (II) Where the accounting firm is replaced and the audit fees paid during the year in which the replacement occurs are less than those paid in the prior year, the amount of the decrease in the audit fees and the reason thereof shall be disclosed: None.
- (III) Where the audit fees paid for the year are lower than those paid for the prior year by 10% or more, the amount and percentage of the decrease and the reason therefor shall be disclosed: None.

- V. Information on the replacement of CPAs during the last two years and the period thereafter:
Tsai, Mei-Chen and Chen, Ming Hui, CPAs at Deloitte & Touche, were responsible for auditing the Company's financial statements. Due to the accounting firm's internal job adjustment, the CPAs, Tsai, Mei-Chen and Huang, Yu-Feng have been responsible for the audit work since 2022.

(I) Former CPAs

Date of replacement	January 1, 2022		
Reason for replacement	To cooperate the accounting firm’s internal job adjustment		
Client’s termination of or CPA’s refusal to the appointment	Participants		
	Situation	CPA	Client
	Termination of the appointment		
	Refusal to the (continuous) appointment		
The opinion of the audit report other than the unqualified opinion issued within the latest two years and the reasons	None		
Different opinions from the issuer’s	Yes		Accounting principles or practices
			Disclosures in financial statements
			Auditing scope or steps
			Other
	None	✓	
	Description		
Other disclosures (matters that should be disclosed under Article 10, subparagraph 6, items 1-4 - 1-7 of the Regulations)	None		

(II) Successors

CPA firm	Deloitte & Touche
Name of CPA	Tsai, Mei-Chen; Huang, Yu-Feng
Date of appointment	January 1, 2022
Consultation regarding accounting treatment methods or accounting principles for specific transactions and possible opinions issued for financial statements and results before appointment	Not applicable
Successors' different written opinions from the predecessors'	Not applicable

(III) Reply from the former CPAs to the matters under Article 10, subparagraph 6, items 1 and 2-3 of the Regulations: None.

VI. Where the Chairman, the President, chief financial officer, or chief accounting officer has been employed by the accounting firm or its affiliates during the most recent year, the name, job title, and period of working at the firm or affiliate shall be disclosed: There is no such a situation, so it is not applicable.

VII. In the last year and up to the publication date of the annual report, the fact regarding transfer or pledge stock equity by the Company's directors, managerial officers and key shareholders holding over 10% in shareholding

- (I) The status of changes that directors, supervisors and major shareholders had transferred and pledged their shares

Unit: shares

Title	Name	2022		2023 up to May 15, 2023	
		Increase (decrease) in shares held	Increase (decrease) in shares collateralized	Increase (decrease) in shares held	Increase (decrease) in shares collateralized
Chairman	Ho, Chun-Hsien	111,478	-	-	-
Director-cum-President of the Cable Business Group	Wang, Shih-Tsung	108,140	-	-	-
Director-cum-Executive Director	Chen, Hung-Yao	86,362	-	-	-
Director-cum-President	Liao, Wen-Hung	18,960	-	-	-
Independent Director	Chang, Chung-Chiu	-	-	-	-
Independent Director	Li, Chien-Jan	-	-	-	-
Independent Director	Hsu, Yung-Chen	-	-	-	-
President of the Raw Material Business Group	Li, Yi-Ta	-	-	-	-
Vice President of the Business Development Division	Su, Chun-Hsiung	2,730	-	-	-
Assistant Vice President of the Product Development Division	Chu, Chien-Chung (Note 1)	-			
Assistant Vice President of the Product Development Division	Chen, Chiu-Hsiung (Note 2)	37	-	-	-
Assistant Vice President of the Finance Division	Tseng, Kuei-Chih (Note 3)	-			
Manager of the Finance Division	Cheng, Shu-Ching (Note 4)	-	-	-	-

Note 1: Assistant Vice President of the Product Development Division Chu, Chien-Chung resigned on April 18, 2022.

Note 2: Assistant Vice President of the Product Development Division Chen, Chiu-Hsiung was newly appointed on April 18, 2022.

Note 3: Assistant Vice President of the Finance Division Tseng, Kuei-Chih resigned on May 11, 2022.

Note 4: Manager of the Finance Division Cheng, Shu-Ching was newly appointed on May 11, 2022.

- (II) Information on the counterparty, to which the equity is transferred by directors, managers, or shareholders, each holding more than 10% of the total shares issued by the Company: None.

- (III) Information on the counterparty, for whom equity is pledged by directors, managers, or shareholders, each holding more than 10% of the total shares issued by the Company: None.

VIII. Relationship information, if among the company's 10 largest shareholders any one is a related party or a relative within the second degree of kinship of another

May 2, 2023

Name	Shares held in own name		Shareholdings of spouse and minor children		Shares held in the names of others		The name and relationship information, if among the 10 largest shareholders any one is a related party, or is the spouse or a relative within the second degree of kinship of another.		Remark
	Quantity	Ratio of Shareholding	Quantity	Ratio of Shareholding	Quantity	Ratio of Shareholding	Name	Relation	
Cheng, Chin-Hung	4,735,079	5.41%	-	-	-	-	None	None	-
Ho, Chun-Hsien	3,827,443	4.37%	-	-	-	-	None	None	-
Wang, Shih-Tsung	3,712,811	4.24%	941,250	1.08%	-	-	Wang, Wan-Chi Wang, Ying-Kai	Relative within the first degree of kinship	-
Ou, Shu-Ching	3,413,000	3.90%	-	-	-	-	None	None	-
Chen, Hung-Yao	2,965,107	3.39%	1,315,213	1.50%	-	-	Lai, Chiu-Lan	Spouse	-
Wang, Wan-Chi	1,998,000	2.28%	-	-	-	-	Wang, Shih-Tsung Wang, Ying-Kai	Relative within the first and second degrees of kinship	-
Yeh, Fang-Yu	1,766,193	2.02%	-	-	-	-	None	None	-
Lai, Chiu-Lan	1,315,213	1.50%	2,965,107	3.39%	-	-	Chen, Hung-Yao	Spouse	-

Lin, Gao-Huang	1,300,000	1.48%	-	-	-	-	Chen, Hung-Yao Chen, Ying-Wen	Spouse and relative within the first degree of kinship	-
Wang, Ying-Kai	1,272,359	1.45%	-	-	-	-	Wang, Shih-Tsung Wang, Wan-Chi	Relative within the first and second degrees of kinship	-

IX. The total number of shares held and the consolidated shareholdings in any single investee by the Company, its directors, managers, or any companies controlled either directly or indirectly by the Company

Unit: thousand shares; %

Investees (Note)	Invested by the Company		Investment held by directors, managers, and directly or indirectly controlled enterprises		Aggregate investment	
	Quantity	Ratio of Shareholding	Quantity	Ratio of Shareholding	Quantity	Ratio of Shareholding
Copartner Wire And Cable (ShenZhen) Co., Ltd.	--	100%	--	--	--	100%
Cablex Wire (ShenZhen) Mfg Co., Ltd.	--	100%	--	--	--	100%
Hotek Technology Corporation	20,000	100%	--	--	20,000	100%
HPC Technology Inc.	2,057	48.98%	--	--	2,057	48.98%

Note: It is a long-term investment made by the Company using the equity method.

Chapter IV Capitals and Shares

I. Capital and shares

(I) Sources of share capital

1. Share category

May 15, 2023

Share category	Authorized capital			Remark
	Outstanding shares (Note)	Unissued shares	Total	
Registered common stock	87,550 thousand shares	32,450 thousand shares	120,000 thousand shares	The Company's stock is listed on Taiwan Stock Exchange for trading.

Note: The Company's stock has been listed on Taiwan Stock Exchange since November 10, 2010 and traded at securities firms.

2. Share capital formation process

May 15, 2023

Year/ month	Issue price (NTD)	Authorized capital		Paid-up capital		Remark		
		Number of shares (in millions of shares)	Amount (in NT\$ million)	Number of shares (in millions of shares)	Amount (in NT\$ million)	Sources of share capital	Paid in properties other than cash	Other
1987.04	10	1.5	15	1.5	15	Founding capital of 15 million	None	Note 1
1996.11	10	4.4	44	4.4	44	A cash capital increase by 29 million	None	Note 2
1999.08	10	5.8	58	5.8	58	A cash capital increase by 14 million	None	Note 3
2001.07	10	20	200	10	100	A cash capital increase by 42 million	None	Note 4
2003.11	10	30	300	30	300	A cash capital increase by 200 million	None	Note 5
2004.08	12	50	500	35	350	A cash capital increase by 50 million	None	Note 6
2005.10	24	50	500	43.9	439	A cash capital increase by 68 million Capitalization of earnings to increase the capital by 21 million	None	Note 7
2006.10	30	70	700	60	600	A cash capital increase by 101 million Capitalization of earnings to increase the capital by 60 million	None	Note 8

2007.08	10	80	800	73.6	736	Capitalization of earnings to increase the capital by 136 million	None	Note 9
2008.07	10	120	1,200	78.08	780.8	Capitalization of earnings to increase the capital by 44.8 million	None	Note 10
2010.11	10	120	1,200	88	880	A cash capital increase by 99.2 million before the stock was listed on Taiwan Stock Exchange	None	Note 11
2012.01	10	120	1,200	85	850	Repurchase and cancellation of treasury shares to reduce capital	None	Note 12
2022.09	10	120	1,200	87.55	875.5	Capitalization of earnings to increase the capital by 25.5 million	None	Note 13

Note 1: Per Letter Jian-III No. 173699 dated April 30, 1987.

Note 2: Per Letter 1996-Jian-III-C No. 705972 dated November 2, 1996.

Note 3: Per Letter Jing-(1999)-Zhong No. 657914 dated August 4, 1999.

Note 4: Per Letter 2001-Shang No. 09001270970, July 18, 2001.

Note 5: Per Letter Jing-Shou-Zhong No. 09232948350 dated November 13, 2003.

Note 6: Per Letter Jing-Shou-Zhong No. 09332617840 dated August 24, 2004.

Note 7: Per Letter Jing-Shou-Zhong No. 09432920840 dated October 4, 2005.

Note 8: Per Letter Jing-Shou-Shang No. 09501236890 dated October 23, 2006.

Note 9: Per Letter Jing-Shou-Shang No. 09601199250 dated August 16, 2007.

Note 10: Per Letter Jing-Shou-Shang No. 09701163250 dated July 10, 2008.

Note 11: Per Letter Jing-Shou-Shang No. 09901263140 dated November 25, 2010.

Note 12: Per Letter Jing-Shou-Shang No. 10101003320 dated January 10, 2012.

Note 13: Per Letter Jing-Shou-Shang No. 11101170840 dated September 2, 2022.

(II) Shareholders structure

May 2, 2023

Shareholders structure Quantities	Government institutions	Financial institutions	Other corporations	Individuals	Foreign institutions and foreigners	Total
Number of people (person)	-	3	144	21,475	24	21,646
Number of shares held	-	167,546	1,316,154	84,639,651	1,426,649	87,550,000
Shareholding ratio (%)	-	0.19	1.50	96.68	1.63	100

Note: The Company does not belong to a primary listing on TWSE or TPEx of Republic of China nor is not listed on the emerging stock market.

(III) Equity dispersion (NT\$10 per share)

May 2, 2023

Class of Shareholding	Number of shareholders (person)	Number of shares held	Shareholding ratio (%)
1 to 999	16,021	114,402	0.13
1,000 to 5,000	3,719	7,070,940	8.08
5,001 to 10,000	850	5,293,860	6.05
10,001 to 15,000	442	4,893,227	5.59
15,001 to 20,000	119	2,004,294	2.29
20,001 to 30,000	166	3,762,459	4.30
30,001 to 40,000	89	2,958,460	3.38
40,001 to 50,000	46	2,032,694	2.32
50,001 to 100,000	113	7,472,607	8.54
100,001 to 200,000	36	4,949,872	5.65
200,001 to 400,000	7	1,783,923	2.04
400,001 to 600,000	16	7,969,645	9.10
600,001 to 800,000	4	2,697,452	3.08
800,001 to 1,000,000	4	3,684,911	4.21
1,000,001 or more	14	30,861,254	35.24
Total	21,646	87,550,000	100.00

(IV) List of major shareholders

May 2, 2023

Shares Name of major shareholders	Number of shares held	Shareholding ratio (%)
Cheng, Chin-Hung	4,735,079	5.41%
Ho, Chun-Hsien	3,827,443	4.37%
Wang, Shih-Tsung	3,712,811	4.24%
Ou, Shu-Ching	3,413,000	3.90%
Chen, Hung-Yao	2,965,107	3.39%
Wang, Wan-Chi	1,998,000	2.28%
Yeh, Fang-Yu	1,766,193	2.02%
Lai, Chiu-Lan	1,315,213	1.50%
Lin, Gao-Huang	1,300,000	1.48%
Wang, Ying-Kai	1,272,359	1.45%

(V) Market price and net asset value per share, earnings, dividends, and relevant information in the last two years and up to the publication date of this annual report

Unit: NT\$

Item \ Year		2021	2022	2023 up to May 15, 2023 (Note 8)
Market price per share (Note 1)	Highest	24.1	19.4	16.75
	Lowest	13.35	12.65	13.65
	Average	19.82	15.97	15.17
Net worth per share (note 2)	Before dividend distribution	22.71	22.04	21.82
	After dividend distribution	22.11	21.54	-
Earnings per share	Weighted average outstanding shares		85,172,597 shares	87,588,693 shares
	Earnings per share (Note 3)	Before retrospective adjustment	0.96	(0.26)
		After retrospective adjustment	0.93	(0.26)
Dividends per share	Cash dividends		0.3	-
	Stock dividends	From earnings	0.3	-
		From capital reserves	-	-
	Cumulative undistributed dividends (Note 4)		-	--
Analysis of investment returns	P/E ratio (Note 5)		19	(58)
	Price to dividends ratio (Note 6)		60.53	-
	Cash dividend yield (Note 7)		0.02	-

Note 1: The highest and lowest market prices of ordinary shares in each year shall be listed, and the average market price for each year calculated as per the transaction value and volume for each year.

Note 2: The number of issued shares at the end of each year shall prevail, and fill out the table as per the resolutions adopted by board meetings or the shareholders' meeting in the following year.

Note 3: If retrospective adjustment is required due to stock dividends paid out, the earnings per share before and after the adjustment shall be listed.

Note 4: If the undistributed dividends for a year may be accumulated and not be distributed until a year with earnings available as stipulated in the equity securities regulations, the cumulative unpaid dividends up to the current year shall be disclosed separately.

Note 5: P/E ratio = Average closing price per share for the year / earnings per share.

Note 6: Price to dividend ratio = Average closing price per share for the year / cash dividends per share.

Note 7: Cash dividend yield = Cash dividend per share / average closing price per share for the current year.

Note 8: The book value per share and earnings per share audited (reviewed) by the CPAs up to the most recent quarter prior to the publication date of this annual report shall be entered; the information for other fields up to the year, in which this annual report is published, shall be entered.

(VI) The Company's dividend policy and fact of implementation thereof.

1. Dividend policy under the Articles of Incorporation

Where the Company makes a profit for a fiscal year, the profit shall be first used for offsetting a cumulative deficit, providing 10% of the remaining profit as a legal reserve unless it has reached the total amount of the Company's paid-in capital, providing an amount for or reversing a special reserve in accordance with the laws and regulations or the competent authority's rules, and then any remaining profit, together with any undistributed retained earnings from the prior year, shall be adopted by the Company's Board of Directors as the basis for making a distribution proposal. The proposal shall then be resolved at the shareholders' meeting for the distribution of shareholder dividends.

If the preceding shareholders dividend, statutory surplus reserve, and capital surplus are distributed in cash; the proposal shall be authorized by a board of directors meeting with over two-thirds of the entire board members attending and approved by over half of those present at the meeting, and then reported the case to a 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.

2. The distribution of dividends proposed at this shareholders' meeting

The 2022 earnings distribution table as per the resolution by the Board of Directors on March 29, 2023 are as follows:

Copartner Technology Corp.
2022 Earnings Distribution Table

Unit: NT\$

Item	Amount	
Unappropriated retained earnings at the beginning of the term		332,795,509
Current net income	(22,606,048)	
Retained earnings due to investment adjustments using the equity method	(570,179)	
Actuarial (loss) gains are included in retained earnings	2,694,480	
Plus: Current period net profit		(20,481,747)
Minus: rotate special surplus reserve in accordance with the law		45,375,734
Distributable surplus for the current period		357,689,496
Ending undistributed earnings		357,689,496

In addition, the Company's the Board of Directors decides to release cash with capital surplus of NT\$ 43,775 thousand on March 29, 2023.

(VII) The influence of the stock dividend proposed at this shareholders' meeting on the Company's operating performance and earnings per share: The Company did not disclose the financial forecast for 2023, so it is not applicable.

(VIII) Remuneration to the employees and directors

1. The percentage of the profit for or scope of employee remuneration and directors' remuneration as stated in the Company's Articles of Incorporation:

As per Article 19 of the Articles of Incorporation, the Company shall provide no lower than 1% and no more higher than 3% of its annual pre-tax income (before employee remuneration and director's remuneration are deducted) for employee remuneration and director's remuneration.

2. The basis for the estimation of employee remuneration and directors' remuneration for this period, basis for the calculation of the number of shares for stock dividends to employees, and accounting treatment if the amount paid out is different from the estimated amount:

The Company suffered net loss after tax for 2022, so we did not estimate employee remuneration and directors' and supervisors' remuneration.

3. Remuneration to be distributed as resolved in the board of directors:

- (1) Where there is a difference between the estimated amounts of employee remuneration and directors' remuneration paid out in cash or stock and the amounts recognized, the amount of difference, reason, and accounting treatment shall be disclosed: None.

- (2) The amount of employee remuneration paid out in stock and as a % of the sum of the total after-tax net income in the year's parent company-only financial statements and the total amount of employee remuneration: There is no such a situation, so it is not applicable.

4. In the case of the distribution of employee remuneration and directors' remuneration for the prior year (including the number of shares paid out, amount, and stock price), where there is any difference between the amounts of employee remuneration and directors' remuneration and the recognized amounts, the difference, reason, and accounting treatment shall be disclosed:

There was no difference between the amounts of 2021 employee remuneration and directors' remuneration paid out and the proposed amounts approved by the Board of Directors.

(IX) The repurchase of the Company' shares: None.

II. Corporate bond application: None.

III. Issuance of preference shares: None.

IV. Issuance of depository receipts: None.

V. Issuance of employee stock warrants: None.

VI. Issuance of restricted stock awards: None.

VII. Issuance of new shares due to M&A or transfer of shares of another company: None.

VIII. Progress on the use of funds: None.

Chapter V Business performance

I. Content of business

(I) Scope of business operation

1. Details of the Company's main business scope

- (1) CC01020 Electric Wires and Cables Manufacturing.
- (2) CC01060 Wired Communication Mechanical Equipment Manufacturing.
- (3) CC01080 Electronics Components Manufacturing.
- (4) CD01030 Motor Vehicles and Parts Manufacturing.
- (5) F113020 Wholesale of Electrical Appliances.
- (6) F113030 Wholesale of Precision Instruments.
- (7) F113060 Wholesale of Measuring Instruments.
- (8) F114030 Wholesale of Motor Vehicle Parts and Motorcycle Parts, Accessories.
- (9) F119010 Wholesale of Electronic Materials
- (10) F213010 Retail Sale of Electrical Appliances.
- (11) F219010 Retail Sale of Electronic Materials.
- (12) F401010 International Trade.
- (13) I 301030 Electronic Information Supply Services.
- (14) ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.

2. Proportion (as per the consolidated statements)

Unit: NT\$ thousand

Product category	2021		2022	
	Revenue	Proportion of business (%)	Revenue	Proportion of business (%)
Signal transmission line and wire harness	3,276,758	67.57	2,628,930	63.09
Plastic pellets	1,031,948	21.28	768,180	18.44
Other	540,928	11.15	769,539	18.47
Total	4,849,634	100.00	4,166,649	100.00

Note: Others refer to products, such as raw materials, PVC powder, copper materials, as well as machine parts and accessories.

3. The Company's existing products

Since the Company was established, we have mainly sold signal transmission lines and wire harness. Signal transmission lines and wire harness are channels for exchange of information between various equipment. As their prices are lower and transmission quality is more stable and faster than wireless transmission, they occupy a critical position in the market. The main existing products are as follows:

Computer peripheral wires, low-voltage computer wires, audio-visual signal cables, high-resolution high-fax multimedia interface cables, PC power cables, communication cables, integrated wiring system wires, automotive cables, industrial control transmission cables, transmission cables for the medical industry, communication network transmission cables, AR, VR, UAV lines, automotive foam PP 50 Ohm RF coaxial cables, nitrogen foam PTFE RF coaxial cables, and photoelectric composite cables.

4. New products planned to be developed
 - (1) Harness for electric vehicle induction motors
 - (2) Wire harness for FD90 laser cutting machines
 - (3) Photoelectric composite cables for 8K high-definition equipment
 - (4) Photoelectric composite cables for industrial vision systems
 - (5) Storage data transmission server cables
 - (6) Ethernet cables for autonomous cars
 - (7) In-car acoustic transmission lines
 - (8) Industrial automation and industrial control cable drag chains
 - (9) Transmission cables for digital audio and display devices
 - (10) HDMI2.1 / TYPE C coaxial cable sets

(II) Industrial profiles:

1. The status quo and development of the industry

According to the industry value chain platform and relevant materials, we analyzed the trend of Taiwan's electronic connector (wire) manufacturing industry. In 2022, although the prices of international raw materials have gradually declined, the shortage of electronic components and transportation costs have been alleviated and gradually returned to the pre-pandemic level. However, as most countries have gradually returned to normal life, the demand for home office and remote learning has gradually decreased; as such, compared with the substantial growth during the last two years, the business opportunities from the stay-at-home economy, such as e-sports entertainment, video live streaming, and e-commerce have plateaued. The end users' demand for consumer electronic products, such as NB, has plunged, and the inventories of mid- and downstream products have increased, slowing down the sales of Taiwan's connectors (wires) for electric products. Although in 2021 and thereafter, the penetration rate of the USB Type-C port and Intel's Whitley Ice Lake has increased day by day, it is still unable to resist the downward trend in the sales of consumer electronics (PC, NB, and mobile phones).

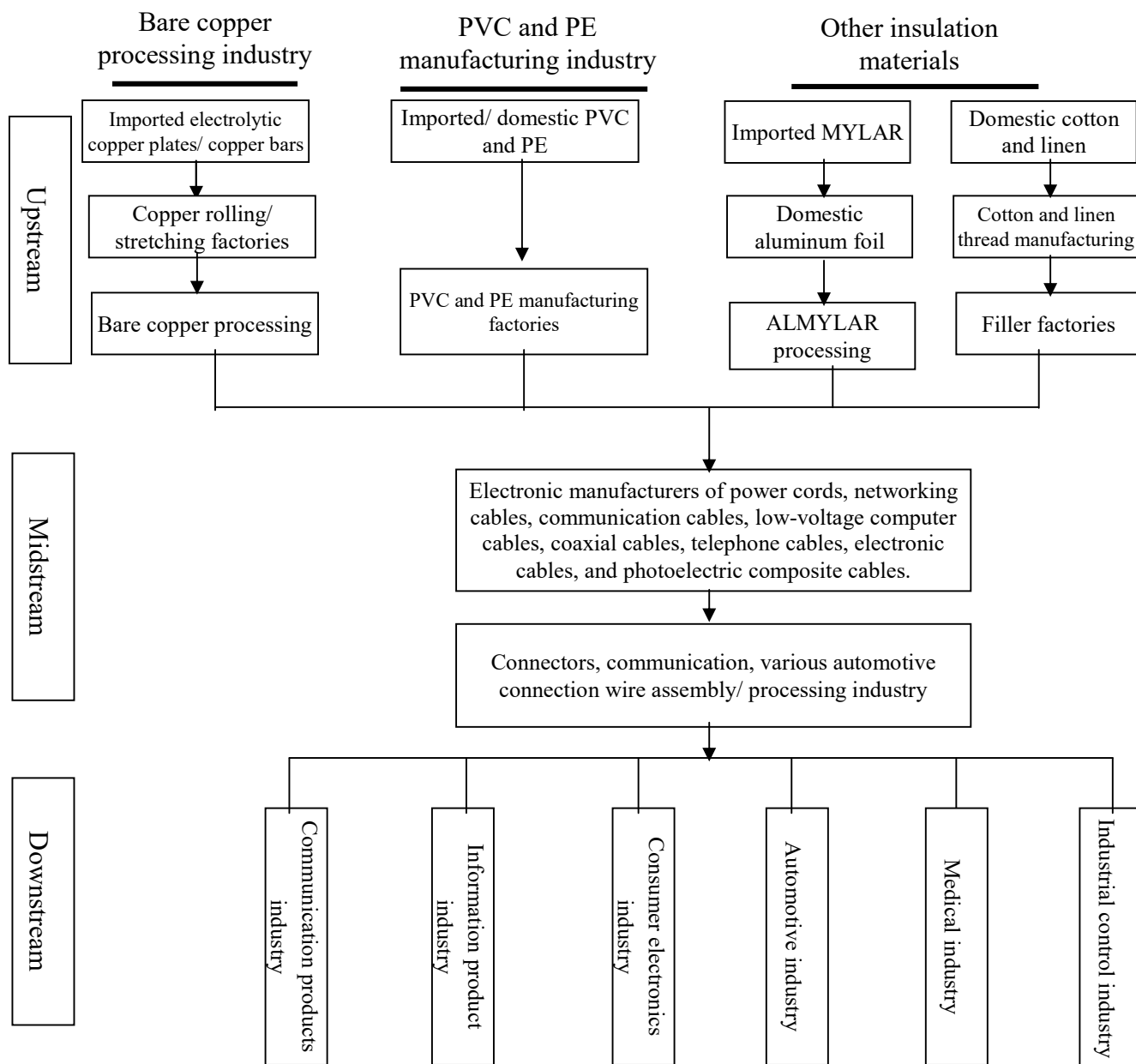
Also, the rapid outbreak of the pandemic in China after the second half of 2022 delayed the progress of new infrastructure under the 14th Five-Year Plan, thereby delaying the significant demand for local new-energy vehicles, industrial automation, and 5G infrastructure, and, in turn, slowing down Taiwan's sales of high-speed, high-frequency, and miniaturized connection components.

With that, in the first half of 2023, although the international copper prices only decreased slightly, and the demand for consumer electronics was also sluggish, it is expected that as the COVID-19 pandemic has been regarded as an influenza, China downgraded the pandemic to a general infectious disease; most European countries and the United States have lifted the anti-pandemic measures, and the local economic operations have gradually resumed, which, in turn, facilitates a surge in the demand for high value-added products and applications in domestic network communications (such as servers and data centers), automotive electronics (such as advanced driver assistance systems (ADAS) and electric vehicles), industrial applications (such as semiconductor equipment), green energy (such as solar energy), and medical care (such as telemedicine). Moreover, Apple's new iPhone is expected to adopt the USB Type-C port this year, which will allow Type-C cables to become the mainstream in the market. The launch of new processor platforms of Intel and AMD is expected to lead to a new wave of PC replacements, thereby pushing up the global market's demand for high-speed, high-frequency, miniaturized connectors (wires) for electronic products and CPU sockets. Also, continuous active entry into electric vehicles and automotive electronics, 5G infrastructure, industrial control and smart manufacturing,

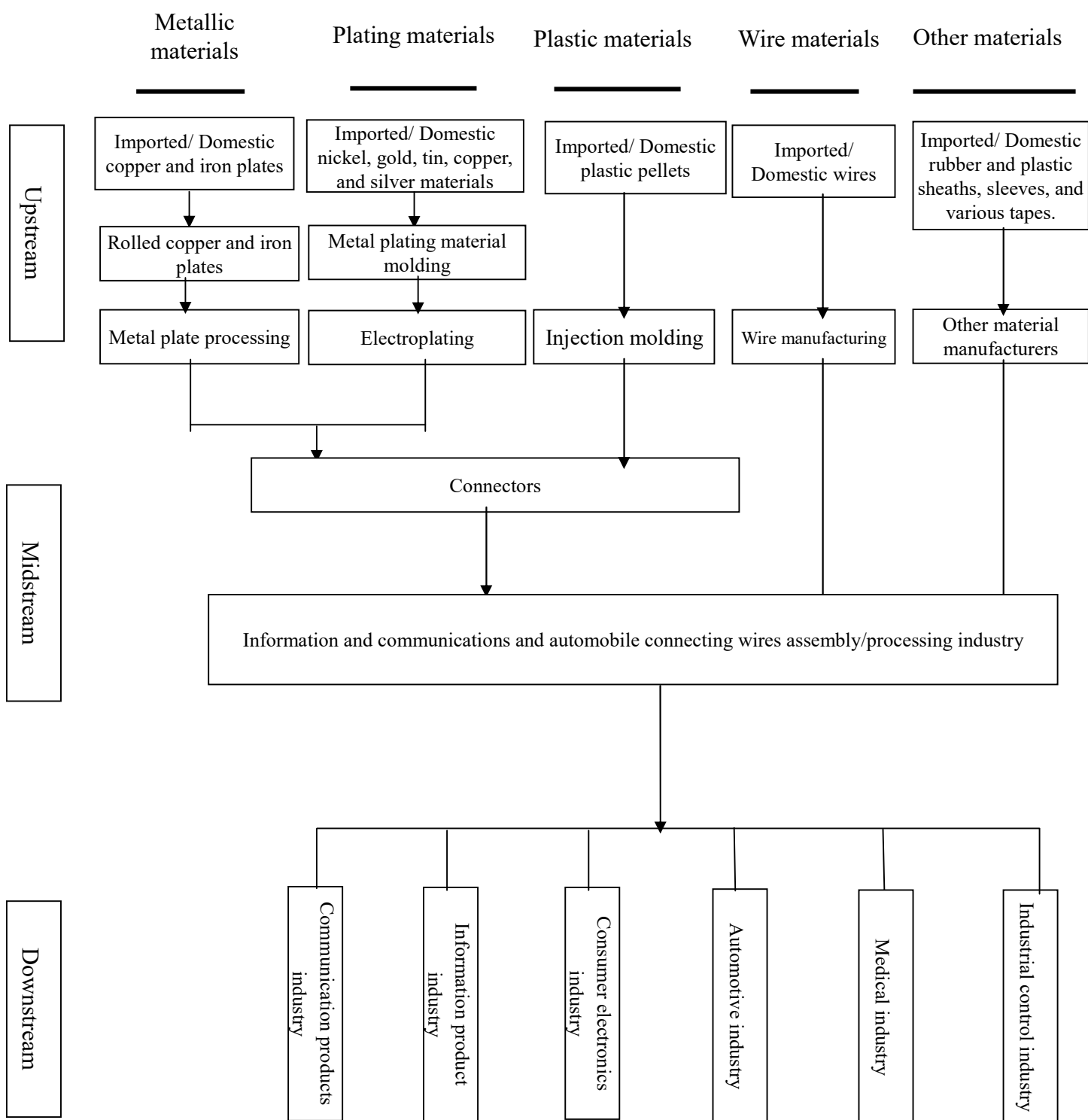
green energy, medical care, among other niche application fields, may enable Taiwan's businesses to benefit from the "contactless" and "energy-saving" business opportunities and obtain great profit accordingly. Therefore, it is estimated that Taiwan's electronic connector (wire) manufacturing industry in the first half of the 2023 may witness a recovery trend.

2. Association among the up-, mid- and down streams

(1) Signal transmission cables



(2) Signal transmission cable set



3. Product Development Trends and Market Competition

(1) Various product development trends

As the Company's products are mainly used in consumer electronics, communications, transportation, industrial, and medical industries, they need to be adjusted with different product development trends of clients in various industries.

A. The make-to-order model will be more common

Although there are standard international electrical specifications for signal transmission cables, the related manufacturing processes, such as twisting, twining, wrapping, coating, coloring, and printing, and the connector manufacturers entrusted vary depending on each manufacturer's needs. There are not many electrical specifications, it is impossible to produce a certain type of product in large quantities as the industry mainly operates under the make-to-order production model. With the emergence of various transmission specifications and the development of different application fields, the client-oriented trend will become more obvious.

B. Continuous launch of new high-frequency cables

In response to the need for higher transmission speed, higher-speed transmission cables are launched constantly.

(2) Product competition

A. Clients' request for a wider range of services

The signal transmission cables and wire harness are diverse in variety, and there are many requirements for specifications, and clients are increasingly requiring outsourcers to provide a wider range of services, including product design, manufacturing, quality control, and after-sales service. Therefore, only outsourcers who can provide comprehensive services can stand out.

The Company's signal transmission cables and wire harness are high-quality, complete in variety, and fast in sample providing, which can meet clients' urgent needs for orders or various needs and the need for timely delivery for large orders. Thus, the Company has been trusted and recognized by clients. Meanwhile, the Company has established partnerships with major international manufacturers in Taiwan, Japan, Europe, and the United States, to obtain new product sources and support, improve our product technology, and produce different products to meet market needs, all of which are our biggest competitive advantages compared with our competitors.

B. Fierce competition in the industry

As the life cycle of electronic products has become shorter, the competition between existing and new competitors in the industry has intensified, and the pressure on product prices is increasing day by day. Under the pressure of such fierce market competition, we need to constantly adjust the production process and maintain the product quality.

Due to the pressure of competition from our competitors in recent years, the prices of some information and communication signal transmission cables and wire harness have been reduced. The Company actively adjusts the business strategy to respond to market changes and provides clients with technical support and consulting services as a professional manufacturer and marketer, to fully keep abreast of the market development trends and meet clients' orders for different products in small quantities and their planned production schedules, thereby shortening the delivery time to meet their needs. Particularly in terms of new products with higher unit prices, we stay up-to-date with the know-how of various products, to maintain the Company's

corporate image that our information and communication signal transmission cables and wire harness are high-quality, high-efficiency, and satisfactory for clients.

(III) Technology & know-how and research & development in summary:

1. R&D expenses spent during the last year and up to the publication date of this annual report

Unit: NT\$ thousand

Item \ Year	2022	2023 up to May 15, 2023
R&D expenses	150,540	43,881

2. Successfully developed technology or product

Year	R&D achievements
2007	VGA cables, LCD TV internal cables, HDMI 1.3 miniaturized cables, automotive wiring harness (automotive transmission cables and transmission bases), and micro USB wiring harness, which passed high-standard EMI tests
2008	HDMI 1.3a (inner sheath), USB3.0, halogen-free RF cables, and mini displayport cables
2009	HDMI 1.4 , E-SATA cables, and flame retardant halogen-free wires
2010	Mini HDMI raw cables & HDMI A to D type assembly (with Ethernet) that passed the association's test and USB flat cables
2011	Low-capacitance HDMI cables, low-impedance HDMI cables (used with IC), ultra-thin USB3.0 cables, and micro-HDMI cables (38#, 40#, and 42#)
2012	Charge cables (charging cables for i-phone), wiring harness for reducing exhaust emissions, sports device wiring harness (whole machine), which passed the certification of UL 1581 Section 1200 for anti-UV PVC outdoor cables, USB 3.0 AM to BM, which passed the association's certification, MHL cables, and SFP cables
2014-2016	Research and development of a full range of USB 3.1 and TYPE-C products
2017-2018	USB 3.1, which passed the association's certification, industrial camera USB 3.0, camera link cables, HDMI photoelectric composite cables, inspection camera cables, vehicle camera harness, robot arm cables, among other customized products
2019	Vibration cables, 50 Ohm RF coaxial cables: XL-PE, RG174, CSL-100; Nitrogen foam PE: CSL-195, CSL200, CSL-240, and 50 Ohm nitrogen foam PTFE RF coaxial cables
2020	Smart track crossing cables, AOC USB AM to Mirco-B, AOC HDMI 2.0 cables, industrial network cables, cable drag chain servo motor power cables and encoder cables, HSD cables, HDMI 2.1 cables, electric control cabinet wire harness, and brain tumor wire harness

2021	HD video recorders, AR, VR, UAV industrial control equipment HDMI 2.1 and TYPE C coaxial cables, robot vision system industrial cables, multi-axis robot arm cables, automotive audio and video transmission cables, medical equipment display audio and video signal transmission cables, and medical blood oxygen signal transmission cables
2022	Automotive 4P+8C composite cables, AOC HDMI 2.1 and 3.1, CMP HDMI, industrial control camera wire harness, USB 4.0 40G, consumer electronics cables: USB 4 and DP 2.1, industrial camera cables, TC-ER photovoltaic energy storage cables, industrial cable drag chain network cables, automotive autohold cables, and RF signal cables

(IV) Long- and short-term business development programs

1. Short-term business development programs

(1) Marketing strategy

- A. Consolidate the partnerships with existing long-term clients and then work with new well-known domestic and overseas clients.
- B. Reinforce communication with clients through the internet to fully keep abreast of clients' needs and provide them with global services in real time.
- C. Improve the quality image by passing world-class institutions' certification
- D. Proactively participate in major exhibitions at home and abroad to increase brand exposure and enhance the international image.
- E. Set up overseas offices to develop local markets in-depth.

(2) Production strategy

- A. The Company's production strategy is mainly based on the make-to-order production model. The Company usually does not keep an full inventory of products. However, we may have an appropriate quantity of materials in stock for our long-term clients with stable orders to shorten the delivery time to them, but the safety and reliability are still our top concerns.
- B. Continue to implement the ISO 9002 quality system and train quality control personnel to improve the quality of our and our subsidiaries' products.

2. Long-term business development programs

(1) Consolidate the position as a leading manufacturer of computer and communication products and actively expand cable and wire products in other industrial chains

Expand into medical, cloud server, automotive industry, industrial control, and communication network transmission cables and wire harness in addition to developing a variety of audio-visual transmission and information and communication-related connection wires; strive to strengthen the vertical integration of upstream and downstream industries within the Group, with a view to becoming a leading manufacturer in the industry.

(2) Expand the business scale and reduce operational risk

Strengthen international division of labor, diversify production sites, and expand production scale, to obtain long-term competitive advantages and achieve economies of scale; plan to expand sites in other parts of the world in addition to the existing production sites in China to reinforce the operating foundation.

(3) Enhance personnel training and establish a corporate culture

Continue to train international talents to meet the Company's future goal of business diversification; cultivate employees' identification with our corporate

culture to ensure future continuous growth, thereby ensuring everyone is on the same page; develop a learning-based organization to enhance the Company's international competitiveness, thereby achieving our vision of sustainable development.

II. Markets, production and marketing in summary

(I) Market analyses

1. Regions where the main products are sold

The company's client group's can be divided into:

- (1) Direct client base (Asia-Pacific region, Europe, and the Americas): Mainland China, Taiwan, Hong Kong, Korea, Vietnam, India, Thailand, Germany, Poland, Norway, France, Switzerland, Mexico, Honduras, and the United States.
- (2) Indirect client base (other regions): Oceania and Africa.

The regions where the main products are sold are show in the table below:

Unit: NT\$ thousand

Region	2021	2022
Domestic sales	\$ 147,340	\$ 97,685
Export		
Asia	4,526,855	3,834,299
Europe	86,529	117,086
The Americas	79,269	107,077
Middle East and Near East	4,133	8,844
Africa	4,024	1,621
Oceania	1,484	37
	<u>\$ 4,849,634</u>	<u>\$ 4,166,649</u>

2. Market share

The Company has been operating the business of signal transmission cables and wire harness for 30 years or so and are highly recognized in the industry. However, due to the market demand for diverse products, clients' needs have undergone tremendous changes, and the overall market scale is also large. The Company's consolidated revenue dropped slightly from NT\$4.85 billion for 2021 to NT\$4.17 billion for 2022, mainly due to factors of sluggish seasonal demand, the outbreak of the Russo-Ukrainian War, high inflation, and climate change during 2022, leading to end users' sluggish demand for electronic products. Meanwhile, clients' high inventories limited the growth of shipments. Also, the rapid escalation of the pandemic in the second half of 2022 in China and the resulting lockdowns in various places caused delays in clients' demand. In the future, the Company will enhance our product supply capability and cope with market competition more efficiently with higher-quality products, to continue to increase our revenue and increase our market share.

3. The future market supply and demand and growth potential

As the demand for end products has decrease due to the rise of handheld devices and the innovation of cloud-based products, the demand for signal transmission cables for consumer information and communication purposes has been continuously reduced.

However, the rise of industrial and cloud-based products and 5G technology has caused the transmission cables to be applied in areas with a higher technical threshold. With this market change, the product differentiation and technical threshold will be further raised. Therefore, the opportunities for developing new products arising from this will have a positive effect on the Company's future development and profits.

4. Competitive niche

- (1) Excellent R&D capabilities to stay ahead in product development in line with market trends

Due to the rapid development of the electronic industry (4C), the Company has attached great importance to the development of new products since the Company was established. To meet downstream clients' needs, the Company has launched products constantly. With many years of R&D experience and excellent R&D talents, and the Company strategically works with downstream clients at home and abroad in the product development stage to fully understand their needs and market trends. Therefore, we launch products before competitors in the industry. Also, the Company adopts high-tech, high-frequency instruments testing instruments with high transmission efficiency, such as a computer automated signal cable measurement system, an optical time domain reflectometer, an impedance gain-phase analyzer, and fatigue testing machine, to strengthen our R&D capabilities.

- (2) Good quality control and stable product quality

The Company has very strict requirements for product quality. In addition to improving quality through automated production equipment, the Company has electrical testing laboratories and physical testing laboratories to ensure that the quality of our products is stable during the production process. In addition, the Company adopts various quality control tools (such as SPC methods) to improve product quality to meet or even exceed clients' requirements.

- (3) Diverse products with high added values

The Company's products include consumer market wires, transportation cables, industrial control cables, communication transmission cables, and medical wires. To meet market demand, the Company continues to develop high-end, high-value-added products. The wide variety of products will contribute to the flexibility of the Company's operations and enhance our response to business headwinds.

- (4) A global layout

By establishing sites around the world, we will stay closer to the market and clients.

5. Advantages and disadvantages of development and countermeasures

- (1) Advantages

- A. Continuously expanding scope of application of connectors (wires)

The scope of application of connectors (wires) covers many fields, such as consumer electronic products, communication networks, automotive industry, industrial solutions, medical care, cloud servers, and peripherals thereof, and market opportunities can be anticipated.

- B. An excellent management team

The Company has been manufacturing signal transmission cables and wire harness for 30 years or so. Our management team and R&D Department have many years of experience, which contributes to the promotion of the

Company's business and product applications.

C. Close collaboration with major international businesses

With the solid R&D and service foundation, we are deeply trusted by international major businesses and work with them to jointly develop new products, which is conducive to increasing the Company's visibility in the international market.

(2) Disadvantages and countermeasures

A. The structure of raw material costs is mainly dominated by copper and plasticized raw materials, which are commodity. The raw material costs fluctuate with the prices in the international market, making it difficult to predict.

Countermeasures: Keep abreast of the future development trend of commodity, sign long-term supply contracts with upstream suppliers in a timely manner to stabilize material supply sources and purchase prices, and seek new sources of supplies near where production lines are located.

B. Fierce competition in the electronics and information industries with product prices under great pressure

Countermeasures: Develop differentiated, high-value-added application products to raise the technical threshold and promote them to European and American markets to avoid low price competition.

C. Upward pressure of the minimum wages in China and increase in operating costs

Countermeasures: Improve production efficiency, reduce idle working hours, while developing high value-added products to ensure that there are more abundant resources to cope with the movements in operating costs.

(II) Manufacturing process and key purposes of our principal products

1. Key purposes of our principal products:

(1) Signal transmission cables

The Company's main products are SFP cables, waterproof cables, EV cables, LVDS cables, anti-winding cables, HDMI cables, display port cables, SATA cables, IEEE-1394 cables, Lan cables, DVI cables, VGA cables, USB cables, RF cables, DC power cables, camera link cables, HDMI 2.1 cables, HSD cables, low-loss high-frequency coaxial cables, smart rail transit cables, among other signal cables, in the fields of cloud servers, ships, electric vehicles, automotive, industrial control, medical care, solar energy, communication, and consumer electronics. The main functions:

A. Consumer electronic products: Monitors, LCD displays, FDD/HDD, printers, DVD players, TV games, digital TVs (HDTV), digital cameras, digital video cameras (HDV), digital audio-visual systems, and video game consoles.

B. Communication network products: Local area network (LAN), telephone switching systems, and set-top boxes.

C. Automotive industry products: Automotive navigation systems (GPS), surround-view camera systems, in-vehicle data transmission systems, and in-vehicle infotainment systems.

D. Others: Medical care, cloud servers, and peripherals, electric vehicles, marine and outdoor applications, and robot arms.

Main products	Important functions
Display Port Cable, VGA Cable, DVI Cable	Monitors and LCD displays
SATA Cable	FDD/HDD
SFP Cable	Cloud servers and peripherals
USB Cable(USB 4), IEEE-1394 Cable	Printers, keyboards, mice, digital cameras, digital camcorders, mobile phones, game consoles, tablets, and hard disk drives
DC Power Cable	Solar energy
Lan Cable	LAN, switching systems, and set-top boxes
RF cables and 50 Ohm RF coaxial cables: XL-PE, RG174, CSL-100; nitrogen foam PE: CSL-195, CSL200, CSL-240, and 50 Ohm nitrogen foam PTFE RF coaxial cables	Automotive navigation systems (GPS), small 5G base station antenna, underground pipeline locator coaxial cables, and in-vehicle electronic 5G high-frequency coaxial cables
HDMI Cable	Digital TV (HDTV), CD players, digital camcorders (HDV), TV game consoles, mobile phones, and tablets
EV Cable	Electric vehicles
LVDS Cable	Rear parking assist system
USB HOLDER, RTK-031/Fakra, HSD	Automotive autohold cables and RF signal cables
Waterproof cables	Ships and outdoor applications
Flex cables	Robot arms
Industrial camera USB3.0 and camera link cables AOC CAMERA LINK CABLE	High-end industrial cameras (resistant to cable drag chains)
Inspection camera cables Inspection Camera Cable	Pipeline inspection instruments, vision cables for robots, or industrial endoscope cables for other special environment
Vibration Cable	Fence cables
Intelligent rail cables	Metro ticket vending machine
Industrial network cables, cable drag chain servo motor power cables, and encoder cables	Industrial automation equipment, such as surface mount systems and robotic arms.
AOC HDMI 2.0/2.1 /3.1 Cable	4K HD devices, such as 4K TVs, 4K monitors, and 4K projectors
AOC USB AM to Mirco-B	Industrial vision systems, such as industrial cameras, and high-definition cameras
Medical blood oxygen signal cables and audio and video signal transmission cables	Medical devices and medical device displays
TC-ER solar energy storage cables	Cables for solar power supply, instrumentation, and control cabinets.

(2) Signal transmission cable set

The Company's main products are transmitter wire harness, signal and DC power cables, in the fields of consumer electronics, communications, automotive, cloud, medical care, and industrial control

According to the places where cables are used, there are the categories below:

A. Video transmission wire harness, such as display port cables, DVI cables, and

HDMI cables.

- B. Network communication transmission cables, such as Lan cables.
- C. Internal transmission cables include cable harness and wire harness.
- D. Other types of transmission cables, such as USB cables, Type C, SFP cables, medical device cables, and wire harness.

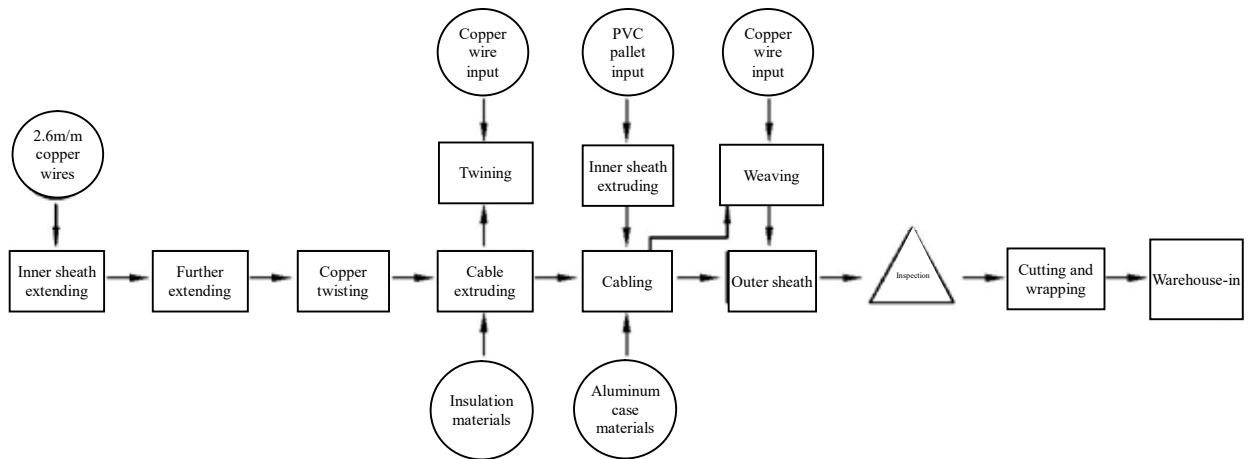
The main functions are shown in the table below (classified based on how products are used):

Category	Main products	Important functions
Consumer electronic products	Cable harness (LVDS cables)	Monitors and internal computer cables
	DVI Cable	Monitors and LCD displays
	Display Port Cable	LCD displays
	HDMI Cable	Digital TV, digital camcorders, digital audio-visual systems, and video game consoles
	USB Cable	Printers, keyboards, mice, digital cameras, digital camcorders, and monitors
	AOC HDMI 2.0 /2.1 /3.1 Cable	4K HD equipment
	HDMI 2.1, Type C	HD camcorders, AR, VR, and UAV industrial control equipment
Communication products	LAN Cable	LAN communication switching systems, computer network jumpers, and game consoles
Automotive cables	Automotive electronic connection cables	Automotive audio-video systems, automotive electronic 5G transmission, automotive mobile phone chargers, satellite navigation, parking sensors, extended audio-video peripherals, adapters, and car lights
Server products	SFP Cable, SAS Cable	Cloud servers and peripherals
Medical products	Wire harness, medical device cables, and brain tumor treatment equipment wire harness	Medical device and electronic equipment
Industrial control	Wire Harness, Electric control cabinet wiring harness	Industrial control (resistant to cable drag chains) and gambling or machine tool control centers
Industrial cameras	USB 3.0, Camera Link Cable, AOC USB AM to Mirco-B AOC CAMERA LINK CABLE	High-end industrial cameras (resistant to cable drag chains), Yamaha high-speed motion camera wire harness, and industrial vision systems

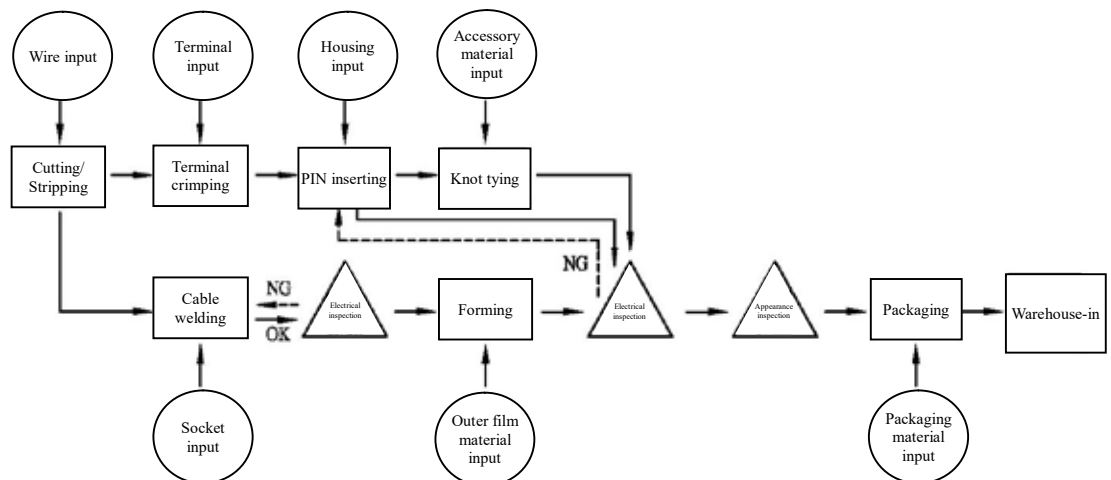
The manufacturing process of key products:

Transmission cables and transmission wire harness manufacturing process

A. Information and communication transmission cables



B. Information and communication signal transmission wire harness



Copper materials, PVC powder, plasticizer, aluminum foil, and PE are the main raw materials of the Company (including subsidiaries). Our raw material suppliers are domestic and overseas agents or manufacturers. The main copper material suppliers are Sci Copper (Guangzhou) Co., Ltd., Cedar Holdings Group, Rongxing High Conductivity Technology (Jiangsu) Co., Ltd., and Jiangxi Copper Corp.; PVC powder suppliers include Taizhou Union; plasticizer suppliers include Zhongshan Union. As the supply of main raw materials changes with the international market trends, the Company uses the main raw materials timely and appropriately at affordable prices and keep abreast of the sources of the most stable suppliers' supply. Due to long-term close partnerships, their supply is quite stable.

(IV) The names of suppliers (clients) with purchases (sales) accounting for at least 10% of the total in any of the last two years, the amount and percentage of the purchases (sales), and reason for increase/ decrease

1. Information on major suppliers in the last two years (based on the consolidated financial statements)

Unit: NT\$ thousand

	2021				2022				2023 up to March 31, 2023 (Note 2)			
Item	Name	Amount	Ratio to net purchases in the whole year (%)	Relationship to the issuer	Name	Amount	Ratio to net purchases in the whole year (%)	Relationship to the issuer	Name	Amount	As a percentage of total net purchases for 2023 up to the prior quarter of 2023 (%)	Relationship to the issuer
1	A	1,096,696	34.13	None	A	809,194	30.89	None	A	198,065	33.38	None
	Other	2,116,470	65.87		Other	1,810,076	69.11		Other	395,250	66.62	
	Net purchase	3,213,166	100.00		Net purchase	2,619,270	100.00		Net purchase	593,315	100.00	

Note 1: If the name of a supplier cannot be disclosed due to the contractual agreement or as a transaction counterparty is an individual and not a related party, it may be indicated with a code.

Note 2: The consolidated financial statements for 2023 Q1 were reviewed by a CPA.

2. Major clients in the last two years (based on the consolidated financial statements)

Unit: NT\$ thousand

Item	2021				2022				2023 up to March 31, 2023 (Note)			
	Name	Amount	Ratio to net sale in the whole year (%)	Relationship to the issuer	Name	Amount	Ratio to net sale in the whole year (%)	Relationship to the issuer	Name	Amount	As a percentage of total net sales for 2023 up to the prior quarter of 2023 (%)	Relationship to the issuer
1	None				None				None			
	Other	4,849,634	100		Other	4,166,649	100		Other	901,529	100	
	Net sales	4,849,634	100		Net sales	4,166,649	100		Net sales	901,529	100	

Note: The consolidated financial statements for 2023 Q1 were reviewed by a CPA.

(V) Production value for the last two years

Unit: In thousands of pieces/ NT\$ thousand

Unit: in thousands of pieces / NPS thousand									
Production value	Year	Unit	2021			2022			
			Capacity	Output	Output value	Capacity	Output	Output value	
Key Products									
Information and communication transmission cables			M	464,444	245,107	2,339,970	335,509	176,367	1,751,370
Information and communication signal transmission wire harness			PCS	6,993	6,326	347,675	5,653	4,900	297,981
Plastic pellets			KG	40,277	36,880	888,057	36,357	28,855	849,920
Other					2,790	495,704		3,444	713,586
Total						4,071,406			3,612,857

Note: Others refer to products, such as raw materials, PVC powder, copper materials, as well as machine parts and accessories.

(VI) Sales in the last two years

Unit: In thousands of pieces/ NT\$ thousand

Sales volume and value Key Products		Year	Unit	2021				2022			
				Domestic sales		Export		Domestic sales		Export	
				Volume	Value	Volume	Value	Volume	Value	Volume	Value
Information and communication transmission cables		M	2,144	35,167	275,415	2,619,275	2,676	38,293	187,921	2,047,066	
Information and communication signal transmission wire harness		PCS	1,969	75,747	7,324	546,569	1,639	53,095	5,322	490,476	
Plastic pellets		KG	3,053	36,426	34,024	995,522	786	6,297	27,618	761,883	
Other					2,686	540,928			3,372	769,539	
Total				147,340		4,702,294		97,685		4,068,964	

Note: Others refer to products, such as raw materials, PVC powder, copper materials, as well as machine parts and accessories.

III. Information on employees during the last two years and up to the publication date of this annual report (provided by the Human Resources Department)

May 15, 2023; unit: person

Year		2021	2022	As of May 15, 2023
Number of employees (Note)	General employees (including team leaders)	37	36	37
	Managers at the section manager level	8	10	9
	Managers at the assistant Manager level or above	40	44	44
	Total	85	90	90
Average age		43.82	43.82	44.56
Average years of service		10.01	10.01	9.94
Academic qualification (%)	Doctoral Degree	0	0	0
	Master's Degree	9.41	7.78	5.56
	Bachelor's Degree	72.94	71.11	73.33
	High school	15.30	18.89	18.89
	Below high school	2.35	2.22	2.22

Note: The number of employees includes Taiwanese managers.

IV. Environmental Spending

Any losses (including compensation and environmental protection audit results in violation of environmental laws and regulations; the date of penalty, penalty document number, applicable law violated, content of the law, and content of penalty shall be disclosed) incurred due to environmental pollution during the last year and up to the publication date of this annual report, the currently estimated amount and future potential amount, and future countermeasures. If such amounts cannot be reasonably estimated, the fact that they cannot be estimated shall be explained: None.

V. Employee-employer relationship:

- (I) The Company's various employee benefit measures, continuing education, training, pension system, and implementation thereof, as well as labor-management agreements and various employee rights protection measures: Great

1. Employee benefits

- (1) The Company has established the Employee Welfare Committee since January 1, 2005 and allocates funds to it on a monthly basis to regularly organize employee welfare events and activities. It draws up detailed benefit plans and prepares a budget per year.
- (2) Year-end bonus and remuneration payout regulations.
- (3) Wedding and funeral cash gifts and condolence money.
- (4) Labor health insurance and group insurance.
- (5) Domestic and overseas travel subsidies.

- (6) Cash gifts and gifts upon major holidays.
- (7) Birthday cash gifts and parties.
- (8) Year-end and spring parties.
- (9) Regular health examination.

2. Training system

- (1) Pre-employment training: It is to enable new recruits to have a comprehensive understanding of the Company's organizational structure, business approaches, entrepreneurship, and systems and rules on their first day of work.
- (2) On-the-job training: It is to improve employees' work skills, professional knowledge, and familiarity with new laws and regulations.

3. The certificates and licenses designated by competent authorities obtained our personnel related to financial transparency are as follows:

Certificates and licenses	Number of people
Certified internal auditor (CIA)	1

4. The code of conduct and ethics for employees:

- (1) The Company's Human Resources Management Regulations require that employees help each other wholeheartedly and be modest and diligent; the code of ethical conduct for employees regulates that employees should abide by professional ethics standards, to gain the trust of the public and enhance the corporate image.
- (2) Employees should respect the Company's reputation and must not deceive others or use their powers to seek personal gain or be involved in fraud in the name of the Company; that they should be modest in interacting external parties and must not be arrogant and insulting them to tarnish the Company's reputation; that they must not accept gifts from clients, competitors, or suppliers or borrow money from the above parties; that they should not use or spend the Company's funds for purposes not related to work.
- (3) Employees should be dedicated to their duties and not disclose all the secrets of the Company's business and production technology to the outside world; unless specifically approved, they should not concurrently hold positions outside the Company or be involved in affairs other than work in the name of the Company.

5. Work environment and personal safety protection measures:

- (1) Employee safety protection is regarded as the top priority for the Company's office environment. Each entrance and exit is equipped with an access control system, with a strict around-the-clock access control monitoring system installed to ensure employees' personal safety.
- (2) The entrance and exit of the Company's office building are controlled by security personnel at night and on holidays to maintain the public security of the building.
- (3) The Company entrusts a professional company to inspect public security every two years in accordance with the building public security inspection certification and reporting regulations and obtains the building public security independent management inspection mark.

- (4) The Company's various electromechanical or fire-fighting equipment (such as fire alarms or fire extinguishers) are in accordance with the Fire Services Act; the Company outsources the repair or maintenance work to a professional agency from April to June per year and report to the competent authority, while inspecting and maintaining the air-conditioning equipment between June and August per year and water dispensers every two months and organizing fire exercises every six months.
 - (5) The Company prohibits smoking at all our business premises in accordance with regulations and hire cleaning personnel to clean the office environment every day to ensure that the work environment is clean and hygienic.
 - (6) The Company provides hygiene products, such as alcohol and masks, to employees at the offices. If employees have cold symptoms, they need to wear a mask to prevent other colleagues from being infected with a cold.
 - (7) The Company regards safety and health as the management team's most important responsibility and firmly believe that employees are the Company's most valuable assets. We organize employee health examination per year and continue to care for employees' physical and psychological health, to build a healthy enterprise full of vitality.
 - (8) The Company attaches great importance to the harmony and growth of labor-management relations and hold a labor-management meeting every three months to enhance labor-employment collaboration.
 - (9) The Company has formulated the Regulations for Establishing Measures of Prevention, Correction, Complaint and Punishment of Sexual Harassment at Workplace to protect employees' rights.
 - (10) In addition to purchasing labor and health insurance according to the law, the Company purchases group insurance for each employee. If employees are on a business trip, we also purchase additional travel insurance to protect them.
 - (11) The Company also purchases commercial fire insurance, plus theft insurance for the Company's offices and plants.
6. Pension system: It is handled as per the Labor Standards Act and the Labor Pension Act.
- (1) Those who retire under the Labor Standards Act:
 - A. The Company makes a monthly contribution, equal to 2% of all employees' total monthly salaries, and has established a Supervisory Committee of Labor Retirement Reserve.
Each employee is granted two base points for each full year of work according to the number of working years. However, those who have worked for 15 years or above will be granted a base point for each full year of work, and the maximum total number of the base points is 45. The length of work less than half a year is counted as half a year; half a year or above is counted as one year.
 - B. For those who retire mandatorily with their physical and psychological disabilities caused during the performance of duties, an additional 20% of the pension shall be paid in accordance with the provisions of the preceding paragraph.
 - C. The standard for the pension amount is subject to the average monthly salary when the retirement is approved.
 - (2) Those who retire under the Labor Pension Act:

- A. The Company makes monthly contributions, equal to 6% of the total monthly salaries of employees, to their pension accounts with the Bureau of Labor Insurance.
- B. Employees who have reached the age of 60 and have worked for 15 years or above may apply for the monthly pension scheme. However, those who have worked for fewer than 15 years shall only apply for pension in a lump sum.
- C. The number of years of work in the preceding paragraph shall be based on the number of years of contribution to the pension funds. If there is an interruption in the number of years of work, the number of years of work before and after the interruption shall be counted together.

Employees who have adopted the pension scheme under the Labor Standards Act before the implementation of the Labor Pension Act, still served at the same business after the Labor Pension Act took effect, and chose to adopt the pension scheme under the Labor Pension Act, the number of years of their work before said act took effect, should be retained.

7. Labor-management agreements and various employee rights protection measures: Positive.

- (1) We regularly hold labor-management meetings to establish a labor-management negotiation mechanism.
- (2) We have an employee grievance system in place to improve labor-management relations and gender equality at work.
- (3) We have the work rules and the Human Resources Management Regulations in place to clearly define both employer and employees' rights, obligations, and management tasks, to enable employees to fully understand and protect their rights and interest.

- (II) Any losses (including labor inspection results in violation of the Labor Standards Act; the date of penalty, penalty document number, applicable law violated, content of the law, and content of penalty shall be disclosed) incurred due to labor disputes during the last year and up to the publication date of this annual report, the currently estimated amount and future potential amount, and future countermeasures. If such amounts cannot be reasonably estimated, the fact that they cannot be estimated shall be explained:

Since the Company was established, the labor-management relations have been harmonious, and no loss has been incurred due to labor disputes. It is estimated that the possibility of losses due to labor disputes in the future is extremely low.

VI. ICT security management

- (I) Describe the ICT security risk management framework, the ICT security policy, specific management plan and the resources invested in the ICT security management, etc.

- (1) Cyber security risk management framework

The Company's information security unit is the Information Management Division, which is responsible for formulating the Company's information security system, establishing a secure and reliable business operating environment, and ensuring the security of data, systems, and network environments. The Audit Division is an information security supervisory unit and conducts annual audits and assessments to ensure its suitability and security.

- (2) Cyber security policy

- A. The login account and password are required to use the Company's system resources within the scope of access permissions to maintain system

security and controllability.

- B. User passwords can be updated at any time. The Information Department regularly reminds users of changing their passwords and the information security policy and rules.
- C. Various network services are handled in accordance with the information security policy, and different departments are given different access permissions based on their attributes.
- D. We regularly review the settings of firewalls and email gateways and timely reinforce their security mechanisms to ensure the security of the Company's network environment and email delivery.
- E. We carry out the virus detection and scanning tasks in real time automatically for the operating systems, network environments, and emails.
- F. We regularly update the anti-virus software version and update the latest virus pattern at any time.
- G. We back up system data automatically per day.
- H. The Information Management Division stores the external storage media for important backups in the security boxes of public or private banks with good reputation and updates the above media at least once per week.
- I. We have established a remote backup mechanism for important system data and store the data in a remote backup service provider's IDC.

(3) Specific management plans

- A. Hardware equipment and data center management
 - a. Without information personnel's permission, it is not allowed to move or disassemble computers, hosts, monitors, among other computer peripherals.
 - b. It is not allowed to change the relevant settings of the computer system without consent, and if necessary, it should be handled with information personnel's assistance.
 - c. The data center is equipped with an independent air-conditioning and a backup air-conditioning, a security surveillance, an access control, and uninterruptible power supply systems, and firefighting equipment; we regularly repair or maintain the equipment, to allow the center to continue to operate normally and securely.
 - d. When a person enters and leaves the data center, they should be escorted by the Company's information personnel and need to fill out the data center access control form.
 - e. When a service provider is to maintain software or hardware, they should be escorted and supervised by the Company's information personnel.
- B. Software version management
 - a. Any software system not obtained through legal procedures is strictly prohibited in the Company.
 - b. Software that has not been confirmed by the information unit, regardless of whether it is legal or not, may not be installed on the Company's computers.
 - c. Public software and documents are stored in a safe place of the Information Management Division and properly kept.
- C. Virus and illegal intrusion and email management
 - a. The personal computers and servers used by all our employees are equipped with anti-virus software, and anti-virus software is also used to detect viruses in external storage media. The latest version of the virus

pattern is automatically updated. The Company has an anti-spam system in place, and each email sent or received through our email server and files attached thereto will be sent or received after being scanned.

- b. We detect and block all illegal intrusion into the Company's network around the clock and adjust the defense mechanism in a timely manner.

D. Major disaster emergency response and recovery plan management

In response to unexpected accidents that cause a system to fail to operate normally, the Company has formulated a disaster emergency response and recovery plan, tests the plan with simulated scenarios, records the test procedures and results, and analyzes the improvement procedures to minimize the impact of disasters on the Company's information operations.

(4) Resources put in information security management

We prepare a budget for information operations per year to maintain and reinforce information security protection, such as renewal of software and hardware repair and maintenance contracts and replacement of relevant data center equipment.

- (II) List the losses, possible impacts, and countermeasures from major ICT security incidents in the last year and up to the publication date of the annual report. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided:

The Company did not encounter any major information security incidents that would affect the operations during 2022.

VII. Important contract

Contract nature	Participants	Contract start and end dates	Main contents	Restrictive clauses
Loan contract	Chang Hwa Bank and other five participating banks	November 21, 2022- November 21, 2027 Five years from the date of first drawdown (revolving credit)	A syndicated loan of NT\$ 1 billion or equivalent in USD	During the duration of the syndicated loan case, the current ratio, debt ratio, and interest coverage ratio in the Company's Q2 and annual consolidated financial statements should meet the requirements in the loan contract.
Loan contract	Mega International Commercial Bank	January 9, 2020- January 9, 2027 Seven years from the date of first drawdown (non-revolving credit)	Loan Project for Welcoming Overseas Taiwanese Businesses to Return Investment in Taiwan of NT\$129 million	None

Chapter VI Financial status

I. Condensed balance sheet, statement of comprehensive income, names and audit opinions of the CPAs for the last five years

(I) Condensed balance sheet and statement of comprehensive income

Condensed balance sheet

Unit: NT\$ thousand

Year Item		Financial information for the last 5 years					Financial data for 2023 up to March 31, 2023 (Note 1)
		2018	2019	2020	2021	2022	
Current assets		3,290,006	3,207,729	3,440,796	3,325,198	3,193,018	3,111,812
Property, plant and equipment		443,383	446,243	414,498	570,804	701,327	854,709
Intangible assets		6,768	5,718	4,566	4,446	5,067	5,004
Other assets		89,000	242,953	245,284	494,229	549,812	556,161
Total assets		3,829,157	3,902,643	4,105,144	4,394,677	4,449,224	4,527,686
Current liabilities	Before dividend distribution	1,385,131	1,539,091	1,647,160	1,684,735	1,585,921	1,689,950
	After dividend distribution	1,470,131	1,581,591	1,689,660	1,710,235	1,629,696 (Note 2)	1,733,725 (Note 2)
Non-current liabilities		458,222	527,151	543,393	767,720	923,530	917,306
Total liabilities	Before dividend distribution	1,843,353	2,066,242	2,190,553	2,452,455	2,509,451	2,607,256
	After dividend distribution	1,928,353	2,108,742	2,233,053	2,477,955	2,553,226 (Note 2)	2,651,031 (Note 2)
Equity attributable to owners of the parent company		1,973,406	1,822,712	1,903,215	1,930,630	1,930,024	1,910,620
Share capital		850,000	850,000	850,000	850,000	875,500	875,500
Capital surplus	Before dividend distribution	423,087	423,087	424,230	424,230	424,230	424,230
	After dividend distribution	423,087	423,087	424,230	424,230	380,455 (Note 2)	380,455 (Note 2)
Retained earnings	Before dividend distribution	914,564	878,201	916,268	955,118	883,636	850,168
	After dividend distribution	829,564	835,701	873,768	929,618	883,636	850,168
Other equity interests		(214,245)	(328,576)	(287,283)	(298,718)	(253,342)	(239,278)
Treasury stock		-	-	-	-	-	-
Non-controlling interests		12,398	13,689	11,376	11,592	9,749	9,810
Total equity	Before dividend distribution	1,985,804	1,836,401	1,914,591	1,942,222	1,939,773	1,920,430
	After dividend distribution	1,900,804	1,793,901	1,872,091	1,916,722	1,895,998 (Note 2)	1,876,655 (Note 2)

Note 1: The consolidated financial statements for 2023 Q1 were reviewed by a CPA.

Note 2: The company's 2022 cash distribution from capital surplus approved by the Board of directors on March 29, 2023, then will report on the shareholders meeting.

Condensed consolidated statements of comprehensive income

Unit: NT\$ thousand

Item \ Year	Financial information for the last 5 years					Financial data for 2023 up to March 31, 2023 (Note 1)
	2018	2019	2020	2021	2022	
Revenue	4,096,096	3,529,149	3,597,629	4,849,634	4,166,649	901,529
Gross profit (Note 2)	763,748	658,122	714,789	799,868	617,607	127,980
Operating income (loss)	188,720	93,375	122,233	127,465	(54,321)	(27,264)
Non-operating income and expenses	26,954	12,929	19,045	14,435	38,448	(6,331)
Net income (loss) before tax	215,674	106,304	141,278	141,900	(15,873)	(33,595)
Current net income from continuous operations	122,610	51,106	81,408	82,084	(24,634)	(33,451)
Gain(loss) from discontinued operations	-	-	-	-	-	-
Current net income (loss)	122,610	51,106	81,408	82,084	(24,634)	(33,451)
Other comprehensive income in the current period (net amount after tax)	(40,693)	(115,509)	42,188	(11,953)	47,685	14,108
Total comprehensive income	81,917	(64,403)	123,596	70,131	23,051	(19,343)
Net income (loss) attributable to parent owner	116,663	49,211	79,942	81,823	(22,606)	(33,468)
Net income (loss) attributable to non-controlling interests	5,947	1,895	1,466	261	(2,028)	17
Total comprehensive income attributable to owners of the parent company	77,123	(65,694)	121,860	69,915	24,894	(19,404)
Total comprehensive income attributable to non-controlling interests	4,794	1,291	1,736	216	(1,843)	61
Earnings (loss) per share (NTD) (NT\$) (Note 3)	1.37	0.58	0.94	0.93	(0.26)	(0.38)

Note 1: The consolidated financial statements for 2023 Q1 were reviewed by a CPA.

Note 2: It includes the profit on sales that have been (un)realized.

Note 3: It is the earnings per share adjusted based on the weighted average number of ordinary shares.

(II) Condensed parent company-only balance sheets and parent company-only statement of comprehensive income - IFRS

Condensed Parent Company-Only Balance Sheet - IFRS

Unit: NT\$ thousand

Year Item		Financial information for the last 5 years				
		2018	2019	2020	2021	2022
Current assets		707,016	641,162	666,143	639,840	697,546
Property, plant and equipment		147,482	187,423	177,868	171,657	160,177
Intangible assets		-	80	51	22	-
Other assets		3,407,162	3,421,971	3,667,765	3,807,024	3,912,547
Total assets		4,261,660	4,249,636	4,511,827	4,618,521	4,770,270
Current liabilities	Before dividend distribution	1,291,716	1,429,962	1,562,850	1,636,996	1,651,657
	After dividend distribution	1,376,716	1,472,462	1,065,350	1,662,496	1,695,432 (Note)
Non-current liabilities		996,538	996,962	1,045,762	1,050,895	1,188,589
Total liabilities	Before dividend distribution	2,288,254	2,426,924	2,608,612	2,687,891	2,840,245
	After dividend distribution	2,373,254	2,469,424	2,651,112	2,713,391	2,884,020 (Note)
Equity attributable to owners of the parent company		-	-	-	-	-
Share capital		850,000	850,000	850,000	850,000	875,500
Capital surplus	Before dividend distribution	423,087	423,087	424,230	424,230	424,230
	After dividend distribution	423,087	423,087	424,230	424,230	380,455 (Note)
Retained earnings	Before dividend distribution	914,564	878,201	916,268	955,118	883,636
	After dividend distribution	829,564	835,701	873,768	929,618	883,636
Other equity interests		(214,245)	(328,576)	(287,283)	(298,718)	(253,342)
Treasury stock		-	-	-	-	-
Non-controlling interests		-	-	-	-	-
Total equity	Before dividend distribution	1,973,406	1,822,712	1,903,215	1,930,630	1,930,024
	After dividend distribution	1,888,406	1,780,212	1,860,715	1,905,130	1,886,249 (Note)

Note: The company's 2022 cash distribution from capital surplus approved by the Board of directors on March 29, 2023, then will report on the shareholders meeting.

Condensed Parent Company-Only Statement of Comprehensive Income - IFRS

Unit: NT\$ thousand

Item \ Year	Financial information for the last 5 years				
	2018	2019	2020	2021	2022
Revenue	668,484	410,598	305,892	310,027	255,558
Gross profit (Note 1)	86,196	53,308	27,094	42,004	28,922
Operating income (loss)	(31,981)	(60,195)	(111,844)	(60,660)	(77,810)
Non-operating income and expenses	145,321	96,646	171,071	129,654	40,951
Net income (loss) before tax	113,340	36,451	59,227	68,994	(36,859)
Current net income from continuous operations	116,663	49,211	79,942	81,823	(22,606)
Gain(loss) from discontinued operations	-	-	-	-	-
Current net income (loss)	116,663	49,211	79,942	81,823	(22,606)
Other comprehensive income in the current period (net amount after tax)	(39,540)	(114,905)	41,918	(11,908)	47,500
Total comprehensive income	77,123	(65,694)	121,860	69,915	24,894
Net income attributable to owners of the parent company	-	-	-	-	-
Net income attributable to non-controlling interests	-	-	-	-	-
Total comprehensive income attributable to owners of the parent company	-	-	-	-	-
Total comprehensive income attributable to non-controlling interests	-	-	-	-	-
Earnings (loss) per share (NTD) (Note 2)	1.37	0.58	0.94	0.93	(0.26)

Note 1: It includes the profit on sales that have been (un)realized.

Note 2: It is the earnings per share adjusted based on the weighted average number of ordinary shares.

(III) Names and audit opinions of the CPAs for the last five years

Year	Auditor's firm	CPA	Opinion
2018	Deloitte & Touche	Huang, Yu-Feng; Chen, Ming-Hui	Unqualified opinion
2019	Deloitte & Touche	Tsai, Mei-Chen; Chen, Ming-Hui	Unqualified opinion
2020	Deloitte & Touche	Tsai, Mei-Chen; Chen, Ming-Hui	Unqualified opinion
2021	Deloitte & Touche	Tsai, Mei-Chen; Chen, Ming-Hui	Unqualified opinion
2022	Deloitte & Touche	Tsai, Mei-Chen; Huang, Yu-Feng	Unqualified opinion

II. Financial analysis for the last 5 years

(I) Consolidation Financial Analysis - IFRS

Analysis item (Note 2) \ Year		Financial analysis for the last 5 years					2023 up to March 31, 2023 (Note 1)
		2018	2019	2020	2021	2022	
Financial structure (%)	Debt to assets ratio	48.14	52.94	53.36	55.81	56.40	57.58
	Ratio of long-term capital to property, plant and equipment	551.22	529.66	593.00	474.76	408.27	332.01
Solvency (%)	Current ratio	237.52	208.42	208.89	197.37	201.34	184.14
	Liquid ratio	209.44	182.49	179.35	164.44	173.50	155.90
	Interest coverage ratio	15.49	5.82	8.12	7.25	0.56	(2.00)
Operating ability	Turnover rate of accounts receivable (times)	2.33	2.17	2.19	2.65	2.45	2.53
	Number of days in average cashing.	157	168	167	138	149	144
	Rate of stock turnover (times)	9.88	9.32	8.69	10.10	9.29	9.13
	Rate of payable turnover (times)	11.40	10.07	8.78	13.24	14.18	12.83
	Average number of days in sales.	37	39	42	36	39	40
	Rate of real estate, plant buildings and equipment (times)	9.59	7.93	8.36	9.84	6.55	4.64
	Rate of turnover rate for total assets (times)	1.08	0.91	0.90	1.14	0.94	0.80
Profitability	Return on assets (%)	3.53	1.78	2.43	2.36	0.09	(0.55)
	Return on equity (%)	6.03	2.67	4.34	4.26	(1.27)	(1.73)
	Ratio of net income (loss) before tax to the paid-in capital (%) (Note7)	25.37	12.51	16.62	16.69	(1.81)	-
	Net income (loss) rate (%)	2.99	1.45	2.26	1.69	(0.59)	(3.71)
	Earnings (loss) per share (NTD)	1.37	0.58	0.94	0.93	(0.26)	(0.38)
Cash flow	Cash flow ratio (%)	19.18	21.11	-	-	42.26	8.60
	Cash flow adequacy ratio (%)	124.82	113.40	83.65	50.02	102.88	95.25
	Cash reinvestment ratio (%)	4.96	8.39	-	-	20.27	4.58

Leverage	Business operation leverage	4.95	9.20	6.91	7.77	(14.22)	-
	Financial leverage	1.09	1.31	1.19	1.22	0.60	-

Please specify the reasons for the movements in various financial ratios in the last two years (if the movement does not reach 20%, an analysis is not required)

1. Ratio of long-term capital to property, plant and equipment: The decrease of this ratio is mainly due to that there are plant construction in Jiangxi and Dongtai area.
2. Interest cover multiple: The decline in interest cover multiple is mainly due to loss before tax in 2022.
3. Turnover of real estate, plant and equipment: The decrease in real estate, plant and equipment turnover is mainly due to lower revenue in 2022 compared to 2021.
4. Return on total assets, net earnings and earnings per share: The decline in return on assets, net earnings and earnings per share is mainly due to loss after-tax in 2022.
5. Cash flow allowance ratio: The increase in this ratio is mainly due to lower revenue in 2022, enhanced receivables collection and inventory sales.

Note 1: The consolidated financial statements for 2023 Q1 were reviewed by a CPA.

Note 2: The calculation formulas are as follows:

1. Financial structure
 - (1) The ratio of total liabilities to total assets = Total liabilities / Total assets
 - (2) Ratio of long-term capital to property, plant and equipment = (Total equities + noncurrent liabilities) / Property, plant and equipment.
2. Solvency
 - (1) Current ratio = Current assets / Current liabilities.
 - (2) Quick ratio = (Current assets - Inventories - Prepaid expense) / current liabilities.
 - (3) Interest coverage ratio = Net profit before interest and tax / Interest expenses for the current period.
3. Operating ability
 - (1) Accounts receivable turnover (including accounts receivable and notes receivable from operating activities) = Net sales / Balance of average accounts receivable in each period (including accounts receivable and notes receivable from operating activities).
 - (2) Number of days in averaged cashing = 365 / Turnover rate of account receivable.
 - (3) Inventory turnover rate = Sales cost / Averaged inventory amount.
 - (4) Turnover rate of the payables (Including accounts payable and the notes payable incurred by business operation) = Sales cost / Balance of the payables averaged in various term (Including accounts payable and the notes payable incurred by business operation).
 - (5) Number of days on averaged sales = 365 / Inventory turnover rate.
 - (6) Turnover rate of real estate, plants and equipment = Net amount of sales / Averaged net amount for the real estate, plants and equipment.
 - (7) Overall asset turnover rate = Net amount of sales / Total of average assets.
4. Profitability
 - (1) Return on assets = (After tax net profit + Interest expenses x (1 - tax rate)) / Average asset balance.
 - (2) Return on shareholders' equity = After tax net profit / Total average equity.
 - (3) Profit margin = Profit or loss after tax / Net sales.
 - (4) Earnings per share = (Profits or loss attributable to owners of the parent company - Preferred stock dividend) / Weighted average stock shares issued.
5. Cash flow
 - (1) Cash flow ratio = Net cash flow from operating activities / current liabilities.
 - (2) Cash flow adequacy ratio = Net cash flow from operating activities within five years / (Capital expenditure + Inventory increase + Cash dividend) within five years.
 - (3) Cash re-investment ratio = (Net cash flow from operating activity - Cash dividend) / gross property, Plant, and equipment + Long-term investment + Other non-current

assets + Working capital).

6. Leverage:

- (1) Operation leverage = $(\text{Net amount of operating revenues} - \text{Variable operating costs and expenses}) / \text{Operating profit}$.
- (2) Financial leverage = $\text{Operating profit} / (\text{Operating profit} - \text{Interest expenses})$.

(II) Parent Company-Only Financial Analysis - IFRS

<div> <div>Year(Note 1)</div> <div>Analysis item (Note 2)</div> </div>		Financial analysis for the last 5 years				
		2018	2019	2020	2021	2022
Financial structure (%)	Debt to assets ratio	53.69	57.11	57.82	58.20	59.54
	Ratio of long-term capital to property, plant and equipment	2,013.77	1,504.44	1,657.96	1,736.91	1,946.98
Solvency (%)	Current ratio	54.73	44.84	42.62	39.09	42.23
	Liquid ratio	54.41	44.43	41.92	37.91	41.12
	Interest coverage ratio	8.83	3.76	5.31	6.30	(0.94)
Operating ability	Turnover rate of accounts receivable (times)	3.65	2.98	3.01	4.46	4.68
	Number of days in average cashing.	100	122	121	82	78
	Rate of stock turnover (times)	1,665.68	629.95	203.74	36.35	22.52
	Rate of payable turnover (times)	10.62	9.05	7.49	8.54	7.49
	Average number of days in sales.	-	1	2	10	16
	Rate of real estate, plant buildings and equipment (times)	4.53	2.45	1.67	1.77	1.54
	Rate of turnover rate for total assets (times)	0.16	0.10	0.07	0.07	0.05
Profitability	Return on assets (%)	3.05	1.40	2.08	2.02	(0.16)
	Return on equity (%)	5.86	2.59	4.29	4.27	(1.17)
	Ratio of net income (loss) before tax to the paid-in capital (%) (Note6)	13.33	4.29	6.97	8.12	(4.21)
	Net income (loss) rate (%)	17.45	11.99	26.13	26.39	(8.85)
	Earnings (loss) per share (NTD)	1.37	0.58	0.94	0.96	(0.26)
Cash flow	Cash flow ratio (%)	1.03	-	-	-	-
	Cash flow adequacy ratio (%)	5.43	4.93	3.16	3.26	3.96
	Cash reinvestment ratio (%)	-	-	-	-	-
Leverage	Business operation leverage	-	-	-	-	0.10
	Financial leverage	-	-	-	-	0.80

Please specify the reasons for the movements in various financial ratios in the last two years (if the movement does not reach 20%, an analysis is not required)

1. Interest cover multiple: The decline in interest cover multiple is mainly due to loss before tax in 2022.
2. Inventory turnover ratio, average days of sales: Mainly due to reduced revenue and cost of goods sold in 2022 affected by the Russia-Ukraine war, high inflation and the pandemic.
3. Asset turnover ratio: The decrease in this ratio is mainly due to lower revenue in 2022 compared to 2021.
4. Return on total assets, net earnings and earnings per share: The decline in return on total assets, net earnings and earnings per share is mainly due to loss after-tax in 2022.
5. Cash flow allowance ratio: The increase in this ratio is mainly due to lower revenue in 2022, enhanced receivables collection and inventory sales.

Note 1: The above financial data from 2018 through 2022 has been certified by CPAs.

Note 2: The formulas in this table are the same as those in the above consolidated financial analysis.

III. Audit Committee's Review Report on the Last Year's Financial Statements

Auditing Committee's audit report

The Board of directors of the company delivers the 2022 business report, financial statements and consolidated financial statements and surplus distribution, etc., the financial statements and consolidated financial statements have been DELOITTE & TOUCHE and issued an unreserved opinion audit report.

The above-mentioned business report, financial statements and consolidated financial statements and surplus distribution has been audited by the board and found to be correct, therefore, report according to Section 14-4 of the Securities Trading Act and section 219 of the Companies Act.

Copartner Technology Corp.

Convener of Audit Committee: Chien-Jan, Li

March 29, 2023

IV. The last year's financial statements and tables

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

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	-		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	875,500	20	850,000	19
						3200	Capital surplus	424,230	10	424,230	10
							Retained earnings				
						3310	Legal reserve	272,605	6	264,470	6
						3320	Special reserve	298,718	7	287,283	7
						3350	Unappropriated retained earnings	312,313	7	403,365	9
						3300	Total retained earnings	883,636	20	955,118	22
						3400	Other equity interests	(253,342)	(6)	(298,718)	(7)
						31XX	Total equity of owners of the parent company	1,930,024	44	1,930,630	44
						36XX	Non-controlling interests	9,749	-	11,592	-
						3XXX	Total equity	1,939,773	44	1,942,222	44
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>

Chairman: Ho, Chun-Hsien

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

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
8310	Other comprehensive income 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				Unappropriated 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								
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>December 31, 2022</u>	<u>December 31, 2021</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:

	2022	2021
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%	-
	Sunagaru International Inc. (Sunagaru)	General international trade business	-	100%	Note 1
Hotek Technology Corp.	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%	-
	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%	-

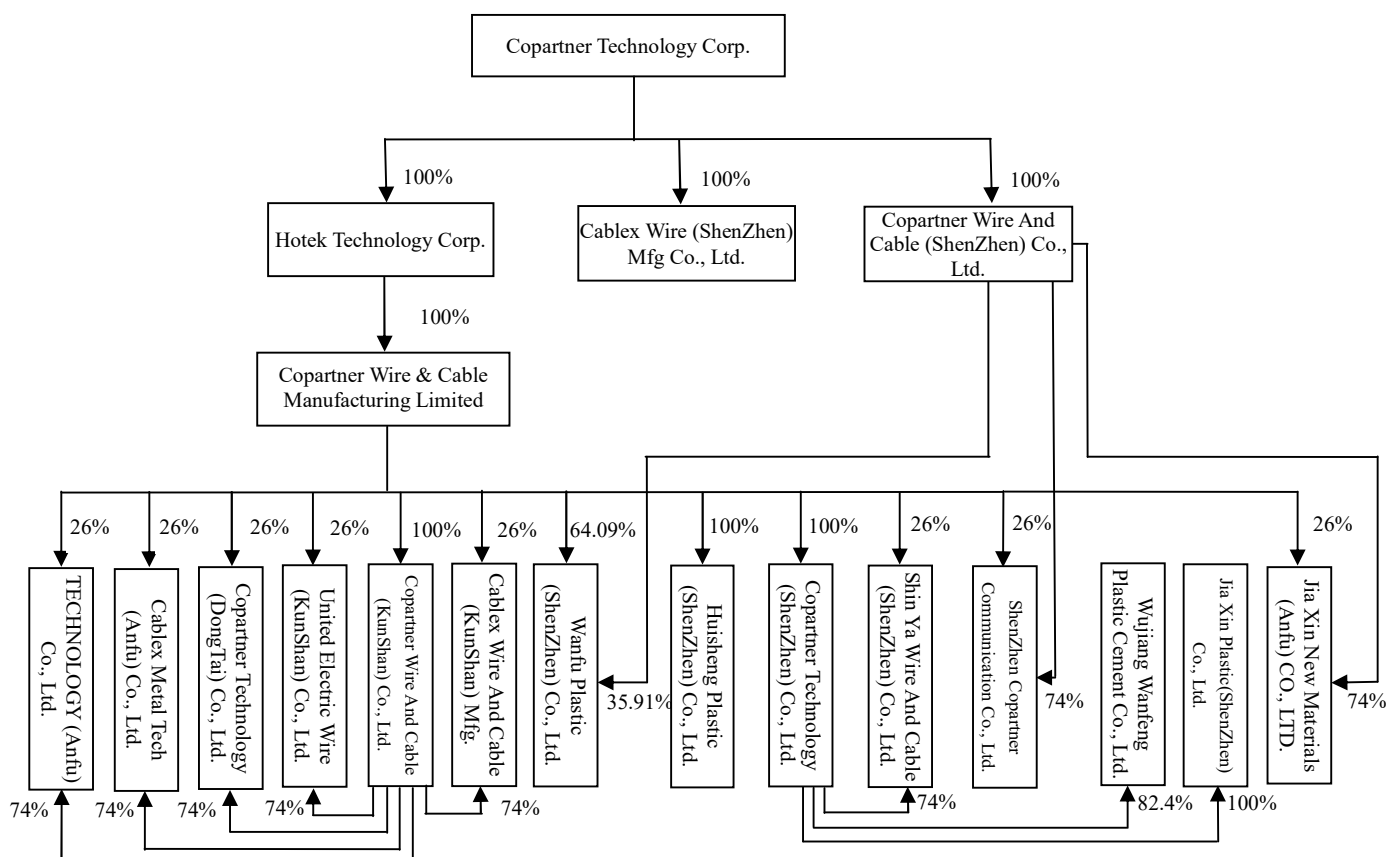
	Copartner Technology (DongTai) Co., Ltd.	R&D, production, and sales of high-end communication signal transmission cables and copper conductors	74%	74%	-
	Cablex Metal Tech (Anfu) Co., Ltd.	Production and sales of copper wires	74%	74%	Note 2
	COPARTNER TECHNOLOGY (Anfu) Co., Ltd.	Production and sales 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	\$ 687,688
<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	\$ 25,446
<u>Accumulated depreciation</u>	
Balance as of January 1, 2022	\$ 11,268
Depreciation expense	499
Balance as of December 31, 2022	\$ 11,767
Net amount as of December 31, 2022	\$ 13,679
<u>Cost</u>	
Balance for the year ended December 31, 2021	\$ 25,446
<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

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

December 31, 2021

Guarantee / acceptance institution	Face value	Discount amount	Carrying amount	Interest rate range	Collateral item	Carrying amount of collateral
<u>Commercial paper</u> <u>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	<u>\$550,000</u>	<u>\$200,000</u>
Syndication sponsor fee	<u>(1,450)</u>	<u>(552)</u>
Subtotal	<u>548,550</u>	<u>199,448</u>
<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 before the end of January	<u>73,517</u>	<u>60,600</u>

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

Line of credit	Amount used	Credit term	Interest rate	Repayment method
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

Line of credit	Amount used	Credit term	Interest rate	Repayment method
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	(<u>14,971</u>)	(<u>11,756</u>)
Net defined benefit liabilities	<u>\$ 34,694</u>	<u>\$ 38,753</u>

Changes in net defined benefit liabilities are as follows:

	<u>Present value of defined benefit obligation</u>	<u>Fair value of plan assets</u>	<u>Net defined benefit liabilities</u>
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:

	2021	2020
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:

	2022
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

	2022	2021
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:

	2022	2021
<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	2022	2021
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

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

(II) Other income

	2022	2021
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

	2022	2021
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

	2022	2021
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

	2022	2021
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

	2022	2021
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

	2021
Remuneration to employees	3.8%
Remuneration to directors	2.3%

Amount

	2021
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:

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

	2022	Unit: NT\$ per share 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:

	Before retrospective adjustment 2021	Unit: NT\$ per share After retrospective adjustment 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	-	173
Weighted average number of ordinary shares used in the computation of diluted earnings (losses) per share	87,550	87,723

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

	Level 1	Level 2	Level 3	Total
<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

	Level 1	Level 2	Level 3	Total
<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

	December 31, 2022	December 31, 2021
<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

	2022	2021
Short-term employee benefits	\$ 25,658	\$ 31,538
Post-employment benefits	1,150	1,170
	<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:

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

	December 31, 2022		December 31, 2021	
	Foreign currencies	Exchange rate	Foreign currencies	Exchange rate
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
Foreign currencies liabilities				
<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:

	Income from external customers		Non-current assets	
	2022	2021	December 31, 2022	December 31, 2021
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	\$ -	-	\$ -	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	-	-	-	None	-	164,458 (RMB 37,273)	328,916 (RMB 74,546)
3	ShenZhen Copartner Communication Co., Ltd.	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	-	-	-	None	-	822,290 (RMB 186,364)	822,290 (RMB 186,364)
		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	-	-	-	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	-	-	-	None	-	702,068 (RMB 159,117)	702,068 (RMB 159,117)
		Jia Xin Plastic(Shen Zhen) Co., Ltd.	Other receivables	Yes	13,544 (RMB 3,000)	-	-	-	2	-	-	-	None	-	702,068 (RMB 159,117)	702,068 (RMB 159,117)
4	Cablex Wire (ShenZhen) Mfg Co., Ltd.	Cablex Metal Tech (Anfu) Co., Ltd.	Other receivables	Yes	22,573 (RMB 5,000)	-	-	-	2	-	-	-	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	-	-	-	None	-	702,068 (RMB 159,117)	702,068 (RMB 159,117)
		Huisheng Plastic (ShenZhen) Co., Ltd.	Other receivables	Yes	33,860 (RMB 7,500)	-	-	-	2	-	-	-	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	-	-	-	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	-	-	-	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. United Electric Wire (KunShan) Co., Ltd.	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		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 RMBS 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/guaranteee	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)	76,264 (USD 2,500) (Note 4)	29,193 (USD 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)	24,404 (USD 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)	64,461 (USD 2,000) (Note 4)	61,460 (USD 2,000) (Note 3)	1,536 (USD 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		
Recognized other receivables from related parties								
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 (%)			
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	Subsidiary
	Sunagaru International Inc.	SAMOA	General international trade business	-	11,677 (USD 380) (Note 2)	-	-	-	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	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	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 January 1, 2022 (Note 1)	Investment flows		Accumulated outflow of investment from 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	\$ 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	-	-	-	-	-	(3,361)	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)	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	-	-	-	-	-	2,610	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	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	-	-	-	-	-	(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	-	-	-	-	-	7,295	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			As a Percentage of Consolidated Total Operating Revenues or Total Assets
				Financial Statement Account	Amount (Note 5)	Transaction Condition	
0	Copartner Technology Corp.	Copartner Technology (ShenZhen) Co., Ltd.	2	Purchases	\$ 18,547	Note 1	-
				Accounts payable	4,087	Note 3	-
		ShenZhen Copartner Communication Co., Ltd.	2	Other receivables from related parties	238,787	Note 2	5%
				Purchases	11,688	Note 1	-
		Hotek Technology Corp.	2	Accounts payable	4,240	Note 3	-
				Other payables from related parties	1,994	Note 2	-
		Shin Ya Wire And Cable (ShenZhen) Co., Ltd.	2	Other receivables from related parties	228,878	Note 2	5%
				Purchases	565	Note 1	-
		Cablex Wire And Cable (KunShan) Mfg.	2	Revenue	16	Note 1	-
				Other receivables from related parties	64,599	Note 2	1%
		Cablex Wire And Cable (KunShan) Mfg.	2	Accounts payable	253	Note 3	-
				Purchases	66,871	Note 1	2%
		Cablex Wire (ShenZhen) Mfg Co., Ltd.	2	Accounts payable	24,562	Note 3	1%
				Accounts receivable	54	Note 3	-
		Copartner Wire & Cable Manufacturing Limited	2	Revenue	239	Note 1	-
				Other payables from related parties	136,267	Note 2	3%
		Huisheng Plastic (ShenZhen) Co., Ltd.	2	Other payables from related parties	249,386	Note 2	6%
				Sales management expenses	455	Note 1	-
			2	Other payables from related parties	169,333	Note 2	4%

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	
0	Copartner Technology Corp.	Copartner Wire And Cable (ShenZhen) Co., Ltd. Wanfu Plastic (ShenZhen) Co., Ltd. United Electric Wire (KunShan) Co., Ltd. Jia Xin Plastic(ShenZhen) Co., Ltd.	2 2 2 2	Other payables from related parties Other payables from related parties Purchases Accounts payable Revenue Purchases Accounts payable Other payables from related parties	\$ 563,195 392 38,196 4,471 1,520 421 261 111,665	Note 2 Note 2 Note 1 Note 3 Note 1 Note 1 Note 3 Note 2	13% - 1% - - - - 3%
1	ShenZhen Copartner Communication Co., Ltd.	Copartner Technology (ShenZhen) Co., Ltd. United Electric Wire (KunShan) Co., Ltd. Jia Xin Plastic(ShenZhen) Co., Ltd. Cablex Wire (ShenZhen) Mfg Co., Ltd. Cablex Wire And Cable (KunShan) Mfg. Huisheng Plastic (ShenZhen) Co., Ltd. COPARTNER TECHNOLOGY (Anfu) Co., Ltd.	3 3 3 3 3 3 3 3	Other receivables from related parties Interest income Purchases Accounts payable Revenue Revenue Purchases Accounts payable Interest income Purchases Accounts payable Revenue Accounts receivable Interest income Purchases Accounts payable Interest income Other receivables from related parties Interest income	110,379 2,207 220 120 107 532 4,234 1,207 162 11,533 2,213 1,939 821 382 41,238 14,831 165 13,245 337	Note 2 Note 1 Note 1 Note 3 Note 1 Note 1 Note 1 Note 3 Note 3 Note 1 Note 3 Note 1 Note 3 Note 1 Note 1 Note 3 Note 3 Note 1 Note 2 Note 1	2% - - - - - - - - - - - - - - 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	
2	Shin Ya Wire And Cable (ShenZhen) Co., Ltd.	Cablex Wire (ShenZhen) Mfg Co., Ltd. Cablex Wire And Cable (KunShan) Mfg. Cablex Metal Tech (Anfu) Co., Ltd. Huisheng Plastic (ShenZhen) Co., Ltd. Coptamer Technology (ShenZhen) Co., Ltd.	3 3 3 3 3 3 3 3 3 3	Purchases	\$ 5,071	Note 1	-
				Accounts payable	887	Note 3	-
				Revenue	205	Note 1	-
				Accounts receivable	56	Note 3	-
				Purchases	4,309	Note 1	-
				Purchases	9,546	Note 1	-
				Accounts payable	3,008	Note 3	-
				Purchases	2,976	Note 1	-
				Accounts payable	234	Note 3	-
				Other payables from related parties	248	Note 2	-
3	Cablex Wire (ShenZhen) Mfg Co., Ltd.	United Electric Wire (KunShan) Co., Ltd. Coptamer Technology (ShenZhen) Co., Ltd. United Electric Wire (KunShan) Co., Ltd. Huisheng Plastic (ShenZhen) Co., Ltd. Cablex Metal Tech (Anfu) Co., Ltd. Cablex Metal Tech (Anfu) Co., Ltd.	3 3 3 3 3 3 3 3 3 3 3 3 3 3 3 3	Revenue	191	Note 1	-
				Rental income	1,437	Note 1	-
				Purchases	5	Note 1	-
				Revenue	28,735	Note 1	1%
				Accounts receivable	2,649	Note 3	-
				Interest income	321	Note 1	-
				Rental income	1,242	Note 1	-
				Accounts payable	13	Note 3	-
				Interest income	577	Note 1	-
				Revenue	24,350	Note 1	1%
				Accounts receivable	22,096	Note 3	-
				Purchases	12,535	Note 1	-
				Accounts payable	1,465	Note 3	-
				Interest income	3,208	Note 1	-
				Sales fixed assets	32	Note 2	-
				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			As a Percentage of Consolidated Total Operating Revenues or Total Assets
				Financial Statement Account	Amount (Note 5)	Transaction Condition	
4	Copartner Wire And Cable (KunShan) Co., Ltd.	United Electric Wire (KunShan) Co., Ltd. Cablex Wire And Cable (KunShan) Mfg. Wujiang Wanfeng Plastic Cement Co., Ltd.	3	Rental income	\$ 8,027	Note 1	-
				Rental income	3,519	Note 1	-
				Interest income	906	Note 1	-
				Other receivables from related parties	17,671	Note 2	-
5	Copartner Wire And Cable (ShenZhen) Co., Ltd.	Copartner Technology (DongTai) Co., Ltd.	3	Interest income	582	Note 1	-
				Other receivables from related parties	30,925	Note 2	1%
				Interest income	1,833	Note 1	-
				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%
				Accounts receivable	14,363	Note 3	-
				Other receivables from related parties	107	Note 2	-
				Purchases	22,724	Note 1	1%
7	Huisheng Plastic (ShenZhen) Co., Ltd.	Wujiang Wanfeng Plastic Cement Co., Ltd. Copartner Technology (ShenZhen) Co., Ltd. Copartner Technology (DongTai) Co., Ltd. COPARTNER TECHNOLOGY (Anfu) Co., Ltd. Copartner Technology (ShenZhen) Co., Ltd. Wanfu Plastic (ShenZhen) Co., Ltd.	3	Accounts payable	5,307	Note 3	-
				Purchases	11	Note 1	-
				Interest income	13	Note 1	-
				Purchases	23,819	Note 1	1%
				Accounts payable	1,179	Note 3	-
				Sales fixed assets	785	Note 2	-
				Revenue	27,803	Note 1	1%
				Accounts receivable	9,785	Note 3	-
				Purchases	15,205	Note 1	-
				Accounts payable	5,190	Note 3	-
				Other payables from related parties	35,321	Note 2	1%
				Sales management expenses	6,984	Note 1	-
				Interest expenditure	929	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	
7	Huisheng Plastic (ShenZhen) Co., Ltd.	Jia Xin Plastic(ShenZhen) Co., Ltd.	3	Purchases	\$ 268	Note 1	-
				Revenue	24	Note 1	-
				Accounts payable	149	Note 3	-
				Revenue	3,540	Note 1	-
		COPARTNER TECHNOLOGY (Anfu) Co., Ltd.	3	Accounts receivable	1,143	Note 3	-
		United Electric Wire (KunShan) Co., Ltd.	3	Revenue	98	Note 1	-
8	Copartner Technology (ShenZhen) Co., Ltd.	Jia Xin Plastic(ShenZhen) Co., Ltd.	3	Purchases	11,261	Note 1	-
				Accounts payable	4,275	Note 3	-
		Cablex Wire And Cable (KunShan) Mfg.	3	Revenue	504	Note 1	-
		Wanfu Plastic (ShenZhen) Co., Ltd.	3	Accounts receivable	298	Note 3	-
			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	-
				Accounts payable	10,882	Note 3	-
			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	-
9	Jia Xin Plastic(ShenZhen) Co., Ltd.	Cablex Wire And Cable (KunShan) Mfg.	3	Revenue	31	Note 1	-
				Accounts receivable	12	Note 3	-
		Wujiang Wanfeng Plastic Cement Co., Ltd.	3	Revenue	2,877	Note 1	-
		Wanfu Plastic (ShenZhen) Co., Ltd.	3	Interest expenditure	82	Note 1	-
		COPARTNER TECHNOLOGY (Anfu) Co., Ltd.	3	Revenue	468	Note 1	-
10	Cablex Wire And Cable (KunShan) Mfg.	Wujiang Wanfeng Plastic Cement Co., Ltd.	3	Accounts receivable	400	Note 3	-
			3	Purchases	64	Note 1	-
		Copartner Technology (DongTai) Co., Ltd.	3	Accounts payable	18	Note 3	-
			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	-
		COPARTNER TECHNOLOGY (Anfu) Co., Ltd.	3	Revenue	25,165	Note 1	1%
			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.

- V. The company's individual financial report of the most recent year verified by CPA, but does not contain a detailed statement of important accounting items

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of Copartner Technology Corporation:

Opinion

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

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, Copartner Technology Corporation's parent company only financial position as of December 31, 2022 and 2021 and for the years then ended, and its parent company only financial performance and parent company only cash flows for the years then ended in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and 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 Parent Company Only Financial Statements section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public 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 Parent Company Only Financial Statements for the year ended December 31, 2022. These matters were addressed in the context of our Audit of the Parent Company Only

Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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

As stated in Note 9 of the parent company only notes to the financial statements, the investment of a subsidiary of Copartner Technology Corporation using the equity method on December 31, 2022, was NT\$ 3,778,965 thousand, accounting for 79% of the total assets. From January 1 to December 31, 2022, the share of the subsidiary's interest recognized using the equity method was NT\$ 35,904 thousand, accounting for 14% of the sales revenue. Therefore, the financial position and performance of the subsidiary company will have a significant impact on Copartner Technology Corporation. Because its revenue recognition is listed as a key audit matter, the explanation is as follows:

Revenue Recognition

1. Copartner Technology Corporation's 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.

Responsibilities of Management and Those Charged with Governance for the Parent Company Only Financial Statements

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

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

Those charged with governance (including members of the Audit Committee) are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements

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

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtained sufficient and appropriate audit evidence concerning the financial information of entities within the Company, to express an opinion on the Parent Company Only Financial Statements. We are responsible for guiding, supervising, and performing the audit and forming an audit opinion on the Company.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent company only financial statements of the Company 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-Cai-Zheng-Liu-Zi No.145560

March 29, 2023

Notice to Readers

The accompanying parent company only financial statements are intended only to present the parent company only 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 parent company only financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' report and the accompanying parent company only 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 parent company only financial statements shall prevail.

COPARTNER TECHNOLOGY CORP.
PARENT COMPANY ONLY 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)	\$ 107,191	3	\$ 67,235	2	2100	Short-term borrowings (Note XIII)	\$ 850,000	18	\$ 900,000	20
1150	Notes receivable, net (Notes IV, V & VII)	1,436	-	4,722	-	2110	Short-term notes payable (Note XIII)	40,000	1	40,000	1
1170	Accounts receivable, net (Notes IV, V, VII & XVII)	41,790	1	57,612	1	2130	Contract liabilities (Note XVII)	6,470	-	2,832	-
1180	Accounts receivable due from related parties (Notes IV, XVII & XXIII)	816	-	2,745	-	2170	Accounts payable	5,865	-	8,294	-
1210	Other receivables - related parties (Notes IV & XXIII)	527,924	11	488,215	11	2180	Accounts payable due from related parties (Note XXIII)	29,116	1	17,346	-
130X	Inventories (Notes IV & VIII)	7,732	-	12,423	-	2206	Accrued employees' compensation and directors' remuneration (Notes XVI & XVIII)	-	-	4,482	-
1410	Advances to suppliers	9,590	-	5,235	-	2220	Other payables - related parties (Note XXIII)	673,539	14	638,309	14
1470	Other current assets (Note XIX)	1,067	-	1,653	-	2230	Current income tax liabilities (Notes IV & XIX)	539	-	1,323	-
11XX	Total current assets	<u>697,546</u>	<u>15</u>	<u>639,840</u>	<u>14</u>	2280	Lease liabilities - current (Notes IV & XI)	3,993	-	2,740	-
	Non-current assets					2320	Long-term borrowings due within one year (Notes XIII & XXIV)	17,995	-	-	-
1550	Investments accounted for using equity method (Notes IV & IX)	3,821,776	80	3,733,350	81	2399	Other current liabilities (Note XIV)	24,140	1	21,670	-
1600	Property, plant and equipment (Notes IV, X & XXIV)	160,177	3	171,657	4	21XX	Total current liabilities	<u>1,651,657</u>	<u>35</u>	<u>1,636,996</u>	<u>35</u>
1755	Right-of-use assets (Notes IV & XI)	6,707	-	5,566	-		Non-current liabilities				
1821	Intangible assets (Notes IV & XII)	-	-	22	-	2541	Long-term borrowings (Notes XIII & XXIV)	602,535	13	260,048	6
1840	Deferred income tax assets (Notes IV, V & XIX)	82,125	2	67,333	1	2542	Long-term notes payable (Note XIII)	-	-	200,000	4
1920	Refundable deposits paid (Notes IV & XXIV)	<u>1,939</u>	<u>-</u>	<u>753</u>	<u>-</u>	2580	Lease liabilities - non-current (Notes IV & XI)	2,818	-	2,944	-
15XX	Total non-current assets	<u>4,072,724</u>	<u>85</u>	<u>3,978,681</u>	<u>86</u>	2620	Other long-term payables - related parties (Note XXIII)	563,195	12	563,195	12
						2640	Net defined benefit liability (Notes IV & XV)	19,302	-	23,987	1
						2645	Guarantee deposits and margins received	739	-	721	-
						25XX	Total non-current liabilities	<u>1,188,589</u>	<u>25</u>	<u>1,050,895</u>	<u>23</u>
						2XXX	Total liabilities	<u>2,840,246</u>	<u>60</u>	<u>2,687,891</u>	<u>58</u>
							Equity (Notes IV & XVI)				
						3110	Ordinary shares	875,500	18	850,000	18
						3200	Capital surplus	424,230	9	424,230	9
							Retained earnings				
						3310	Legal reserve	272,605	6	264,470	6
						3320	Special reserve	298,718	6	287,283	6
						3350	Unappropriated retained earnings	312,313	6	403,365	9
						3300	Total retained earnings	883,636	18	955,118	21
						3400	Other equity interests	(253,342)	(5)	(298,718)	(6)
						3XXX	Total equity	<u>1,930,024</u>	<u>40</u>	<u>1,930,630</u>	<u>42</u>
1XXX	Total assets	<u>\$4,770,270</u>	<u>100</u>	<u>\$4,618,521</u>	<u>100</u>		Total liabilities and equity	<u>\$4,770,270</u>	<u>100</u>	<u>\$4,618,521</u>	<u>100</u>

The accompanying notes are an integral part of the parent company only financial reports.

Chairman: Ho, Chun-Hsien

Manager: Liao, Wen-Hung

Chief accountant: Cheng, Shu-Ching

COPARTNER TECHNOLOGY CORP.
PARENT COMPANY ONLY 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, XVII & XXIII)	\$ 255,558	100	\$ 310,027	100
5110	Sales cost (Notes IV, VIII, XVIII & XXIII)	<u>226,951</u>	<u>89</u>	<u>267,708</u>	<u>86</u>
5900	Gross profit	28,607	11	42,319	14
5910	Unrealized gains with subsidiaries (Note IV)	-	-	(315)	-
5920	Realized gains with subsidiaries (Note IV)	<u>315</u>	<u>-</u>	<u>-</u>	<u>-</u>
5950	Realized gross profit	<u>28,922</u>	<u>11</u>	<u>42,004</u>	<u>14</u>
	Operating expenses (Notes XVIII & XXIII)				
6100	Selling expenses	41,200	16	36,437	12
6200	Administrative expenses	60,707	24	64,001	20
6300	R&D expenses	1,669	1	2,896	1
6450	Expected credit impairment loss (gain) (Notes IV & VII)	<u>3,156</u>	<u>1</u>	(<u>670</u>)	<u>-</u>
6000	Total operating expenses	<u>106,732</u>	<u>42</u>	<u>102,664</u>	<u>33</u>
6900	Net operating loss	(<u>77,810</u>)	(<u>31</u>)	(<u>60,660</u>)	(<u>19</u>)
	Non-operating income and expenses				
7100	Interest income (Note XVIII)	261	-	30	-
7010	Other income (Note XVIII)	7,554	3	5,864	2
7020	Other gains and losses (Notes IV & XVIII)	8,735	3	(3,023)	(1)

(Carried forward)

(Brought forward)

Code		2022		2021	
		Amount	%	Amount	%
7050	Finance costs (Notes IV & XVIII)	(\$ 19,027)	(7)	(\$ 13,018)	(4)
7060	Share of profit on subsidiaries and associates accounted for using equity method (Notes IV & IX)	<u>43,428</u>	<u>17</u>	<u>139,801</u>	<u>45</u>
7000	Total non-operating income and expenses	<u>40,951</u>	<u>16</u>	<u>129,654</u>	<u>42</u>
7900	Net income (loss) before tax	(36,859)	(15)	68,994	23
7950	Tax income (Notes IV, V & XIX)	<u>14,253</u>	<u>6</u>	<u>12,829</u>	<u>4</u>
8200	Current net income (loss)	(<u>22,606</u>)	(<u>9</u>)	<u>81,823</u>	<u>27</u>
	Other comprehensive income				
8310	Items not reclassified to profit or loss:				
8311	Remeasurement of defined benefit obligation (Notes IV & XV)	2,694	1	(370)	-
8330	Share of other comprehensive income of subsidiaries accounted for using equity method (Note IV)	(570)	-	(103)	-
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 & XVI)	<u>45,376</u>	<u>18</u>	(<u>11,435</u>)	(<u>4</u>)
8300	Other comprehensive income for the current year	<u>47,500</u>	<u>19</u>	(<u>11,908</u>)	(<u>4</u>)
8500	Total comprehensive income for the current year	<u>\$ 24,894</u>	<u>10</u>	<u>\$ 69,915</u>	<u>23</u>
	Earnings (loss) per share (Note XX)				
9710	Basic	(\$ <u>0.26</u>)		<u>\$ 0.93</u>	
9810	Diluted	(\$ <u>0.26</u>)		<u>\$ 0.93</u>	

The accompanying notes are an integral part of the parent company only financial reports.

Chairman: Ho, Chun-Hsien

Manager: Liao, Wen-Hung

Chief accountant: Cheng, Shu-Ching

COPARTNER TECHNOLOGY CORP.
PARENT COMPANY ONLY STATEMENTS CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2022 AND 2021

Unit: NT\$ thousand, unless otherwise specified

Code	Ordinary shares			Capital surplus	Retained earnings			Unappropriated retained earnings	Other equity interests	
	Quantity (thousand shares)	Amount			Legal reserve	Special reserve	Exchange differences on translation of foreign financial statements		Total equity	
A1	85,000	\$ 850,000	\$ 424,230	\$ 256,413	\$ 328,576	\$ 331,279	(\$ 287,283)	\$ 1,903,215		
2020 earnings distribution										
B1	-	-	-	8,057	-	(8,057)	-	-		
B3	-	-	-	-	(41,293)	41,293	-	-		
B5	-	-	-	-	-	(42,500)	-	(42,500)		
D1	-	-	-	-	-	81,823	-	81,823		
D3	-	-	-	-	-	(473)	(11,435)	(11,908)		
D5	-	-	-	-	-	81,350	(11,435)	69,915		
Z1	85,000	850,000	424,230	264,470	287,283	403,365	(298,718)	1,930,630		
2021 earnings distribution										
B1	-	-	-	8,135	-	(8,135)	-	-		
B3	-	-	-	-	11,435	(11,435)	-	-		
B5	-	-	-	-	-	(25,500)	-	(25,500)		
B9	2,550	25,500	-	-	-	(25,500)	-	-		
D1	-	-	-	-	-	(22,606)	-	(22,606)		
D3	-	-	-	-	-	2,124	45,376	47,500		
D5	-	-	-	-	-	(20,482)	45,376	24,894		
Z1	87,550	\$ 875,500	\$ 424,230	\$ 272,605	\$ 298,718	\$ 312,313	(\$ 253,342)	\$ 1,930,024		

The accompanying notes are an integral part of the parent company only financial reports.

Chairman: Ho, Chun-Hsien

Manager: Liao, Wen-Hung

Chief accountant: Cheng, Shu-Ching

COPARTNER TECHNOLOGY CORP.
PARENT COMPANY ONLY 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	(\$ 36,859)	\$ 68,994
A20010	Adjustments to reconcile:		
A20100	Depreciation expense	14,815	14,482
A20200	Amortization expense	22	29
A20300	Expected credit impairment loss		
	(gain)	3,156	(670)
A20900	Finance costs	19,027	13,018
A21200	Interest income	(261)	(30)
A22400	Share of profit and loss on		
	subsidiaries and associates		
	accounted for using equity method	(43,428)	(139,801)
A22500	Loss (gain) on disposal of property,		
	plant and equipment	(365)	11
A23900	Unrealized gains with subsidiaries	-	315
A24000	Realized gains with subsidiaries	(315)	-
A24100	Loss on foreign exchange, net	2,849	2,971
A30000	Net changes in operating assets and		
	liabilities		
A31130	Note receivable	1,027	(3,268)
A31150	Accounts receivable	14,053	9,339
A31160	Accounts receivable due from related		
	parties	1,929	379
A31200	Inventories	4,691	(10,115)
A31230	Advances to suppliers	(4,355)	2,715
A31240	Other current assets	597	(847)
A32125	Contract liabilities	3,638	1,287
A32150	Accounts payable	(2,339)	(516)
A32160	Accounts payable due from related		
	parties	12,729	(10,677)
A32990	Accrued employees' compensation		
	and directors' remuneration	(4,482)	634
A32230	Other current liabilities	2,285	1,260
A32240	Net defined benefit liabilities	(1,991)	(212)
A33000	Net cash outflow generated from		
	operations	(13,577)	(50,702)
A33300	Interest paid	(19,631)	(12,676)
A33500	Income taxes paid	(1,323)	-
AAAA	Net Cash outflow from operating		
	activities	(34,531)	(63,378)

(Carried forward)

(Brought forward)

Code		2022	2021
	Cash flows from investing activities		
B02700	Purchase of property, plant and equipment	(\$ 630)	(\$ 5,379)
B02800	Proceeds from disposal of property, plant and equipment	1,171	-
B03700	Increase in refundable deposits paid	(1,186)	-
B04300	Increase in other receivables - related parties	(32,526)	(30,897)
B07500	Interest received	<u>237</u>	<u>32</u>
BBBB	Net cash outflow from investing activities	(<u>32,934</u>)	(<u>36,244</u>)
	Cash flows from financing activities		
C00100	Increase in short-term borrowings	-	83,200
C00200	Decrease in short-term borrowings	(50,000)	-
C00600	Decrease in short-term notes payable	-	(40,000)
C01600	New long-term borrowings	1,112,880	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	18	-
C03700	Increase in other payables - related parties	25,464	39,013
C04020	Repayment of lease liabilities principal	(3,637)	(3,011)
C04500	Cash dividends paid	(<u>25,500</u>)	(<u>42,500</u>)
CCCC	Net cash inflow from financing activities	<u>107,725</u>	<u>44,132</u>
DDDD	Effect of exchange rate fluctuations on cash held	(<u>304</u>)	(<u>202</u>)
EEEE	Net increase (decrease) in cash and cash equivalents for the year	39,956	(55,692)
E00100	Cash and cash equivalents at beginning of the period	<u>67,235</u>	<u>122,927</u>
E00200	Cash and cash equivalents at end of the period	<u>\$ 107,191</u>	<u>\$ 67,235</u>

The accompanying notes are an integral part of the parent company only financial reports.

Chairman:
Ho, Chun-Hsien

Manager:
Liao, Wen-Hung

Chief accountant:
Cheng, Shu-Ching

COPARTNER TECHNOLOGY CORP.
NOTES TO PARENT COMPANY ONLY 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 “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 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 Company's stock has been listed and traded on the Taiwan Stock Exchange since November 10, 2010.

The parent company only financial statements are presented in New Taiwan dollars, the Company’s functional currency.

II. Dates and procedures for the financial statement approval

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

(II) Basis of preparation

The parent company only 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.

When the Company prepared the parent company only financial reports, it adopted equity method to account for its investments in subsidiaries and associates. In order to enable the amounts of the profit or loss for the year, other comprehensive income, and equity for the year in the individual financial report to be the same as the ones attributable to the owners of the Company in its

consolidated financial statements, regarding the differences arising from accounting treatments between the parent company only basis and the consolidation basis, adjustments were made to the investments accounted for using the equity method, the share of profit or loss on subsidiaries and associates using the equity method, the share of other comprehensive income of subsidiaries using the equity method, as well as relevant equity items, as appropriate, in the individual financial reports.

(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) Foreign currencies

When the parent company only financial statements of the Company are prepared, transactions in currencies other than the Company'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 individual financial reports 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 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.

(V) 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.

(VI) Investment in subsidiaries

The Company adopts the equity method to treat its investment in subsidiaries.

Subsidiaries refer to entities controlled by the Company.

Under the equity method, investments in a subsidiary 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 subsidiary. In addition, the changes in other equity of the Company's subsidiaries are recognized according to the shareholding ratio.

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. Any difference between the carrying amount and the fair value of the consideration paid or received is recognized directly in equity.

When the Company's share of the subsidiary's losses equals or exceeds its equity in the subsidiary (including the carrying amount of the subsidiary under the equity method and other long-term equity that is substantially part of the Company's net investment in the subsidiary), such loss shall continue to be recognized in proportion to its shareholding ratio.

When the Company assesses impairment, it considers the cash-generating unit as a whole based on the financial report and compares its recoverable amount with the carrying amount. If the recoverable amount of the asset increases later, the reversal of the impairment loss will be recognized as profit, but the carrying amount of the asset after the impairment loss reversal shall not exceed the amount of the asset that shall be deducted if no impairment loss is recognized. The carrying amount after amortization shall be listed. An impairment loss for goodwill is never reversed in a subsequent period.

If the Company loses control of the subsidiary, the Company measures its retained investment in the former subsidiary at its fair value on the date of losing control. The difference between the fair value of the retained investment and any disposal proceed and the carrying amount of the investment on the date of losing control is included in the current profit and loss. In addition, the Company shall account for all amounts recognized in other comprehensive income in relation to the subsidiary on the same basis as would be required if the Company had directly disposed of the related assets and liabilities.

The unrealized profit or loss on downstream transactions between the Company and its subsidiaries are eliminated in the parent company only financial reports. Profit or loss on downstream and lateral transactions between the Company and its subsidiaries is recognized in the individual financial reports only to the extent that it does not affect the Company's interests in the subsidiaries.

(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, upstream, and lateral transactions between the Company and associates is recognized in the parent company only financial reports only to the extent that it does not affect the Company's interests in the associates.

(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) 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.

(X) Impairment of property, plant and equipment, right-of-use assets, and intangible assets

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 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.

(XI) Financial instruments

Financial assets and financial liabilities shall be recognized in the parent company only 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, and refundable 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.

(XII) 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.

(XIII) 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 parent company only 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 parent company only balance sheets.

(XIV) 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.

(XV) 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.

(XVI) 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 domestic 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.

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. 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 VII 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.

VI. Cash and cash equivalents

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Checking accounts and demand deposits	\$107,069	\$ 67,100
Cash on hand and revolving funds	<u>122</u>	<u>135</u>
	<u>\$107,191</u>	<u>\$ 67,235</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%~1.05%	0%~0.15%

VII. Notes and accounts receivable, net

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
<u>Note receivable</u>		
Measured at amortized cost		
Total carrying amount	\$ 23,319	\$ 24,430
Less: Loss allowances	(21,883)	(19,708)
	<u>\$ 1,436</u>	<u>\$ 4,722</u>
<u>Accounts receivable</u>		
Measured at amortized cost		
Total carrying amount	\$ 49,285	\$ 64,126
Less: Loss allowances	(7,495)	(6,514)
	<u>\$ 41,790</u>	<u>\$ 57,612</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	\$ 35,431	\$ 6,246	\$ 251	\$ 7,357	\$ 49,285
Allowance for losses (lifetime ECLs)	-	(63)	(75)	(7,357)	(7,495)
Amortized cost	<u>\$ 35,431</u>	<u>\$ 6,183</u>	<u>\$ 176</u>	<u>\$ -</u>	<u>\$ 41,790</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	\$ 39,116	\$ 18,534	\$ 212	\$ 6,264	\$ 64,126
Allowance for losses (lifetime ECLs)	-	(197)	(53)	(6,264)	(6,514)
Amortized cost	<u>\$ 39,116</u>	<u>\$ 18,337</u>	<u>\$ 159</u>	<u>\$ -</u>	<u>\$ 57,612</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	\$ 6,514	\$ 11,253
Add: Impairment loss recognized for the year	981	19
Less: Actual write-off for the year	-	(4,758)
Balance at end of the year	<u>\$ 7,495</u>	<u>\$ 6,514</u>

VIII. Inventories

	December 31, 2022	December 31, 2021
Goods	\$ 5,636	\$ 9,065
Raw material	1,188	480
Goods-in-process and semi-finished goods	734	625
Finished goods	<u>174</u>	<u>2,253</u>
	<u>\$ 7,732</u>	<u>\$ 12,423</u>

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

	2022	2021
Allowance for inventory valuation and obsolescence loss	<u>\$ 4,738</u>	<u>\$ 2,071</u>
Unamortized production overheads	<u>\$ 13,037</u>	<u>\$ 10,294</u>
Operating costs	<u>\$226,951</u>	<u>\$267,708</u>

IX. Investments accounted for using equity method

	December 31, 2022	December 31, 2021
Investment in subsidiaries	\$ 3,778,965	\$ 3,698,063
Investments in associates	<u>42,811</u>	<u>35,287</u>
	<u>\$ 3,821,776</u>	<u>\$ 3,733,350</u>

(I) Investment in subsidiaries

	December 31, 2022	December 31, 2021
<u>Not a listed or OTC Company</u>		
Hotek Technology Corporation	\$ 2,056,425	\$ 1,993,492
Copartner Wire And Cable (ShenZhen) Co., Ltd.	1,354,007	1,339,310
Cablex Wire (ShenZhen) Mfg Co., Ltd.	368,533	365,261
Sunagaru International Inc. (Sunagaru)	<u>-</u>	<u>(123)</u>
	3,778,965	3,697,940
Reversal of investment credit balance accounted for using equity method		
Decrease in other receivables - related parties	<u>-</u>	<u>123</u>
	<u>\$ 3,778,965</u>	<u>\$ 3,698,063</u>

Name of subsidiary	Percentage of ownership interests and voting rights		Description
	December 31, 2022	December 31, 2021	
Hotek Technology Corp.	100%	100%	-
Copartner Wire And Cable (ShenZhen) Co., Ltd.	100%	100%	-
Cablex Wire (ShenZhen) Mfg Co., Ltd.	100%	100%	-
Sunagaru International Inc.	-	100%	Note

Note: Sunagaru Company has been liquidated in December 2022.

For details of investment in subsidiaries indirectly held by the Company, please refer to Note XXVI.

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

(II) Investments in associates

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Associates that are not individually material		
HPC Technology Inc.	<u>\$ 42,811</u>	<u>\$ 35,287</u>

Company Name	Percentage of ownership interests and voting rights	
	<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.

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.

X. Property, plant and equipment

	December 31, 2022	December 31, 2021
Owner-occupied	\$146,498	\$157,479
Operating lease rent	13,679	14,178
	<u>\$160,177</u>	<u>\$171,657</u>

(I) Owner-occupied

	Land	Property and building	Machinery and equipment	Instrument and equipment	Transport equipment	Office equipment	Other equipment	Total
<u>Cost</u>								
Balance as of January 1, 2022	\$ 97,644	\$ 63,122	\$ 40,308	\$ 6,936	\$ 7,248	\$ 23,166	\$ 4,648	\$ 243,072
Additions	-	-	186	-	-	444	-	630
Disposals	-	-	-	-	(1,495)	(262)	(3)	(1,760)
Balance as of December 31, 2022	<u>\$ 97,644</u>	<u>\$ 63,122</u>	<u>\$ 40,494</u>	<u>\$ 6,936</u>	<u>\$ 5,753</u>	<u>\$ 23,348</u>	<u>\$ 4,645</u>	<u>\$ 241,942</u>
<u>Accumulated depreciation and impairment</u>								
Balance as of January 1, 2022	\$ -	\$ 40,249	\$ 14,498	\$ 2,582	\$ 4,165	\$ 21,049	\$ 3,050	\$ 85,593
Depreciation expense	-	829	6,747	1,156	952	710	411	10,805
Disposals	-	-	-	-	(706)	(246)	(2)	(954)
Balance as of December 31, 2022	<u>\$ -</u>	<u>\$ 41,078</u>	<u>\$ 21,245</u>	<u>\$ 3,738</u>	<u>\$ 4,411</u>	<u>\$ 21,513</u>	<u>\$ 3,459</u>	<u>\$ 95,444</u>
Net amount as of December 31, 2022	<u>\$ 97,644</u>	<u>\$ 22,044</u>	<u>\$ 19,249</u>	<u>\$ 3,198</u>	<u>\$ 1,342</u>	<u>\$ 1,835</u>	<u>\$ 1,186</u>	<u>\$ 146,498</u>
<u>Cost</u>								
Balance as of January 1, 2021	\$ 97,644	\$ 63,122	\$ 35,627	\$ 6,936	\$ 6,630	\$ 23,295	\$ 4,648	\$ 237,902
Additions	-	-	4,681	-	618	80	-	5,379
Disposals	-	-	-	-	-	(209)	-	(209)
Balance as of December 31, 2021	<u>\$ 97,644</u>	<u>\$ 63,122</u>	<u>\$ 40,308</u>	<u>\$ 6,936</u>	<u>\$ 7,248</u>	<u>\$ 23,166</u>	<u>\$ 4,648</u>	<u>\$ 243,072</u>
<u>Accumulated depreciation and impairment</u>								
Balance as of January 1, 2021	\$ -	\$ 39,238	\$ 7,910	\$ 1,426	\$ 2,983	\$ 20,515	\$ 2,639	\$ 74,711
Depreciation expense	-	1,011	6,588	1,156	1,182	732	411	11,080
Disposals	-	-	-	-	-	(198)	-	(198)
Balance as of December 31, 2021	<u>\$ -</u>	<u>\$ 40,249</u>	<u>\$ 14,498</u>	<u>\$ 2,582</u>	<u>\$ 4,165</u>	<u>\$ 21,049</u>	<u>\$ 3,050</u>	<u>\$ 85,593</u>
Net amount as of December 31, 2021	<u>\$ 97,644</u>	<u>\$ 22,873</u>	<u>\$ 25,810</u>	<u>\$ 4,354</u>	<u>\$ 3,083</u>	<u>\$ 2,117</u>	<u>\$ 1,598</u>	<u>\$ 157,479</u>

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	3-10 years
Machinery and equipment	5 years
Instrument and equipment	5 years
Transport equipment	5 years
Office equipment	3-10 years
Other equipment	2-8 years

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

(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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XI. Lease arrangements

(I) Right-of-use assets

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Carrying amount of right-of-use assets		
Property and building	\$ 4,187	\$ 5,566
Transport equipment	<u>2,520</u>	<u>-</u>
	<u>\$ 6,707</u>	<u>\$ 5,566</u>
	<u>2022</u>	<u>2021</u>
Additions to right-of-use assets	<u>\$ 4,652</u>	<u>\$ -</u>
Depreciation expenses of right-of-use assets		
Property and building	\$ 2,903	\$ 2,903
Transport equipment	<u>608</u>	<u>-</u>
	<u>\$ 3,511</u>	<u>\$ 2,903</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>\$ 3,993</u>	<u>\$ 2,740</u>
Non-current	<u>\$ 2,818</u>	<u>\$ 2,944</u>

Range of discount rate for lease liabilities is as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Property and building	1.80%	1.80%
Transport equipment	1.80%	-

(III) Material lease-in activities and terms

The Company leases several buildings for plants and offices for a 2 to 5 years lease term.

(IV) Other leasing information

	<u>2022</u>	<u>2021</u>
Expense on short-term lease	<u>\$ 412</u>	<u>\$ 381</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>

	<u>2022</u>	<u>2021</u>
Total cash outflow from lease	(\$ <u>4,161</u>)	(\$ <u>3,522</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.

XII. Intangible assets

	<u>Computer software costs</u>
<u>Cost</u>	
Balance for the year ended December 31, 2022	\$ <u>87</u>
<u>Accumulated amortization</u>	
Balance as of January 1, 2022	\$ 65
Amortization expense	<u>22</u>
Balance as of December 31, 2022	\$ <u>87</u>
Net amount as of December 31, 2022	\$ <u>-</u>
<u>Cost</u>	
Balance for the year ended December 31, 2021	\$ <u>87</u>
<u>Accumulated amortization</u>	
Balance as of January 1, 2021	\$ 36
Amortization expense	<u>29</u>
Balance as of December 31, 2021	\$ <u>65</u>
Net amount as of December 31, 2021	\$ <u>22</u>

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

Computer software costs	3 years
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XIII. 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%~1.00% in 2021, due before the end of	\$ <u>850,000</u>	\$ <u>900,000</u>

October 2022

(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

Guarantee / acceptance institution	Face value	Discount amount	Carrying amount	Interest rate range	Collateral item	Carrying amount of collateral
<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

Guarantee / acceptance institution	Face value	Discount amount	Carrying amount	Interest rate range	Collateral item	Carrying amount of collateral
<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	(<u>1,450</u>)	(<u>552</u>)
Subtotal	548,550	199,448
<u>Unsecured borrowings</u>		
Credit borrowings-interest rate: 0.48% in 2022, due before the end of January 2027; 0.10% in 2021, due before the end of January 2027	71,980	60,600
Less: Current portion within one year	(<u>17,995</u>)	<u>-</u>
Long-term borrowings	<u>\$602,535</u>	<u>\$260,048</u>

1. In October 2022, the Company entered into joint credit agreements of NT\$ 1 million thousand or equivalent US dollars with 6 banks such as Chang

Hwa Bank Chilin Branch and Land Bank and Land Bank of Taiwan Chengdong Branch. The agreement period is 5 years, of which Item A - medium-term loans of NT\$ 1,000,000 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

Line of credit	Amount used	Credit term	Interest rate	Repayment method
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 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

Line of credit	Amount used	Credit term	Interest rate	Repayment method
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 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 Company were in compliance with the regulations.

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

(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.

XIV. Other current liabilities

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Salary and bonus payable	\$ 15,020	\$ 15,823
Service fee payable	1,375	1,425
Other	<u>7,745</u>	<u>4,422</u>
	<u>\$ 24,140</u>	<u>\$ 21,670</u>

XV. Post-employment benefits plans

(I) Determined appropriation plans

The Company 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.

(II) Defined benefit plans

The pension system adopted by the Company 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 Company 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 parent company only balance sheet is as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Present value of defined benefit obligation	\$ 34,273	\$ 35,743
Fair value of plan assets	(<u>14,971</u>)	(<u>11,756</u>)
Net defined benefit liabilities	<u>\$ 19,302</u>	<u>\$ 23,987</u>

Changes in net defined benefit liabilities are as follows:

	<u>Present value of defined benefit obligation</u>	<u>Fair value of plan assets</u>	<u>Net defined benefit liabilities</u>
January 1, 2021	<u>\$ 34,996</u>	(<u>\$ 11,167</u>)	<u>\$ 23,829</u>
Service cost			
Current service cost	132	-	132
Interest (income) expense	<u>131</u>	(<u>42</u>)	<u>89</u>
Recognized in profit or loss	<u>263</u>	(<u>42</u>)	<u>221</u>
Remeasurement			
Return on plan asset (except for the amount included in the net interest)	-	(114)	(114)
Actuarial losses - changes in demographic assumptions	583	-	583
Actuarial gains - changes in financial assumptions	(322)	-	(322)
Actuarial losses - experience adjustments	<u>223</u>	<u>-</u>	<u>223</u>

Recognized in other comprehensive income	<u>484</u>	(<u>114</u>)	<u>370</u>
Contributions from the employer	<u>-</u>	(<u>433</u>)	(<u>433</u>)
December 31, 2021	<u>35,743</u>	(<u>11,756</u>)	<u>23,987</u>
Service cost			
Current service cost	135	-	135
Interest (income) expense	<u>179</u>	(<u>65</u>)	<u>114</u>
Recognized in profit or loss	<u>314</u>	(<u>65</u>)	<u>249</u>
Remeasurement			
Return on plan asset (except for the amount included in the net interest)	-	(910)	(910)
Actuarial gains - changes in financial assumptions	(2,272)	-	(2,272)
Actuarial losses - experience adjustments	<u>488</u>	<u>-</u>	<u>488</u>
Recognized in other comprehensive income	(<u>1,784</u>)	(<u>910</u>)	(<u>2,694</u>)
Contributions from the employer	<u>-</u>	(<u>2,240</u>)	(<u>2,240</u>)
December 31, 2022	<u>\$ 34,273</u>	(<u>\$ 14,971</u>)	<u>\$ 19,302</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	1.38%	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%	<u>(\$ 603)</u>	<u>(\$ 636)</u>
Decrease by 0.25%	<u>\$ 623</u>	<u>\$ 659</u>
Expected salary increase rate		
Increase by 0.25%	<u>\$ 610</u>	<u>\$ 639</u>
Decrease by 0.25%	<u>(\$ 593)</u>	<u>(\$ 619)</u>

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	7.2 years	7.2 years

XVI. 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>
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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 Company's Articles of Incorporation before the amendment, the 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

Company's Articles of Incorporation, please refer to Note XVIII(VII) regarding employee compensation and directors' remuneration.

On June 29, 2022, the 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 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 Company was accrued from the undistributed earnings of the previous period legally.

The 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:

	2021	2020
Legal reserve	<u>\$ 8,135</u>	<u>\$ 8,057</u>
Appropriate (reverse)		
special reserves	<u>\$ 11,435</u>	(\$ 41,293)
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 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 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>

(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 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>)

XVII.

Revenue

	<u>2022</u>	<u>2021</u>
Revenue from customer contracts		
Revenue from sale of goods	<u>\$255,558</u>	<u>\$310,027</u>

(I) Balance of contracts

	December 31, 2022	December 31, 2021	January 1, 2021
Accounts receivable (Note VII)	\$ 41,790	\$ 57,612	\$ 67,907
Accounts receivable due from related parties (Note XXIII)	<u>816</u>	<u>2,745</u>	<u>3,125</u>
	<u>\$ 42,606</u>	<u>\$ 60,357</u>	<u>\$ 71,032</u>
Contract liabilities			
Merchandise sales	<u>\$ 6,470</u>	<u>\$ 2,832</u>	<u>\$ 1,545</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 year is as follows:

	2022	2021
<u>Contract liabilities from the beginning of the year</u>		
Merchandise sales	<u>\$ 2,652</u>	<u>\$ 1,184</u>

(II) Breakdown of revenue from customer contracts

Segment by geographical location	2022	2021
Taiwan (Location of Company)	\$ 78,323	\$ 84,159
The Americas	107,077	78,904
Asia	35,712	122,714
Europe	23,944	14,858
Other	<u>10,502</u>	<u>9,392</u>
	<u>\$255,558</u>	<u>\$310,027</u>

XVIII. Net profit from continuing operations

Net profit from continuing operations includes the following items:

(I) Interest income

	2022	2021
Bank deposits	<u>\$ 261</u>	<u>\$ 30</u>

(II) Other income

	2022	2021
Rental income (operating lease)	\$ 3,310	\$ 3,345
Other	<u>4,244</u>	<u>2,519</u>
	<u>\$ 7,554</u>	<u>\$ 5,864</u>
(III) Other gains and losses		
	2022	2021
Gain (loss) on foreign exchange, net	\$ 8,446	(\$ 3,009)
Other	<u>289</u>	<u>(14)</u>
	<u>\$ 8,735</u>	<u>(\$ 3,023)</u>
(IV) Finance costs		
	2022	2021
Bank loans interest	\$ 18,915	\$ 12,888
Interest on lease liabilities	<u>112</u>	<u>130</u>
	<u>\$ 19,027</u>	<u>\$ 13,018</u>
(V) Depreciation and amortization		
	2022	2021
Property, plant and equipment	\$ 11,304	\$ 11,579
Right-of-use assets	3,511	2,903
Intangible assets	<u>22</u>	<u>29</u>
	<u>\$ 14,837</u>	<u>\$ 14,511</u>
An analysis of depreciation expenses by function		
Operating costs	\$ 9,960	\$ 9,740
Operating expenses	<u>4,855</u>	<u>4,742</u>
	<u>\$ 14,815</u>	<u>\$ 14,482</u>
An analysis of amortization expenses by function		
Operating expenses	<u>\$ 22</u>	<u>\$ 29</u>
(VI) Employee benefits expenses		
	2022	2021
Post-employment benefits Determined appropriation plans	\$ 2,531	\$ 2,382
Defined benefit plans (Note XV)	<u>217</u>	<u>188</u>
	2,748	2,570
Other employee benefits	<u>69,941</u>	<u>70,546</u>

	<u>\$ 72,689</u>	<u>\$ 73,116</u>
An analysis by function		
Operating costs	\$ 5,931	\$ 4,667
Operating expenses	<u>66,758</u>	<u>68,449</u>
	<u>\$ 72,689</u>	<u>\$ 73,116</u>

(VII) Remuneration to the employees and directors

The 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 parent company only financial reports 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 parent company only financial reports.

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

XIX. Income tax

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

	<u>2022</u>	<u>2021</u>
Current income tax		
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 benefit recognized in profit or loss	(<u>\$ 14,253</u>)	(<u>\$ 12,829</u>)

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

	<u>2022</u>	<u>2021</u>
Net income (loss) before tax	(<u>\$ 36,859</u>)	<u>\$ 68,994</u>
Income tax calculated based on statutory tax rate for net income (loss) before tax	(\$ 7,372)	\$ 13,799
Non-deductible profit and loss	25	27
Tax on undistributed surplus earnings	539	1,323
Unrecognized loss carryforwards and deductible temporary differences	(<u>7,445</u>)	(<u>27,978</u>)
Income tax benefit recognized in profit or loss	(<u>\$ 14,253</u>)	(<u>\$ 12,829</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>\$ 17</u>
Current income tax liabilities		
Income tax payable	<u>\$ 539</u>	<u>\$ 1,323</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) Unused loss carryforwards relevant information

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

Legal basis	Deductible item	Deductible amount	Amount not yet deducted	The last year of carried forward
Income Tax Act	Loss carryforward	\$ 39,037	\$ 13,007	2024
		49,140	49,140	2026
		32,320	32,320	2028
		61,672	61,672	2029
		102,554	102,554	2030
		74,534	74,534	2031
		<u>74,549</u>	<u>74,549</u>	2032
		<u>\$433,806</u>	<u>\$407,776</u>	

(V) Income tax examination

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

XX. 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
Current net income (loss)	<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>

Number of shares

	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.

XXI. Capital risk management

The Company manages capital to ensure that it 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 and other interests).

The Company is not subject to other external capital requirements.

The Company's main management reviews the capital structure regularly, the contents of review including considering the costs of various types of capital and relevant risks. 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.

XXII. 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) Categories of financial instruments

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
<u>Financial assets</u>		
Measured at amortized cost		
Cash and cash equivalents	\$107,191	\$ 67,235
Notes receivable, net	1,436	4,722
Accounts receivable, net	41,790	57,612
Accounts receivable due from related parties	816	2,745
Other receivables - related parties	527,924	488,215
Refundable deposits paid	1,939	753
<u>Financial liabilities</u>		
Measured at amortized cost		
Short-term borrowings	850,000	900,000
Short-term notes payable	40,000	40,000
Accounts payable	5,865	8,294
Accounts payable due from related parties	29,116	17,346
Long-term borrowings due within one year	17,995	-
Long-term borrowings	602,535	260,048
Long-term notes payable	-	200,000

Other long-term payables		
- related parties	563,195	563,195

(III) 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.

Please refer to Note XXV for the carrying amount of the Company's monetary assets and monetary liabilities denominated in non-functional currencies at the balance sheet date.

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 the 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)	(\$ 2,231)	(\$ 1,444)	(\$ 1,042)	(\$ 947)	\$ 3,485	\$ 2,322

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

(2) Interest rate risk

Because the Company 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 liabilities	\$ 46,811	\$ 245,684
Cash flow interest rate risk		
Financial assets	106,693	66,914
Financial liabilities	1,470,530	1,160,048

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 annual interest rate increased/ decreased by 1% and all other variables remain unchanged, the Company's net income before tax for 2022 and 2021 would have decreased/ increased by NT\$ 13,638 thousand and NT\$ 10,931 thousand, mainly because of the Company's assets and liabilities 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 parent company only 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	\$ 8,274	\$ 4,933	\$ 288	\$ 10	\$ -
Lease liabilities	340	680	3,062	2,845	-
Floating interest rate instruments	241,500	392,999	233,496	602,535	-
Fixed interest rate instruments	40,000	-	-	-	-
	<u>\$ 290,114</u>	<u>\$ 398,612</u>	<u>\$ 236,846</u>	<u>\$ 605,390</u>	<u>\$ -</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	More than 20 years
Lease liabilities	<u>\$ 4,082</u>	<u>\$ 2,845</u>	<u>\$ -</u>	<u>\$ -</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	\$ 3,819	\$ 8,225	\$ 235	\$ -	\$ 2

Lease liabilities	250	502	2,065	2,982	-
Floating interest rate instruments	310,000	420,000	170,000	260,048	-
Fixed interest rate instruments	<u>40,000</u>	<u>-</u>	<u>-</u>	<u>200,000</u>	<u>-</u>
	<u>\$ 354,069</u>	<u>\$ 428,727</u>	<u>\$ 172,300</u>	<u>\$ 463,030</u>	<u>\$ 2</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	More than 20 years
Lease liabilities	<u>\$ 2,817</u>	<u>\$ 2,982</u>	<u>\$ -</u>	<u>\$ -</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.

XXIII. Related party transaction

Except for other disclosure on Notes, the transactions between the Company and related parties are as follows:

(I) Name of related parties and relationship

Name of related party	Relationship with the Company
Hotek Technology Corporation	Subsidiary
Sunagaru International Inc. (Sunagaru)	Subsidiary
Copartner Wire And Cable (ShenZhen) Co., Ltd.	Subsidiary
Copartner Wire & Cable Manufacturing Limited	Subsidiary
Cablex Wire (ShenZhen) Mfg Co., Ltd.	Subsidiary
Copartner Technology (ShenZhen) Co., Ltd.	Copartner Technology Corporation (Hong Kong) Subsidiary
Shin Ya Wire And Cable (ShenZhen) Co., Ltd.	Copartner Technology Corporation Subsidiary
ShenZhen Copartner Communication Co., Ltd.	Copartner Technology Corporation (ShenZhen) Subsidiary
Huisheng Plastic (ShenZhen) Co., Ltd.	Copartner Technology Corporation (Hong Kong) Subsidiary
Wanfu Plastic (ShenZhen) Co., Ltd.	Copartner Technology Corporation (Hong Kong) Subsidiary
Jia Xin Plastic(ShenZhen) Co., Ltd.	Copartner Technology Corporation Subsidiary
Copartner Wire And Cable (KunShan) Co., Ltd.	Copartner Technology Corporation (Hong

United Electric Wire (KunShan) Co., Ltd.	Kong) Subsidiary Copartner Technology Corporation (KunShan) Subsidiary
Cablex Wire And Cable (KunShan) Mfg.	Copartner Technology Corporation (KunShan) Subsidiary
Jia Xin New Materials (Anfu) CO., LTD.	Copartner Technology Corporation (ShenZhen) Subsidiary
COPARTNER TECHNOLOGY (Anfu) Co., Ltd.	Copartner Technology Corporation (KunShan) Subsidiary
Cablex Metal Tech (Anfu) Co., Ltd.	Copartner Technology Corporation (KunShan) Subsidiary
Copartner Technology (DongTai) Co., Ltd.	Copartner Technology Corporation (KunShan) Subsidiary
HPC Technology Inc.	Associate
Yingding Wire and Cable Co., Ltd.	Substantive related party

(II) Sales revenue

Related party category/name	2022	2021
Subsidiary		
Jia Xin Plastic(ShenZhen) Co., Ltd.	\$ 1,520	\$ 33,254
Other	255	3,051
Associate	856	5,753
	<u>\$ 2,631</u>	<u>\$ 42,058</u>

(III) Purchases

Related party category/name	2022	2021
Subsidiary		
Cablex Wire And Cable (KunShan) Mfg.	\$ 66,871	\$ 45,781
United Electric Wire (KunShan) Co., Ltd.	38,196	66,098
Copartner Technology (ShenZhen) Co., Ltd.	18,547	34,319
ShenZhen Copartner Communication Co., Ltd.	11,688	11,358
Other	986	8,085
Substantive related party	827	2,097
	<u>\$137,115</u>	<u>\$167,738</u>

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

The Company has eliminated the operating income and costs recognized by related parties engaged in consigned material processing in accordance with relevant regulations.

(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 from related parties.

(V) Other receivables from related parties

<u>Related party category/name</u>	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Subsidiary		
Copartner Technology (ShenZhen) Co., Ltd.	\$234,700	\$222,896
HoteK Technology Corp.	228,878	208,812
Shin Ya Wire And Cable (ShenZhen) Co., Ltd.	64,346	56,060
Other	-	447
	<u>\$527,924</u>	<u>\$488,215</u>

Other receivables from related parties are mainly payments for goods on behalf of subsidiaries, and the period for accounts receivable depends on the status of funds.

(VI) Payables from related parties

<u>Related party category/name</u>	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Subsidiary		
Cablex Wire And Cable (KunShan) Mfg.	\$ 24,508	\$ 8,635
United Electric Wire (KunShan) Co., Ltd.	4,471	8,444
Substantive related party	<u>137</u>	<u>267</u>
	<u>\$ 29,116</u>	<u>\$ 17,346</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.

(VII) Other payables from related parties

<u>Related party category/name</u>	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Subsidiary		
Copartner Wire And Cable (ShenZhen) Co., Ltd.	\$ 563,195	\$ 563,195
Copartner Wire & Cable Manufacturing Limited	249,386	259,209
Huisheng Plastic (ShenZhen) Co., Ltd.	169,333	166,981
Cablex Wire (ShenZhen) Mfg Co., Ltd.	136,267	134,253
Jia Xin Plastic(ShenZhen) Co., Ltd.	111,926	72,035
Other	<u>6,627</u>	<u>5,831</u>
	<u>\$ 1,236,734</u>	<u>\$ 1,201,504</u>

Other payables to related parties are mainly to receive payments for goods on behalf of subsidiaries, and the payment period depends on the status of funds.

(VIII) Endorsements/guarantees

<u>Related party category/name</u>	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Subsidiary		
Copartner Wire & Cable Manufacturing Limited	\$ 83,880	\$153,079
Copartner Technology (DongTai) Co., Ltd.	61,460	-
United Electric Wire (KunShan) Co., Ltd.	29,193	41,519
Cablex Wire And Cable (KunShan) Mfg.	<u>-</u>	<u>22,144</u>
	<u>\$174,533</u>	<u>\$216,742</u>

(IX) Operating expenses

<u>Related party category/name</u>	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Subsidiary		
Copartner Wire & Cable Manufacturing Limited	<u>\$ 455</u>	<u>\$ 214</u>

(X) Remuneration of key management personnel

	<u>2022</u>	<u>2021</u>
Short-term employee benefits	\$ 16,215	\$ 19,577

Post-employment benefits	843	873
	<u>\$ 17,058</u>	<u>\$ 20,450</u>

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

XXIV. Pledged assets

The following assets of the Company have been provided as collateral for long-term borrowings from banks:

	December 31, 2022	December 31, 2021
Property, plant and equipment	\$ 60,177	\$ 60,757
Refundable deposits paid	<u>1,939</u>	<u>753</u>
	<u>\$ 62,116</u>	<u>\$ 61,510</u>

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

The information below is aggregated and presented in foreign currencies other than the Company's functional currency. 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

	December 31, 2022		December 31, 2021	
	Foreign currencies	Exchange rate	Foreign currencies	Exchange rate
Foreign currencies assets				
<u>Monetary items</u>				
USD	\$ 3,753	30.72979	\$ 3,240	27.67953
HKD	8,813	3.94136	8,895	3.54951
RMB	68,784	4.41228	68,662	4.34707
<u>Non-monetary items</u>				
RMB	83,524	4.41228	84,025	4.34707
Foreign currencies liabilities				
<u>Monetary items</u>				
USD	1,333	30.72979	1,501	27.67953
RMB	95,110	4.41228	86,470	4.34707

Unrealized foreign currency exchange gains (losses) with a significant impact are as follows:

Foreign currencies	2022		2021	
	Exchange rate	Net gains (losses) on foreign currency exchange	Exchange rate	Net gains (losses) on foreign currency exchange
EUR	32.75194 (EUR: NTD)	\$ 132	31.40410 (EUR: NTD)	\$ -
RMB	4.41228 (RMB: NTD)	(2,703)	4.34707(RMB: NTD)	192
USD	30.72979 (USD: NTD)	(178)	27.67953 (USD: NTD)	(211)
HKD	3.94136 (HKD: NTD)	(100)	3.54951 (HKD: NTD)	(2,952)
		(\$ 2,849)		(\$ 2,971)

XXVI. Notes to disclosures

(I) Information on significant transactions and (II) Information on investees: nothing else is to disclose unless the matters below.

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 partial 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, current income or loss and investment income or loss recognized, 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: Note XXIII.
3. The 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 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 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 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 Company after obtaining the funds.
 - C. Based on the above reasons, Copartner Wire & Cable Manufacturing Limited shall notify the Company when transferring investment funds or interests and income, and the 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 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) 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.

COPARTNER TECHNOLOGY CORP.
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	\$ -	-	\$ -	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	-	-	-	None	-	164,458 (RMB 37,273)	328,916 (RMB 74,546)
3	ShenZhen Copartner Communication Co., Ltd.	Copartner Technology (Dongfai) Co., Ltd.	Other receivables	Yes	30,886 (RMB 7,000)	30,886 (RMB 7,000)	30,886 (RMB 7,000)	4.35%	2	-	-	-	None	-	822,290 (RMB 186,364)	822,290 (RMB 186,364)
		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	-	-	-	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	-	-	-	None	-	702,068 (RMB 159,117)	702,068 (RMB 159,117)
4	Cablex Wire (ShenZhen) Mfg Co., Ltd.	Jia Xin Plastic(ShenZhen) Co., Ltd.	Other receivables	Yes	13,544 (RMB 3,000)	-	-	-	2	-	-	-	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	-	-	-	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	-	-	-	None	-	702,068 (RMB 159,117)	702,068 (RMB 159,117)
		Huisheng Plastic (ShenZhen) Co., Ltd.	Other receivables	Yes	33,860 (RMB 7,500)	-	-	-	2	-	-	-	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	-	-	-	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	-	-	-	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. United Electric Wire (KunShan) Co., Ltd.	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		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 RMBS 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.
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/guaranteee	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.

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.

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.

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 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 (%)			
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	Subsidiary
	Sunagaru International Inc.	SAMOA	General international trade business	-	11,677 (USD 380) (Note 2)	-	-	-	123	Subsidiary
	HPC Technology Inc.	New Taipei City	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	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	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.
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 January 1, 2022 (Note 1)	Investment flows		Accumulated outflow of investment from 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 signal communication 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	\$ 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)	(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)	(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	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	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)	(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	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.

VI. If the Company and its affiliates have financial turnover difficulties in the most recent year and up to the date of publication of the annual report, they shall list that they have no impact on the financial status of the Company: None.

Chapter VII Financial status and performance review analysis and risks

I. Financial status:

(I) Main reasons and impacts of major movements in assets, liabilities, and equity during the last two years

Unit: NT\$ thousand

Analysis item \ Year	2022	2021	Difference	
			Amount	%
Current assets	3,193,018	3,325,198	(132,180)	(3.98)
Long-term investment	42,811	35,287	7,524	21.32
Property, plant and equipment	701,327	570,804	130,523	22.87
Other assets	512,068	463,388	48,680	10.51
Total assets	4,449,224	4,394,677	54,547	1.24
Current liabilities	1,585,921	1,684,735	(98,814)	(5.87)
Long-term liabilities	604,072	460,048	144,024	31.31
Other liabilities	319,458	307,672	11,786	3.83
Total liabilities	2,509,451	2,452,455	56,996	2.32
Share capital	875,500	850,000	25,500	3.00
Capital surplus	424,230	424,230	0	0.00
Retained earnings	883,636	955,118	(71,482)	(7.48)
Other equity interests	(253,342)	(298,718)	45,376	(15.19)
Non-controlling interests	9,749	11,592	(1,843)	(15.90)
Total amount of shareholder's equity	1,939,773	1,942,222	(2,449)	(0.13)
Please state the reason for the movements during the last years (if the movement (increase or decrease) does not reach 20%, an analysis is not required)				
1. Long-term investment increase: Mainly caused by the capital increase of the two plants in Jiangxi Lianying and Jiangxi Jiasen in 2022.				
2. Increase in real estate, plant and equipment: Mainly due to plant construction in Jiangxi and Dongtai area in 2022.				
3. Increase in long-term liabilities: Mainly due to an increase of NT\$ 144,024 thousand in long-term borrowings in 2022 compared to last year.				

(II) Impacts of major movements in assets, liabilities, and equity during the last two years: There is no significant impact on the Company's financial position.

(III) Future response plan: N/A.

II. Financial performance:

- (I) Main reasons for major movements in operating revenue, operating income, and net income before tax in the last two years

Unit: NT\$ thousand

Item \ Year	2022	2021	Increase/ Decrease in amount	Change percentage (%)
Operating revenue - net	4,166,649	4,849,634	(682,985)	(14.08)
Operating costs	3,549,042	4,049,766	(500,724)	(12.36)
Gross profit	617,607	799,868	(182,261)	(22.79)
Operating expenses	671,928	672,403	(475)	(0.07)
Net operating income (loss)	(54,321)	127,465	(181,786)	(142.62)
Non-operating income and expenses	38,448	14,435	24,013	166.35
Net income (loss) before tax	(15,873)	141,900	(157,773)	(111.19)
Income tax expenses	8,761	59,816	(51,055)	(85.35)
Net income (loss) after tax	(24,634)	82,084	(106,718)	(130.01)
<p>Please state the reason for the movements during the last years (if the movement (increase or decrease) does not reach 20%, an analysis is not required)</p> <ol style="list-style-type: none"> 1. Decrease in operating net profit: Mainly due to the impact of COVID-19, the war between Ukraine and Russia and high inflation in 2022, the price of raw materials remained high, and the high inventory of customers has not been removed, resulting in a slowdown in the pulling power of goods, resulting in a decrease in revenue compared to last year. 2. Increase in non-operating income and expenses: Mainly due to the ongoing interest rate increase implemented by various governments in 2022 to curb inflation, foreign currency exchange benefits increased by NT\$ 24,392 thousand as compared to last year. 				

- (II) Estimated sales and the basis: The Company did not prepare and publish financial forecasts, so it does not apply.

- (III) Potential impact on the Company's future financial business and response plans: No significant impact was caused on finance and business.

III. Cash flow: An analysis of cash flow movements in the last year, an improvement plan for insufficient liquidity, and a liquidity analysis for the coming year

(I) An analysis of movements in consolidated cash flows during 2022:

Unit: NT\$ thousand

Opening cash balance (1)	Net cash flow from operating activities in the year (2)	Cash outflow throughout the year (3)	Cash surplus (deficit) (1)+(2)-(3)	Countermeasure for cash deficits	
				Investment plans	Wealth management plans
829,781	670,271	(235,231)	1,264,821	-	-

1. Net cash inflow from operating activities in 2022 is NT\$ 670,271 thousand, mainly due to the collection of accounts receivable and inventory sales.
2. Net cash outflow from investment activities in 2022 is NT\$ 233,069 thousand, mainly due to the acquisition of real estate, plant and equipment.
3. Net cash outflow from financing activities in 2022 is NT\$ 44,695 thousand, mainly due to the increase in long-term borrowings, principal repayment of lease liabilities and cash dividend payment.
4. The impact of exchange rate changes on cash in 2022 is NT\$ 42,533 thousand.

(II) Remedial measures for cash flow deficit and liquidity analysis: There was no cash flow deficit occurring.

(III) A liquidity analysis for the coming year:

Opening cash balance (1)	Net cash flow from operating activities in the year (2)	Cash outflow throughout the year (3)	Cash surplus (deficit) (1)+(2)-(3)	Countermeasure for cash deficits	
				Investment plans	Wealth management plans
1,264,821	165,825	250,408	1,180,238	-	-

1. The net cash inflow of operating activities, mainly due to the gradual unsealing of the epidemic in 2023, the increased demand for consumer electronics and automotive, medical, industrial control and other lines, the substantial growth of revenue and profit, resulting in the net cash inflow of operating activities.
2. Net cash outflow from investing activities, mainly due to the acquisition of real estate, plant and equipment, etc.
3. Net cash outflow from financing activities, mainly due to the estimated repayment of loans, dividend payments, etc.

IV. The impact of the significant capital expenditure in the last year upon the financial performance: None.

V. The outward investment policies in the last year. The key reasons leading to the profit or loss,

the corrective plans and the investment plan in one year ahead: None.

- (I) The outward investment policies in the latest year: We mainly invested in upstream and downstream industries in line with the Company's long-term development plan to reduce production costs and increasing profits.
- (II) The main reason for reinvestment profit: NT\$ 7,524 thousand in profit in 2022. The main reason is that the impact of port congestion and shortage of materials due to the pandemic on the investment corporation has been alleviated, and their business operations have also improved.
- (III) The investment plan in one year ahead: To meet the needs for continuous development, the Company will carry out investment plans in the following year depending on the business operations and the development situation.

VI. An analysis and evaluation of risks in the last year and up to the publication date of this annual report

- (I) The impact incurred by change in interest rate, exchange rate, inflation upon the Company's profit and/or loss and the future countermeasures

Changes in interest rates: The interest expense and interest income of the Company and our subsidiaries accounted for 0.86% and 0.35% of the Group's consolidated revenue for 2022, respectively. The percentages are not large, and the Company has obtained short-term loans with preferential terms and medium- and long-term syndicated loans to support our operations and Capital movement, and we have obtained a loan under the Action Plan for Welcoming Overseas Taiwanese Businesses to Return Investment in Taiwan. It was estimated that changes in interest rates would not have a significant impact on the Company.

Changes in exchange rates: Part of the main sales and purchases by the Company and our subsidiaries is in foreign currencies. By offsetting foreign-currency assets and liabilities, the exchange rate risks have been greatly reduced. Exchange gain for 2022 accounted for 0.41% of the consolidated revenue, which is not a large percentage, so the impact of exchange rate fluctuations on the Company was limited. The Company and our subsidiaries will pay close attention to information on exchange rate fluctuations and keep abreast of the exchange rate trends in real time to avoid the risk of exchange rate changes depending on the global macro economy, exchange rates, and future capital needs, thereby alleviating the impact of exchange rate changes on the Company's and subsidiaries' profit or loss.

Inflation: The Company pays attention to market price fluctuations at any time and maintains positive interactive relations with suppliers and clients to avoid major impacts of inflation on the Company.

- (II) The major causes for engaging in high-risk, high-leverage investment, lending of funds to others, endorsements/guarantees and derivative financial instruments, the profits or loss and the future countermeasures.

Risk	Implementation	Policy and countermeasures
High-risk and highly leveraged investment	Our investments are mainly made to establish domestic and overseas production sites, most of which are wholly owned and are not highly leveraged or high-risk investments.	The Company focuses on the core business and does not engage in high-risk or highly leveraged investments.
Loaning Funds to Others	As of the publication date, except for loans between affiliates in the Group, we do not lend loans to external entities.	If the Company needs to engage in financing due to business needs in the future, the Operating Procedures for Loaning of Funds to Others formulated by the Company will apply, and we will accurately announce the information on the loans to others in real time in accordance with laws and regulations.
Endorsements /guarantees	The Company has endorsed guarantees of NT\$ 83,880 thousand for its subsidiaries Copartner Wire & Cable Manufacturing Limited, NT\$ 29,193 thousand for United Electric Wire (Kunshan) Co., Ltd. and NT\$ 61,460 thousand for Lianying Technology (Dongtai) Co., Ltd., as of December 31, 2022. The maximum value of the endorsement guarantee is NT\$ 2,895,036 thousand. The Company has endorsed guarantees of NT\$ 83,880 thousand for its subsidiaries Copartner Wire & Cable Manufacturing Limited, NT\$ 29,204 thousand for United Electric Wire (Kunshan) Co., Ltd. and NT\$ 61,481 thousand for Lianying Technology (Dongtai) Co., Ltd., as of April 30, 2023. The maximum value of the endorsement guarantee is NT\$ 2,895,036 thousand. We handle all endorsements/guarantees in accordance with the Operating Procedures for Endorsements and Guarantees formulated by the Company.	If there is a need to provide endorsements/guarantees to others in the future, we will handle it in accordance with the Operating Procedures for Endorsements and Guarantees formulated by the Company and will accurately announce the information on the endorsements/guarantees provided to others in real time in accordance with laws and regulations.
Derivatives Trading	The Company did not engage in derivatives trading during the last year and up to the publication date of this annual report.	If there is a need to engage in derivatives trading due to business needs in the future, we will handle it in accordance with the Procedures for Asset Acquisition and Disposal formulated by the Company and will accurately announce the information on trading in real time in accordance with laws and regulations.

- (III) The future research & development plans and the expenses anticipated to be invested into research & development

The Company's R&D projects in recent years have focused the attention on the development of cables and wire harness with high added values, and we will still focus on this and meet clients' new product design needs in our future R&D projects. The Company's R&D aims to proactively develop low-loss coaxial cables for 5G base stations and relevant cables and wire harness for automobiles, industrial automation, and medical care. It is estimated that the Group will invest more than 3% of its annual revenue in R&D in the future. Please refer to (4) R&D Status under Report to Shareholders on page 1 of this annual report for more information.

- (IV) The possible impacts by government policies and laws at home and abroad upon the Company's financial conditions and the Company's countermeasures

In the countries or regions where the Company operates business, if the existing tax laws and regulations are amended or new tax laws take effect, it may have an adverse impact on the Company's profits. Our main operations and manufacturing activities are in Taiwan and mainland China, so the Company is mainly regulated by the tax laws of the Republic of China and China's tax laws. Any adverse changes in tax laws and regulations will have an adverse impact on the Company's operating performance. To control this tax risk, the Company always pays close attention to any important domestic and overseas policy development and changes in laws and regulations that may affect the Company's finance, consults attorneys and accountants about the impacts, and collects relevant information as a reference for the management team to make decisions to adjust the Company's business strategies.

Furthermore, as the Company's revenue mainly comes from sales outside of Taiwan, changes in various regional economies' trade policies may directly or indirectly affect the sales of the Company or our clients, thereby affecting the Company's operating performance. Therefore, the Company continues to pay attention to the recent development of trade policies of relevant major economies and will take countermeasures accordingly.

- (V) The impact of technological changes and industrial changes on the Company's financial performance and countermeasures

The Company pays close attention to technological changes and technological development in the industry, in which the business is operated, continues to improve product quality and manufacturing processes, quickly keeps abreast of industry trends and competitors' information, and adopts a stable financial management strategy to maintain our market competitiveness. In the future, the Company will continue to pay attention to the technological changes in the industry, in which the business is operated,

evaluates such an impact on the operations, and makes corresponding adjustments to improve the business development and financial position. Therefore, technological changes and industrial changes currently cause no significant impact on the Company.

- (VI) The impacts created by a change in corporate image upon the management over crisis, and the Company's countermeasures

Since the Company was established, we have adhered to the principles of integrity and professionalism, proactively reinforced internal management, improved management quality and efficiency, attached importance to corporate image and risk control, and complied with applicable laws and regulations. So far, there has been no incident occurring that would affect our corporate image. In the future, while maximizing shareholders' equity, the Company will fulfill our corporate social responsibility.

- (VII) Estimated benefits and potential risks of M&A and countermeasures: So far, the Company has no M&A plan in place, so this does not apply.

- (VIII) The risks anticipated from the expansion of the plant buildings, and the Company's countermeasures:

The Company carefully plans the capital expenditure for the expansion of production capacity and plants depending on the industrial development and market needs to increase production capacity and revenue. As the expansion of production capacity and plants will result in an increase in operating costs, and when the business cycle in the industry is not as expected, idle production capacity will occur. The Company will pay close attention to market changes and work closely with clients to adjust expansion plans in a timely manner to reduce and avoid risks.

- (IX) The risks anticipated from the centralized input or output undertakings and the Company's countermeasures

The Company's clients are located in different places around the world. The top ten clients for 2022 accounted for lower than 10% of the Company's net operating revenue, without a risk of client concentration. Also, most of our other raw material suppliers are companies with great quality reputation in the industry and have been worked with the Company stably for many years, so there should be no risk of supplier concentration to the Company.

- (X) The impacts and risks anticipated from the massive transfer of shareholding by directors or key shareholders who hold more than 10% in shareholding and the Company's countermeasures: None.

- (XI) The impacts and risks anticipated from the change in the managerial powers and the

Company's countermeasures:

The Company did not have a change in the management right during the last year and up to the publication date of this annual report, so this does not apply.

- (XII) In the case of a court case or a non-contentious case, specify the Company or the Company's directors, President, de facto responsible person, or shareholders, each holding more than 10% of all company shares, with final ruling made or still in major legal proceedings, non-contentious matters, or administrative disputes, and where the result thereof may significantly affect shareholders' equity or stock price, the fact of the contentions, the amount involved, the commencement date of the proceedings, the major litigants in the proceedings, and the status as of the publication date of this report shall be disclosed: None.

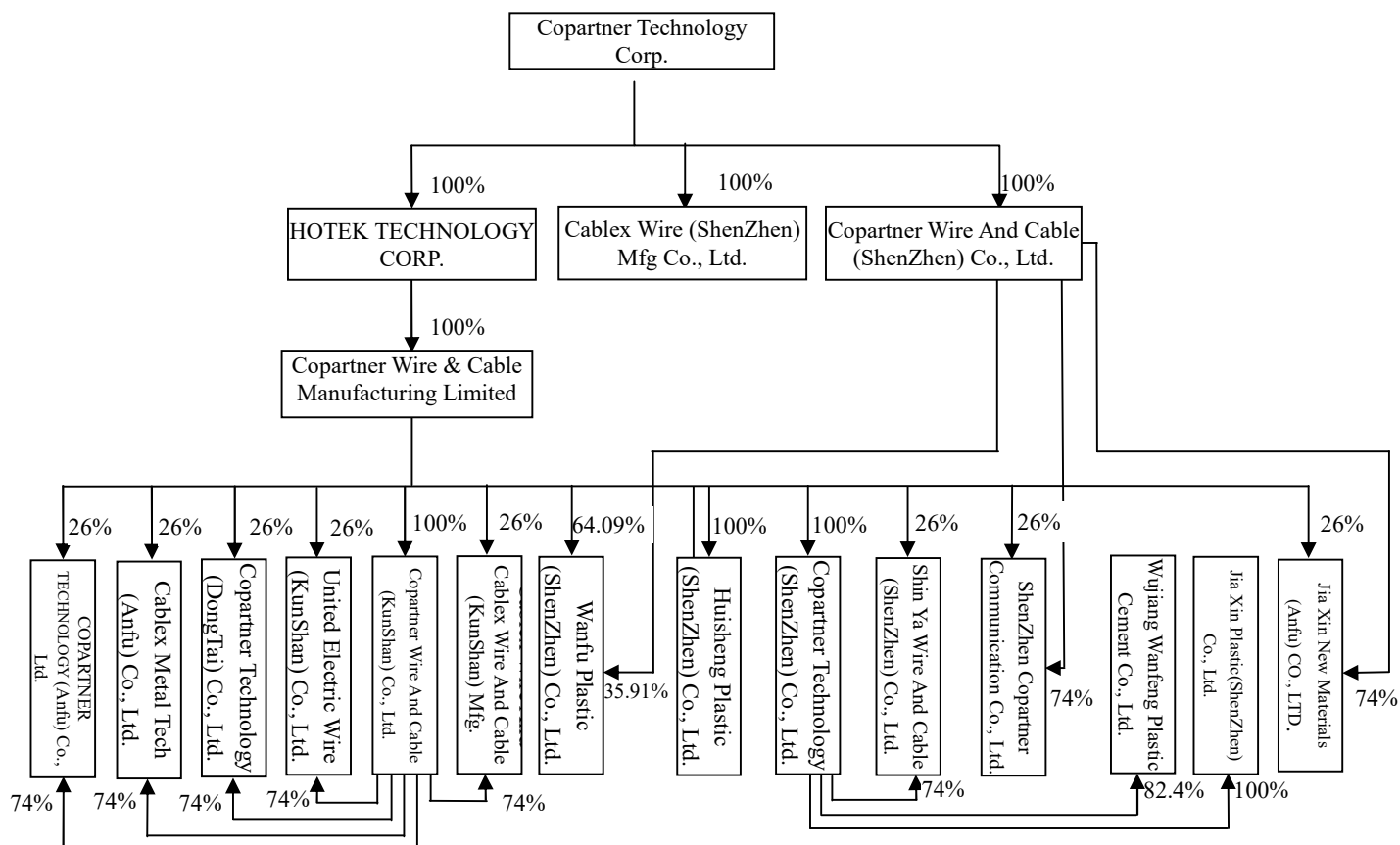
VII. Other important disclosures: None.

Chapter VIII Special disclosure

I. Relevant information of affiliated enterprises

(I) Consolidated business reports teaming up with affiliated enterprises

1. Organizational chart of affiliates OK



Note: The names of the companies in the organizational chart is abbreviated. For the full names, please refer to 2. Fundamental particulars of affiliated enterprises below.

2. Fundamental particulars of affiliated enterprises: OK

Name of enterprise	Establishment Date	Address	Paid-in shares Capital	Main business items
HOTEK TECHNOLOGY CORP.	July 8, 2003	P.O.Box 1225, Apia, Samoa.	614,596	Investment
Copartner Wire & Cable Manufacturing Limited	September 10, 1992	A3, 3F, Block A, Hongli Industrial Center, 6 Wang Guan Road, Kowloon Bay, Kowloon, Hong Kong	331,443	General international trade and general investment business
Cablex Wire (ShenZhen) Mfg Co., Ltd.	September 3, 1997	1F-B, No. 52-5 and No. 52-6, Fengtang Boulevard, Xintian Community, Fuyong Street, Bao'an District, Shenzhen, Guangdong, China	56,903	Production and sales of copper wires
Copartner Wire And Cable (ShenZhen) Co., Ltd.	August 19, 1997	No.52-7, 52-9, Fengtang Avenue , Xintian Village, Fuyong Town, Bao'an District, Shenzhen, Guangdong, China	63,900	Investment
United Electric Wire (KunShan) Co., Ltd.	February 20, 2003	No.168, Bin jiang South Road, Zhangpu Town, Kunshan City, Jiangsu, China	57,703	Production and sales of wires, cables, and computer cables
Copartner Wire And Cable (KunShan) Co., Ltd.	February 4, 1998	No.168, Bin jiang South Road, Zhangpu Town, Kunshan City, Jiangsu, China	197,190	Investment
Cablex Wire And Cable (KunShan) Mfg.	November 26, 2004	No.168, Bin jiang South Road, Zhangpu Town, Kunshan City, Jiangsu, China	65,773	Production and sales of wires, cables, and computer wire harness
Wanfu Plastic (ShenZhen) Co., Ltd.	February 20, 2003	South side of the first floor, No. 9, Jiujiu Industrial Road, West Industrial Park, Shatou community, Shajing street, Bao'an District, Shenzhen, Guangdong, China	73,640	Production and sales of plastic pellets
Huisheng Plastic (ShenZhen) Co., Ltd.	November 26, 2004	1 & 2F., No.2, Ninety-nine Industrial Area Minzhu Village, Shajing Town, Baoan District, Shenzhen, Guangdong, China	82,098	Production and sales of plastic pellets

Name of enterprise	Establishment Date	Address	Paid-in shares Capital	Main business items
Copartner Technology (ShenZhen) Co., Ltd.	November 26, 2004	No.52-7, 52-9, Fengtang Avenue , Xintian Village, Fuyong Town, Bao'an District, Shenzhen, Guangdong, China	311,445	Production and sales of wires, cables, and computer cables
ShenZhen Copartner Communication Co., Ltd.	February 20, 2003	No.8-9, Dayangtian Industrial Area, Wanfeng Village, Shajing Town, Baoan District, Shenzhen, Guangdong, China	258,518	Production and sales of wires, cables, and computer cables
Shin Ya Wire And Cable (ShenZhen) Co., Ltd.	December 16, 2005	2F., No.52-5, Fengtang Avenue , Xintian Village, Fuyong Town, Baoan District, Shenzhen, Guangdong, China	36,750	Production and sales of wires, cables, and computer cables
Wujiang Wanfeng Plastic Cement Co., Ltd.	April 26, 2010	No.44 Tongxin East Road, Wan jiang District, Songling Town, Wujiang District, Suzhou, Jiangsu, China	27,577	Production and sales of plastic pellets
Jia Xin Plastic(ShenZhen) Co., Ltd.	September 16, 1993	3TH industrial zone, Bitou Village, Songgang Town, Baoan District, Shenzhen, Guangdong, China	30,356	Production and sales of plastic pellets
Copartner Technology (DongTai) Co., Ltd.	January 7, 2019	North Side of Haiyang West Road, Precision Machinery Manufacturing Industrial Park, Dongtai City	178,688	R&D, production, and sales of high-end communication signal transmission cables and copper conductors
Jia Xin New Materials (Anfu) CO., LTD.	October 9, 2020	Next to Electromechanical Avenue, High-tech Industrial Park, Anfu County, Ji'an City, Jiangxi Province, China	171,231	Production and sales of plastic pellets
Cablex Metal Tech (Anfu) Co., Ltd.	January 25, 2021	Advanced Equipment Manufacturing Industrial Park, High-tech Industrial Park, Anfu County, Ji'an City, Jiangxi Province, China	42,874	Production and sales of copper wires
COPARTNER TECHNOLOGY (Anfu) Co., Ltd.	January 25, 2021	Advanced Equipment Manufacturing Industrial Park, High-tech Industrial Park, Anfu County, Ji'an City, Jiangxi Province, China	178,110	Production and sales of wires, cables, and computer cables

2. Information on the shareholders presumed to have a relationship of control and subordination: None.
3. Industries to which the affiliates belong: See (2) for details.
4. Information and to data of directors and supervisors, general managers of affiliated enterprises:

Name of enterprise	Title	Name or the representative person	Shareholding	
			Quantity	Ratio of Shareholding
HOTEK TECHNOLOGY CORP.	Director	Ho, Chun-Hsien	—	—
	Director	Wang, Shih-Tsung	—	—
	Director	Chen, Hung-Yao	—	—
Copartner Wire & Cable Manufacturing Limited	Director	Ho, Chun-Hsien	—	—
	Director	Wang, Shih-Tsung	—	—
	Director	Chen, Hung-Yao	—	—
Cablex Wire (ShenZhen) Mfg Co., Ltd.	Chairman	Ho, Chun-Hsien	—	—
	Director	Wang, Shih-Tsung	—	—
	Director	Chen, Hung-Yao	—	—
	President	Wang, Shih-Tsung	—	—
COPARTNER WIRE AND CABLE (SHENZHEN) CO., LTD.	Chairman	Ho, Chun-Hsien	—	—
	President	Wang, Shih-Tsung	—	—
United Electric Wire (KunShan) Co., Ltd.	Chairman	Ho, Chun-Hsien	—	—
	Director	Wang, Shih-Tsung	—	—
	Director	Chen, Hung-Yao	—	—
	Supervisor	Ho, Po-Kai	—	—
	President	Shih, Hsiao-Kuang	—	—
Copartner Wire And Cable (KunShan) Co., Ltd.	Chairman	Ho, Chun-Hsien	—	—
	Director	Wang, Shih-Tsung	—	—
	Director	Chen, Hung-Yao	—	—
	Supervisor	Ho, Po-Kai	—	—
	President	Wang, Shih-Tsung	—	—
Cablex Wire And Cable (KunShan) Mfg.	Chairman	Ho, Chun-Hsien	—	—
	Director	Wang, Shih-Tsung	—	—
	Director	Chen, Hung-Yao	—	—
	Supervisor	Ho, Po-Kai	—	—
	President	Ho, Chun-Hsien	—	—
WANFU PLASTIC (SHENZHEN) CO., LTD.	Chairman	Ho, Chun-Hsien	—	—
	Vice Chairman	Chen, Hung-Yao	—	—
	Director	Wang, Shih-Tsung	—	—
	Supervisor	Ho, Po-Kai	—	—
	President	Kuo, Shao-Ping	—	—
Huisheng Plastic (ShenZhen) Co., Ltd.	Chairman	Ho, Chun-Hsien	—	—
	Director	Wang, Shih-Tsung	—	—
	Director	Chen, Hung-Yao	—	—

Name of enterprise	Title	Name or the representative person	Shareholding	
			Quantity	Ratio of Shareholding
Copartner Technology (ShenZhen) Co., Ltd.	Chairman	Ho, Chun-Hsien	—	—
	Director	Wang, Shih-Tsung	—	—
	Director	Chen, Hung-Yao	—	—
	President	Yen, Chia-Fa	—	—
SHENZHEN COPARTNER COMMUNICATION CO., LTD.	Chairman	Ho, Chun-Hsien	—	—
	Vice Chairman	Chen, Hung-Yao	—	—
	Director	Wang, Shih-Tsung	—	—
	President	Li, Hsiao-Lien	—	—
Shin Ya Wire And Cable (ShenZhen) Co., Ltd.	Chairman	Ho, Chun-Hsien	—	—
	Director	Wang, Shih-Tsung	—	—
	Director	Chen, Hung-Yao	—	—
	Supervisor	Ho, Po-Kai	—	—
	President	Yen, Chia-Chun	—	—
Wujiang City Wanfeng Plastic Limited Company	Executive	Ho, Chun-Hsien	—	—
	Director	Chen, Hung-Yao	—	—
	Supervisor	Yi, Chien-Chun	—	9.6%
	President			
Jia Xin Plastic(ShenZhen) Co., Ltd.	Executive	Ho, Chun-Hsien	—	—
	Director	Wang, Shih-Tsung	—	—
	Director	Chen, Hung-Yao	—	—
	Director	Ho, Po-Kai	—	—
	Supervisor	Li, Yi-Ta	—	—
	President			
Copartner Technology (DongTai) Co., Ltd.	Chairman	Ho, Chun-Hsien	—	—
	Director	Wang, Shih-Tsung	—	—
	Director	Chen, Hung-Yao	—	—
	Supervisor	Ho, Po-Kai	—	—
Jia Xin New Materials (Anfu) CO., LTD.	Chairman	Ho, Chun-Hsien	—	—
	Director	Wang, Shih-Tsung	—	—
	Director	Chen, Hung-Yao	—	—
	Supervisor	Ho, Po-Kai	—	—
	President	Li, Yi-Ta	—	—
Cablex Metal Tech (Anfu) Co., Ltd.	Chairman	Ho, Chun-Hsien	—	—
	Director	Wang, Shih-Tsung	—	—
	Director	Chen, Hung-Yao	—	—
	Supervisor	Ho, Po-Kai	—	—
	President	Chen, Chun-Mei	—	—
COPARTNER TECHNOLOGY (Anfu) Co., Ltd.	Chairman	Ho, Chun-Hsien	—	—
	Director	Wang, Shih-Tsung	—	—
	Director	Chen, Hung-Yao	—	—
	Supervisor	Ho, Po-Kai	—	—
	President	Chou, Kuo-Chun	—	—

5. Affiliates' business operations:

December 31, 2022

Unit: NT\$ thousand, unless otherwise specified

Company Name	Paid-in shares Capital	Total assets	Total liabilities	Net worth (loss)	Current operating Revenue	Current operating income (loss)	Current profit (loss)	Earnings (loss) per share (NTD)
Copartner Technology Corp.	875,500	4,770,270	2,840,245	1,930,024	255,558	(77,810)	(22,606)	(0.26)
Hotek Technology Corporation	614,596	2,302,672	246,247	2,056,425	-	(18,249)	32,344	1.62
Copartner Wire & Cable	331,443	2,347,617	44,955	2,302,662	-	(4,042)	50,698	Note
Cablex Wire (ShenZhen) Mfg Co.,	56,903	485,466	116,933	368,533	74,447	(11,118)	(2,219)	Note
Copartner Wire And Cable	63,900	1,354,029	22	1,354,007	-	(317)	5,656	Note
United Electric Wire (KunShan)	57,703	467,454	125,310	342,144	597,492	31,444	25,807	Note
Copartner Wire And Cable	197,190	831,032	8,742	822,290	-	(12,841)	53,430	Note
Cablex Wire And Cable	65,773	377,685	107,261	270,424	517,178	61,865	53,413	Note
Wanfu Plastic (ShenZhen) Co.,	73,640	115,591	10,056	105,535	15,205	(1,583)	724	Note
Huisheng Plastic (ShenZhen) Co.,	82,099	417,637	90,520	327,117	348,783	(1,635)	(3,824)	Note
Copartner Technology (ShenZhen)	311,445	1,001,232	654,554	346,678	642,710	(15,674)	(16,440)	Note
ShenZhen Copartner	258,518	837,922	135,854	702,068	559,855	(22,834)	2,354	Note
Shin Ya Wire And Cable	36,750	307,343	171,759	135,584	256,891	7,716	9,493	Note
Wujiang City Wanfeng Plastic	27,577	82,330	26,939	55,391	114,893	(9,890)	(11,752)	Note
Jia Xin Plastic(ShenZhen) Co., Ltd.	30,356	378,946	48,590	330,356	470,607	8,357	7,276	Note

Company Name	Paid-in shares Capital	Total assets	Total liabilities	Net worth (loss)	Current operating Revenue	Current operating income (loss)	Current profit (loss)	Earnings (loss) per share (NTD)
Copartner Technology (DongTai) Co., Ltd.	178,688	250,459	68,556	181,903	-	(2,218)	(3,219)	Note
Jia Xin New Materials (Anfu) CO., LTD.	171,231	170,109	644	169,465	-	(1,770)	(1,096)	Note
Cablex Metal Tech (Anfu) Co., Ltd.	42,874	273,168	220,850	52,318	851,380	18,762	11,962	Note
COPARTNER TECHNOLOGY (Anfu) Co., Ltd.	178,110	174,467	25,441	149,026	55,235	(18,409)	(18,132)	Note

Note: As the company is a limited company, it has no number of shares available.

(II) Consolidated financial statements of affiliates (see pages 129 -212)

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.

(III) Affiliation report: N/A.

- II. Where the company has carried out a private placement of securities in the last year and up to the publication date of the annual report: None.
- III. Holding or disposal of the company's shares by its subsidiaries in the last year and up to the publication date of the annual report: None.
- IV. Other necessary supplementary information: None.

Chapter IX Occurrences of events defined under Subparagraph 2, Paragraph 3, Article 36 of the Securities Exchange Act in the last year and up to the publication date of the annual report that significantly impacted shareholders' equity or security prices: None.

Copartner Technology Corp.

Chairman: Ho, Chun-Hsien

Published on May 15, 2023

