

(Stock Code: 8096)



(Formerly known as: CoAsia Microelectronics Corp.)

## 2021 Annual Report

Annual Report Website

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## **V. Overseas Trade Places for Listed Negotiable Securities London Stock Exchange**

None

## **VI. Company Website**

<https://www.coasiaelec.com/zh-tw/>

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# Chapter 1. Letter to Shareholders

Dear shareholders:

Over the past two years, COVID-19 outbreak continues to affect the global world. Although countries have tried to stop the spread of the disease through mass vaccination, the pandemic has also led to inaccurate manufacturing forecasts and affected labor markets because of the need for isolation and quarantine regulations, and shortage of labor and materials has affected the entire electronic information and communications industry, and has led to capacity imbalances of some key components of mobile phones, leading to the imbalance of supply and demand in the market. However, the crisis is also a turning point. The Company actively grasps the supply and demand condition of relevant market, and keeps good interaction with suppliers, to ensure that the supply of goods can meet the needs of customers. The Company also accurately determines the market price fluctuations of some key components to get the better of the profits. Meanwhile, in recent years, the Company actively develops new product agency business which contributes to profit, and the Company's revenue, gross profit, operating income and income after taxes in 2021 are better than that in 2020.

## I. Operating results in 2021

In 2021, the Company mainly sold key mobile communications components of Samsung Electronics in South Korea, such as AMOLED, CIS, Memory, CPU, and small and medium-sized TFT-LCDs, and all kinds of sensor components, driver IC, etc. of other world-class factories, which are mainly used in handheld mobile communication equipment and laptop computers. In addition to laptop and communication products, the Company has also actively developed non-communication components and products in recent years. The proportion of sales of such products is also increasing year by year, so as to gradually achieve the purpose of diversifying business risks. In 2021, the Company's consolidated operating revenue reached NT\$29.2 billion, an increase of NT\$2.4 billion from 2020, representing a year-on-year growth of 8.96%. The gross operating profit is NT\$960 million, an increase of NT\$100 million from 2020, representing a year-on-year growth of 14%. Gross profit rate is 3.28%, net profit attributable to the parent company is NT\$164 million, and earnings per share is NT\$1.13.

## II. Business plan overview in 2022

In 2020 and 2021, the production capacity disorders of some mobile phone components have led to the disorder of the market supply. It is expected that this year may have an opportunity to improve. However, in the face of the impact of the epidemic on the global economy, the consumer market may be weak and uncertain. The Company's business policy will strengthen the following items in response to the change:

- (I) Key production lines should be developed in a balanced way to avoid the impact on revenue and profit if the end market of communication products is not as expected.
- (II) Strengthen the quality management of accounts receivable and inventory, reduce bad debts and long-term inventory, so as to reduce losses and maximize profits.
- (III) When each agent production line enters into different industries, we will try our best to develop and win the first-line customers and cultivate potential customers, so as to facilitate the future capital arrangement and scheduling flexibility.

The international economic environment will gradually get rid of the influence of COVID-19, however imbalance between supply and demand in the semiconductor market will cause uncertainty for the industry in which some of the Company's agent products are in. However, we believe that the annual business target will be successfully achieved as long as the instructions required by the business policy are thoroughly implemented.

## III. Future Development Strategy

Under the situation of the imbalance between supply and demand of some key components of mobile phones affected by the epidemic, and there are still many uncertainties in the overall economic environment, the Company, which takes electronic component distributors as its main business items, will conscientiously do a good job in inventory quality management and implement credit management mechanism in the long-term strategy, and close contact with suppliers, keep abreast of new product information and the trend of the industry, and adjust the agent production line portfolio towards balanced development, to ensure that the Company can gain stable profits and give back to all shareholders.



IV. Impact of external competition environment, regulatory environment and overall business environment

The Company complies with domestic and foreign laws and regulations in daily operation, and pays attention to domestic and foreign policy development trends and changes in laws and regulations. Meanwhile, it also focuses on changes of electronic communication related industries and competitors, so as to fully grasp the changes of the overall market environment, and take the initiative to put forward measures for risk control to minimize the impact of the overall business environment.

Thanks to shareholders for their support and encouragement, I wish you all

good health and good fortune.

Chairman Lee Hee-Jun



General Manager Shin Dong-Soo



## Chapter 2. Company Profile

### I. Company Profile

(I) Date of Incorporation: November 21, 1997

(II) Company History

#### Historical Events

1. In November 1997, COASIA MICROELECTRONICS CORP. was established in Taipei
2. In January 1998, it provided 0.5  $\mu\text{m}$ /0.35  $\mu\text{m}$  GATE ARRAY and TANDARD CELL ASIC SERVICE
3. In March 1998, it successfully cooperated with American customers to develop 0.35  $\mu\text{m}$  NOTEBOOK GRAPHICS CHIP containing 20MB ITSDRAM and RAMDAC, PLL IP CORES.
4. In March 1999, it provided 0.25  $\mu\text{m}$  ASIC Service
5. In August 1999, it successfully cooperated with customers to develop a single chip of 0.35  $\mu\text{m}$  SCSI SCANNER SoC system, which contains 80C51 10BIT ANALOG FRONT END and 1 MBIT SDRAM IP CORE, as the world's first SCANNER SoC IC
6. In August 1999, it cooperated with American customers to develop PC CAMERA CONTROLLER CHIP with USB IP CORE
7. In September 1999, it successfully cooperated with customers to develop 0.35  $\mu\text{m}$  8-PORT SWITCHING IC with 16MBIT SDRAM IPCORE
8. In January 2000, it began to provide FLASH EMBEDDED SOC DESIGN SERVICE and successfully cooperated with customers to develop 0.35  $\mu\text{m}$  FLASH EMBEDDED SoC with 1 MBIT FLASH IPCORE
9. In March 2000, it began to provide 0.18  $\mu\text{m}$  ASIC SERVICE
10. In April 2000, it successfully cooperated with customers to develop a single chip of 0.35  $\mu\text{m}$  CCD CAMERA SOC system, with 10BIT CAMCODER ANALOG FRONT END IP CORE
11. In September 2000, issuance of ordinary shares for cash increased to NT\$15,000,000, and the capital increased to NT\$95,000,000
12. In October 2000, it began to provide 0.35 $\mu\text{m}$ /0.25 $\mu\text{m}$  ARM RISC CPU EMBEDDED SoC DESIGN SERVICE
13. In November 2000, issuance of ordinary shares for cash increased to NT\$105,000,000 and paid-in capital was NT\$200,000,000
14. In November 2000, it CDIB Capital joined the CoAsia Board
15. In March 2001, it began to provide Network/PDA SOC Design Platform for SoC Design Service
16. In May 2001, the surplus, capital surplus and employee bonus transfer to capital increase was NT\$70,480,000, and paid-in capital was NT\$270,480,000
17. In June 2001, it invested in COASIA INTERNATIONAL CORP.

18. In July 2001, the Company's shares were publicly issued
19. In August 2001, it invested in SILICON PLAZA LIMITED.
20. In September 2001, the Company's Hsinchu IP R&D Center was established
21. In February 2002, South Korea RD Center was established
22. In July 2002, the surplus, capital surplus and employee bonus transfer to capital increase was NT\$88,150,000, and paid-in capital was NT\$358,630,000
23. In February 2003, the Board of Directors of the Company adopted a resolution to apply for the registration of shares for over-the-counter trading
24. In February 2003, it increased reinvestment in COASIA INTERNATIONAL CORP.US\$325,000 to buy stock equity of Silicon Plaza Limited.
25. In April 2003, it released its stocks to the Emerging Stock trading market
26. In June 2003, shareholders' regular meeting passed the resolution that surplus and employee bonus transfer to capital increase was NT\$48,863,000
27. In September 2003, the Company issued an recognition of employee share options of 1,600 units
28. In January 2004, Application for stock listing was approved in January 2004
29. In January 2004, it was authorized to become Microsoft Windows Embedded Partner member
30. In April 2004, the Company issued an employee recognition of 1,600 units and effectively registered
31. In April 2004, an embedded system design team was established to obtain Samsung Electronics' first Mobile Solution Partner in the world
32. In June 2004, shareholders' regular meeting passed the resolution that surplus and employee bonus transfer to capital increase was NT\$44,234,310, capital surplus transfer to capital increase was NT\$814,990
33. In June 2004, it increased reinvestment in COASIA INTERNATIONAL CORP. of US\$2,000,000 and increased capital of Silicon Plaza Limited.
34. In July 2004, the stock was officially listed on and traded at the Securities Market
35. In July 2004, it completed the development and production of the E100 300MP color camera and mobile phone cover modules
36. In July 2004, it completed the development and production of the E500 1300MP color camera and mobile phone cover modules
37. In November 2004, an embedded platform, namely CoAsia Embedded Platform – CEP2410, was successfully developed.
38. In November 2004, it increased reinvestment in COASIA INTERNATIONAL CORP. of US\$1,000,000 and increased capital of Silicon Plaza Limited., set up the new Silicon International Trade (Shanghai)

- Co., Ltd. in Mainland China, registered under QingHua Electronics Co., Ltd.
39. In March 2005, the stock was traded in financing trading in the upper counter market
  40. In June 2005, shareholders' regular meeting passed the resolution that surplus and employee bonus transfer to capital increase was NT\$32,152,540
  41. In August 2005, surplus and employee bonus transfer to capital increase was NT\$32,152,540
  42. In August 2005, the Board of Directors issued 15,000 thousand new shares through issuance of ordinary shares for cash, and the issue price per share was NT\$20, with a total amount of NT\$300,000 thousand
  43. In September 2005, The second issuance of employee recognition of employees in September 2005 began to change
  44. In October 2005, it set up a 100% reinvestment in Mango Research Corp., with a paid-up capital of NT\$10,000 thousand
  45. In December 2005, it completed the cash increase and issued 15,000 thousand new shares of the required capital of 300,000 thousand, and paid-in capital was NT\$636,795 thousand
  46. In March 2006, it increased the capital of Silicon Plaza Limited by US\$2 million by increasing reinvestment in COASIA INTERNATIONAL CORP.
  47. In March 2006, it increased reinvestment in Mango Research Corp. of NT\$30,000 thousand
  48. In June 2006, shareholders' regular meeting passed the resolution that surplus and employee bonus transfer to capital increase was NT\$56,863,590
  49. In August 2006, it issued the second domestic unsecured convertible Bond of NT\$500 million
  50. In August 2006, surplus and employee bonus transfer to capital increase was NT\$56,863,590
  51. In November 2006, it increased reinvestment in Mango Research Corp. of NT\$51,000 thousand
  52. In March 2007, it invested in Ubitrotech, South Korea with KRW279,000 thousand
  53. In July 2007, it passed the NT\$660 million joint loan case through TC Bank and other banks
  54. In September 2007, surplus and employee bonus transfer to capital increase was NT\$68,313,400
  55. In October 2007, it increased the capital of Silicon Plaza Limited by US\$3 million by increasing reinvestment in COASIA INTERNATIONAL CORP.

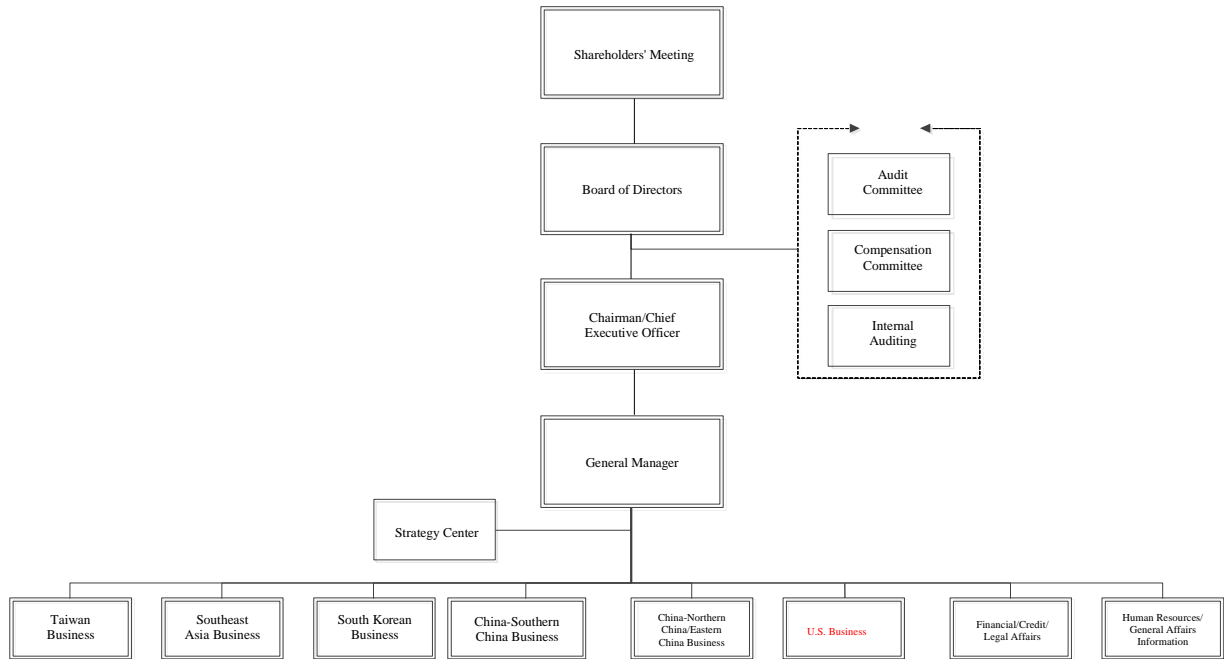
56. In June 2008, shareholders' regular meeting passed the resolution that surplus and employee bonus transfer to capital increase was NT\$48,042,250
57. In August 2008, surplus and employee bonus transfer to capital increase was NT\$48,042,250
58. In August 2008, domestic second unsecured convertible corporate bonds bondholders exercise the second call back option
59. In August 2008, it invested in CoAsia Electronics, South Korea with KRW50,000 thousand
60. In July 2009, it invested in PointChips, South Korea with KRW2.8 billion
61. In July 2009, it invested in the research and development of touch panel-related technologies
62. In December 2009, it exercised the right to call back domestic second unsecured convertible corporate bonds in Taiwan and terminated its over-the-counter trading
63. In December 2009, it passed NT\$1 billion joint loan case through TC Bank and other banks
64. In August 2010, the amount of joint loan case through TC Bank and other banks changed from NT\$1 billion to NT\$1.6 billion
65. In September 2010, it passed US\$210 million joint loan case through CTBC Bank and other banks
66. In February 2011, it completed cancellation of the treasury stock of NT\$40,000 thousand
67. In March 2011, it passed US\$210 million joint loan case through CTBC Bank and other banks, increasing the total amount of credit line to US\$460 million
68. In October 2011, it completed cancellation of the treasury stock of NT\$23,980 thousand, issued 10,000 thousand new shares through issuance of ordinary shares for cash, and the issue price per share was NT\$48, with a total amount of NT\$480,000 thousand
69. In November 2011, it completed employee subscribed treasury stock of NT\$20,000 thousand, surplus and employee bonus transfer to capital increase was NT\$131,299,480
70. In July 2012, it invested in CoAsia Korea Co., Ltd, South Korea with KRW500 million
71. In September 2012, surplus and employee bonus transfer to capital increase was NT\$59,476,880
72. In September 2012, memory products of HTC were sold directly by Taiwan Samsung
73. In August 2013, it passed US\$26 million joint loan case through TC Bank and other banks
74. In August 2013, it increased its capital to CoAsia Korea Co. Ltd, South Korea by KRW499,995 thousand

75. In September 2013, surplus and employee bonus transfer to capital increase was NT\$61,076,940
76. In November 2013, it invested in WELLDISPLAY with US\$890,000
77. In March 2014, a memory bank R&D Center was established in Shanghai
78. In May 2014, it invested in the establishment of CoAsia Microelectronic Corp.(Singapore) Pte. Ltd.
79. In June 2014, it increased its capital to WELL DISPLAY with US\$1 million
80. In May 2015, the Company developed its own brand product AIR MENTOR - comprehensive air quality detector, and won the Computex d&i awards 2015.
81. In May 2015, it increased reinvestment in COASIA INTERNATIONAL CORP., of US\$2 million, increased capital of COASIA MICROELECTRONICS CORPORATION (HONGKONG) LIMITED, and transferred to invest in COASIA International Trade (Shanghai) Co., Ltd. in the name of COASIA MICROELECTRONICS CORPORATION (HONGKONG) LIMITED
82. In June 2015, WELL DISPLAY increased its capital to Shenzhen Weidele Trading Co., Ltd. with US\$650,000
83. In June 2015, Well Display was renamed COASIA ELECTRONICS CORP LIMITED
84. In July 2015, chairman Mr. Li-Hsi Chün, transferred more than 1/2 of his shareholding at the time of his election, he shall be deemed to have resigned of course
85. In August 2015, Mr. Hou-Ching Ch'i was selected as the new chairman
86. In September 2015, Extraordinary General Meeting of Shareholders re-elected director, representative of BSE HOLDINGS CO., LTD: Mr. Li-Hsi Chün
87. In September 2015, Mr. Hou-Ching Ch'i resigned, and the Board of Directors selected representative of BSE HOLDINGS CO., LTD: Mr. Li-Hsi Chün as the new chairman
88. In October 2015, the Investment Review Board passed the resolution to rename BSE HOLDINGS CO., LTD as COASIA HOLDINGS CO., LTD
89. In April 2016, it invested NT\$ 20 million to set up COASIA BIOTECH CORP..
90. In May 2016, the Company developed its own brand Air Mentor product Smart Alcohol Tester, and won the Computex d&i awards 2016
91. In September 2016, surplus transfer to capital increase was NT\$173,612,980
92. In December 2016, it invested NT\$16 million to set up Xinqing Technology Technology Co., Ltd.
93. In March 2017, it increased its capital to STUDYBANK CO., LTD with NT\$186 million

94. In April 2017, it increased its capital to COASIA BIOTECH CORP. with NT\$10 million
95. In February 2018, it transferred all shares of COASIA BIOTECH CORP. to ATGEN
96. In May 2019, the Investment Review Board passed the resolution to rename COASIA HOLDINGS CO., LTD as COASIA CORPORATION
97. In July 2019, the Company name was renamed from COASIA MICROELECTRONICS CORP. to CoAsia Electronics Corp.
98. In September 2019, it increased its capital to South Korea CoAsia Korea Co., Ltd. with US\$5 million
99. In December 2019, it increased its capital to STUDYBANK CO., LTD with NT\$60 million
100. In September 2020, surplus transfer to capital increase was NT\$27,924,790
101. In December 2020, the Company's official website major revision was launched
102. In February 2021, it sold the reinvested subsidiary STUDYBANK and Taiwan Interactive Education Corp. related business
103. In May 2021, sub-subsidiary CoAsia Electronics Corp. (Hong Kong) Ltd. and subsidiary CoAsia Technology Corp. Limited were merged
104. In June 2021, it invested US\$50,000 to set up CoAsia Electronics (US) Corp.
105. In October 2021, surplus transfer to capital increase was NT\$28,483,290

# Chapter 3. Corporate Governance Report

## I. Organization (I) Organizational structure





(II) Business of the main departments

(1) Internal Auditing Office

Planning and establishment of the internal control system, planning and implementation of the internal audit system, and implementation and tracking improvement of the annual audit plan.

(2) Taiwan Business/Southeast Asia Business/Southern China

Business/Northern China Business/Eastern China Business/Southern Korea Business/U.S. Business.

Aiming at the planning of the market trend of communications products and key components of the communications products, formulation and implementation of business expansion plan, formulation of price strategies and implementation of quotation operations for Taiwan, Southeast Asia, Southern China, Northern China/Eastern China, South Korea and U.S.

Business

(3) Strategy Center

Analysis of short, medium and long term business strategy and business process, and provide effective improvement plan, effective control of inventory and accounts receivable, and provide market analysis and countermeasures for related products.

(4) Financial/Credit/Legal Affairs

Budget planning and implementation, summary analysis accounting processing, fund raising and procurement, foreign exchange operation management, cash cashier management, securities custody.

Accounting system planning, establishment and implementation, accounting documents audit, operation, binding and storage matters.

Responsible for company credit management related affairs. Responsible for collecting, verifying and analyzing related affairs of company credit management, to establish and manage customer credit files and set customer credit conditions.

Responsible for corporate legal affairs, litigation and commercial contract management.

(5) Human Resources General Affairs Information

Planning and implementation of various human resource affairs, welfare and insurance operations and administrative coordination, documents and data management. Procurement management of fixed assets and office supplies,

office environment, health maintenance, and business reception matters.  
Company communication and computer information related software and  
hardware planning and implementation.

II. Directors, Supervisors, General Manager, Deputy General Manager, Assistant Manager and Managers of Departments and Branches:

(I) Directors' Information

1. Directors' Information

April 26, 2022

Title	Nationality/Place of Incorporation	Name	Gender	Date Elected (Appointed)	Term	Date First Elected	Shareholding When Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Concurrent Positions Held in the Company and Other Companies	Executives, Directors or Supervisors Who are Spouses or within Two Degrees of Kinship			Remarks
							Number of Shares	Shareholding Percentage	Number of Shares	Shareholding Percentage	Number of Shares	Shareholding Percentage	Number of Shares	Shareholding Percentage			Title	Name	Relation	
Chairman	Republic of Korea	Lee Hee Jun (Note 1)	Male	2020.06.19	3 years	2015.09.21	28,270,550	20.24%	29,412,680	20.24%	0	0%	0	0%	(Note 2)	(Note 2)	—	—	—	(Note 3)
Vice-Chairmen	Republic of Korea	Shin Dong Soo	Male	2020.06.19	3 years	2017.06.22	0	0%	0	0%	0	0%	0	0%	(Note 2)	(Note 2)	—	—	—	(Note 3)
Independent director	Republic of China	Chen Chien Li	Male	2020.06.19	3 years	2020.06.19	0	0%	0	0%	0	0%	0	0%	(Note 2)	(Note 2)	—	—	—	(Note 3)
Independent director	Republic of China	Chou Chih Cheng	Male	2020.06.19	3 years	2020.06.19	0	0%	0	0%	0	0%	0	0%	(Note 2)	(Note 2)	—	—	—	(Note 3)
Independent director	Republic of Korea	Hwang Il Suk	Male	2020.06.19	3 years	2020.06.19	0	0%	0	0%	0	0%	0	0%	(Note 2)	(Note 2)	—	—	—	(Note 3)

Note 1: CoAsia Corporation representative

Note 2: Please refer to the table below for a list of directors' main experience (education) and concurrent positions held in the Company and other companies.

Note 3: Where the Company's chairman and general manager or personnel with equivalent position (chief manager) are the same person, spouses or relatives within one degree of kinship, please state the reasons, reasonability, necessity and measures to be taken (e.g. increase the number of independent directors and have majority of directors not serving as employees or managers).

1. Currently, there are three independent directors, accounting for more than half of the Board of Directors, and they have expertise in financial accounting, intellectual property rights and semiconductor industry respectively, and can effectively exert their supervisory functions.
2. To enhance the effectiveness of the Board of Directors, directors are arranged to attend professional director courses of external organizations such as the Securities and Futures Market Development Foundation every year
3. Independent directors can fully discuss and put forward suggestions in each functional committee for the reference of the Board of Directors to implement corporate governance.

Title	Name	Main education (experience)	Concurrent Positions Held in the Company and Other Companies
Chairman	Lee Hee Jun	Department of Electrical Engineering, Konkuk University Samsung ASIC Div. Manager Taiwan Samsung Electronics ASIC Division Manager President of CoAsia Electronics Corp	Chairman of the Company, Director of CoAisa International Corp., Director of CoAsia Electronics Corp. (Hong Kong) Ltd., Chairman of Maiya Co., Ltd., Chairman of STUDYBANK CO., LTD, Chairman of the board of Taiwan Interactive Education Corp., Representative and Director of CoAsia Corporation, Director of BSE Co., Ltd, Director of HJL Holdings Company Ltd., Member of the Board of CoAsia CM VINA, Non-managing Director of C&CI Partners Co., Ltd, Director of CoAsia CM Co.,Ltd, Director of CoAsia Optics Corp., Director of SEMI (US), (HK), (KR)
Vice-Chairmen	Shin Dong Soo	Department of Electrical Engineering, Sungkyunkwan University Senior Assistant Manager, Samsung Electronics Co., Ltd. General Manager of CoAsia Electronics Corp.	Chairman/General Manager/Director of the Company, Director of CoAsia Technology Corp. Limited, Supervisor of CoAsia Electronics (Shanghai) Co., Ltd., Director of CoAsia Electronics Corp.(SINGAPORE)PTE.LTD., Chairman/General Manager/ Representative Director of CoAsia Korea Co., Ltd., Director of Doki Vision Co., Limited-
Independent director	Chen Chien Li	Graduate Institute International Business, National Taipei University, Accountant of Dexing United Accounting Firm Chief Financial Officer of LEOFOO Development Co., Ltd. Chief Financial Officer of Wang Group Chief Financial Officer of Jieyuan Co., Ltd.	None
Independent director	Chou Chih Cheng	Doctor of Accounting from Shanghai University of Finance and Economics President of Taiwan Accountants Association Independent director of Sonix Technology Co., Ltd. Independent director of LEI INDUSTRIES LIMITED Independent director of Axiomtek Co., Ltd. Independent director of Zhen Ding Technology Co., Ltd. Director of Eslite United Accounting Firm	None
Independent director	Hwang Il Suk	Bachelor of Communications, Multimedia Engineering, Yonsei University, Korea Senior Partner of Hongjing Zhiquan Technology Co., Ltd., Korea Patent Counsel Partner of GIP Patent & Trademark Office, Korea Partner of WELL Patent & Trademark Office, Korea	None

2. Name of the corporate shareholder and the shareholding percentage of the corporate shareholder in the top ten shareholders and their shareholding proportion where directors are representative of the corporate shareholders:

December 31, 2021

Name of the corporate shareholder	Major shareholders of corporate shareholders
CoAsia Corporation	1. Lee Hee Jun 19.52% 2. CoAsia Corporation (Treasury stock) 13.90% 3. MIDAS ASSET 3.18% 4. NPS (MIDAS ASSET) 1.53% 5. YOON DONG YOON 0.04%

3. Name of the corporate shareholder and the shareholding percentage of the corporate shareholder in the top ten shareholders and their shareholding proportion where directors are representative of the corporate shareholders: not applicable.

4. Professional Qualifications and Independence Status of Directors:

Condition Name	Whether with more than 5 years working experience and the following professional qualifications			Independence (Note)												Number of concurrent independent directors of other publicly issued companies
	Business, law, finance and accounting or corporate business should be a public or private university lecturer or above	Judges, prosecutors, lawyers, accountants or other professional and technical personnel who have passed the national examinations required for the Company's business	Work experience in business, law, finance and accounting or corporate business	1	2	3	4	5	6	7	8	9	10	11	12	
CoAsia Corporation Representative: Lee Hee Jun			V			V	V		V	V	V	V	V	V		None
Shin Dong Soo			V			V	V	V	V	V	V	V	V	V	V	None
Chen Chien Li	V	V	V	V	V	V	V	V	V	V	V	V	V	V	V	None
Chou Chih Cheng	V	V	V	V	V	V	V	V	V	V	V	V	V	V	V	3
Hwang Il Suk	V	V	V	V	V	V	V	V	V	V	V	V	V	V	V	None

Note 1: The number of columns is adjusted according to the actual number

- (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 (Not applicable in cases where the person is an Independent Director of the Company, its parent company, or any subsidiary as appointed in accordance with the Act or with the laws of the country of the parent 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 outstanding shares of the Company or is ranked in the top 10 in shareholdings.
- (4) Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of a manager under 1. or any of the persons in 2. or 3.
- (5) Not a Director, Supervisor, or employee of an corporate shareholder that directly holds 5% or more of the total number of issued shares of the Company, or ranks among top five in shareholdings, or designates its representatives to serve as a Director or Supervisor of the Company under Article 27, paragraph 1 or 2 of the Company Act (This restriction does not apply to Independent Directors in the Company or its parent company, subsidiary or subsidiary of the same parent, which have been appointed in accordance with local laws or laws of the registered country).
- (6) Not a director, supervisor, or employee of another company, which is controlled by a single person, that controls the majority of the Company's director seats or voting shares. (This restriction does not apply to independent directors in the Company or its parent company, subsidiary or subsidiary of the same parent, which have been appointed in accordance with local laws or laws of the registered country).
- (7) Not a Director (committee member), compliance officer (Supervisor), or employee of another company or institution served as the Chairman of the Board, President, or equivalent position of the Company or the spouse of thereof (This restriction does not apply to Independent Directors in the Company or its parent company, subsidiary or subsidiary of the same parent, which have been appointed in accordance with local laws or laws of the registered country).
- (8) Not a Director (committee member), compliance officer (Supervisor), manager, or shareholder holding 5% or more of the shares, of a specified company or institution that has a financial or business relationship with the Company (This restriction does not apply to independent directors in the Company or its parent company, subsidiary or subsidiary of the same parent, which have been appointed in accordance with local laws or laws of the registered country).
- (9) Not a professional individual who, or an owner, partner, Director (committee member), compliance officer (Supervisor), or manager, of a sole proprietorship, partnership, company, or institution, or a spouse thereof, that provides auditing services to the Company or any affiliate of the Company, or provides commercial, legal, financial, accounting or related services to the Company or any affiliate of the Company for which the provider in the past 2 years has received cumulative compensation exceeding NT\$500,000. This restriction does not apply to a member of the Remuneration Committee, tender offer review committee, or special committee for merger and acquisition, who perform their functions and powers pursuant to the Act or to the Business Mergers and Acquisitions Act or related laws or regulations.
- (10) Not a spouse or a relative within the second degree of kinship with any Director.
- (11) None of the circumstances in the subparagraphs of Article 30 of the Company Act apply.
- (12) Not a governmental, juridical person or its representative as defined in Article 27 of the Company Act.

## (II) President, Vice Presidents, Associate Managers, and Supervisors of All the Company's Divisions and Branch Units

April 17, 2022

Title	Nationality	Name	Gender	Date Elected (Appointed)	Shareholding		Shareholding of Spouse and Minor Children		Shareholding by Nominee Arrangement		Experience (Education)	Positions Concurrently Held in Other Companies	Managers who are Spouses or Within Two Degrees of Kinship			Remarks
					Number of Shares	Shareholding Percentage	Number of Shares	Shareholding Percentage	Number of Shares	Shareholding Percentage			Title	Name	Relation	
CEO	Republic of Korea	Lee Hee Jun	Male	2004.08	0	0%	0	0%	0	0%	(Note 6)	(Note 6)	—	—	—	(Note 14)
General Manager	Republic of Korea	Shin Dong Soo	Male	2017.01	0	0%	0	0%	0	0%	(Note 6)	(Note 6)	—	—	—	—
Deputy General Manager (Head of Accounting)	Republic of China	Wang Peng Cheng	Male	2018.01	0	0%	0	0%	0	0%	(Note 6)	(Note 6)	—	—	—	—
Deputy General Manager	People's Republic of China	Cui Ming Gang	Male	2016.05	0	0%	0	0%	0	0%	(Note 6)	(Note 6)	—	—	—	—
Deputy General Manager	Republic of China	Chou Pei Ni	Female	2018.04	177	0%	1,332	0%	0	0%	(Note 6)	(Note 6)	—	—	—	—
Deputy General Manager	Republic of Korea	Yi Duk Hyung	Male	2019.01	0	0%	0	0%	0	0%	(Note 6)	(Note 6)	—	—	—	—
Deputy General Manager	Republic of Korea	Noh Kyung Heon	Male	2019.01	0	0%	0	0%	0	0%	(Note 6)	(Note 6)	—	—	—	—
Deputy General Manager	Republic of Korea	Moon Kyung Mo	Male	2019.11	0	0%	0	0%	0	0%	(Note 6)	(Note 6)	—	—	—	—
Deputy General Manager (Note 3)	Republic of Korea	Lee Hak Yong	Male	2019.11	0	0%	0	0%	0	0%	(Note 6)	(Note 6)	—	—	—	—

Title	Nationality	Name	Gender	Date Elected (Appointed)	Shareholding		Shareholding of Spouse and Minor Children		Shareholding by Nominee Arrangement		Experience (Education)	Positions Concurrently Held in Other Companies	Managers who are Spouses or Within Two Degrees of Kinship			Remarks
					Number of Shares	Shareholding Percentage	Number of Shares	Shareholding Percentage	Number of Shares	Shareholding Percentage			Title	Name	Relation	
Deputy General Manager	Republic of Korea	Kim Chang Wan	Male	2020.03	0	0%	0	0%	0	0%	(Note 6)	(Note 6)	—	—	—	—
Deputy General Manager	Republic of Korea	Cho Kye Young	Male	2020.11	0	0%	0	0%	0	0%	(Note 6)	(Note 6)	—	—	—	—
Deputy General Manager	Republic of Korea	Lee Jung Won	Male	2021.01	0	0%	0	0%	0	0%	(Note 6)	(Note 6)	—	—	—	—
Deputy General Manager	Republic of China	Chen Hsiao Hsu	Male	2021.03	0	0%	0	0%	0	0%	(Note 6)	(Note 6)	—	—	—	—
Deputy General Manager (Note 4)	Republic of Korea	Lee Seung Rok	Male	2021.05	0	0%	0	0%	0	0%	(Note 6)	(Note 6)				
Deputy General Manager (Note 5)	Republic of China	Chen Wei Li	Female	2022.03	17,591	0%	0	0%	0	0%	(Note 6)	(Note 6)	—	—	—	—
Assistant Manager	Republic of China	Chen Hung Yi	Male	2020.03	0	0%	0	0%	0	0%	(Note 6)	(Note 6)	—	—	—	—
Assistant Manager	Republic of Korea	Sim Woo Sup	Male	2020.03	0	0%	0	0%	0	0%	(Note 6)	(Note 6)	—	—	—	—
Assistant Manager	Republic of China	Wu Chi Chang	Male	2021.03	0	0%	0	0%	0	0%	(Note 6)	(Note 6)	—	—	—	—
Assistant Manager	Republic of Korea	Kim Myoung Yi	Female	2021.03	0	0%	0	0%	0	0%	(Note 6)	(Note 6)	—	—	—	—
Assistant Manager	Republic of Korea	Doh Sang Jin	Male	2021.03	0	0%	0	0%	0	0%	(Note 6)	(Note 6)	—	—	—	—



Title	Nationality	Name	Gender	Date Elected (Appointed)	Shareholding		Shareholding of Spouse and Minor Children		Shareholding by Nominee Arrangement		Experience (Education)	Positions Concurrently Held in Other Companies	Managers who are Spouses or Within Two Degrees of Kinship			Remarks
					Number of Shares	Shareholding Percentage	Number of Shares	Shareholding Percentage	Number of Shares	Shareholding Percentage			Title	Name	Relation	
Assistant Manager	Republic of Korea	Yoon In Young	Female	2021.01	0	0%	0	0%	0	0%	(Note 6)	(Note 6)	—	—	—	—

Note 1: Information regarding General Manager, Deputy General Manager, Assistant Manager and managers of departments and branches, or equivalent positions shall be disclosed regardless of the job titles.

Note 2: Work experience of anyone in the table above that are related to their current positions, e.g., previous employment at the Company's CPA firms or affiliates, shall be disclosed with detailed job titles and responsibilities.

Note 3: Mr. Lee Hak Yong left office on December 31, 2021.

Note 4: Mr. Lee Seung Rok served as deputy general manager on May 17, 2021.

Note 5: Ms. Chen Wei Li served as deputy general manager on March 01, 2021.

Note 6: Main experience (education) of General Manager, Deputy General Manager, Assistant Manager and managers of departments and branches and concurrent positions held in other companies are listed in the attached table.

Note 7: Where the Company's general manager or personnel with equivalent position (chief manager) and chairman are the same person, spouses or relatives within one degree of kinship, please state the reasons, reasonability, necessity and measures to be taken (e.g. increase the number of Independent Directors and have majority of Directors not serving as employees or managers):

1. Currently, there are three independent directors, accounting for more than half of the Board of Directors, and they have expertise in financial accounting, intellectual property rights and semiconductor industry respectively, and can effectively exert their supervisory functions.
2. To enhance the effectiveness of the Board of Directors, directors are arranged to attend professional director courses of external organizations such as the Securities and Futures Market Development Foundation every year
3. Independent directors can fully discuss and put forward suggestions in each functional committee for the reference of the Board of Directors to implement corporate governance.

Title	Name	Main education (experience)	Concurrent Positions Held in the Company and Other Companies
Chairman	Lee Hee Jun	Department of Electrical Engineering, Konkuk University Samsung ASIC Div. Manager Taiwan Samsung Electronics ASIC Division Manager President of CoAsia Electronics Corp.	Chairman of the Company, Director of CoAisa International Corp., Director of CoAsia Electronics Corp. (Hong Kong) Ltd., Chairman of Maiya Co., Ltd., Chairman of STUDYBANK CO., LTD, Chairman of the board of Taiwan Interactive Education Corp., Representative and Director of CoAsia Corporation, Director of BSE Co., Ltd, Director of HJL Holdings Company Ltd., Member of the Board of CoAsia CM VINA, Non-managing Director of C&CI Partners Co., Ltd, Director of CoAsia CM Co.,Ltd, Director of CoAsia Optics Corp., Director of SEMI (US), (HK), (KR)
Vice-Chairmen	Shin Dong Soo	Department of Electrical Engineering, Sungkyunkwan University Senior Assistant Manager, Samsung Electronics Co., Ltd. General Manager of CoAsia Electronics Corp.	Chairman/General Manager/Director of the Company, Supervisor of CoAsia Electronics (Shanghai) Co., Ltd., Director of CoAsia Electronics Corp. (SINGAPORE)PTE.LTD., Chairman/General Manager/Representative Director of CoAsia Korea Co., Ltd. of LTD -, CEO of CoAsia Electronics(US) Corp.
Deputy General Manager (Head of Accounting)	Wang Peng Cheng	Institute of Business, University of Technology Sydney Accounting Department, Soochow University Internal Audit Manager, Compal Electronics Inc Chief Financial Officer of WORLD PEACE INDUSTRIAL CO., LTD. Deputy General Manager of CoAsia Electronics Corp.	Director of CoAsia Electronics Corp. (Hong Kong) Ltd.
Deputy General Manager	Cui Ming Gang	Master of Business Administration, Antai College of Economics & Management, Shanghai Jiaotong University General Sales Manager of CoAsia Electronics Corp.	Representative of CoAsia Electronics (Shanghai) Co., Ltd.
Deputy General Manager	Chou Pei Ni	Banking and Insurance Division, Ming Chuan University NATIONAL NANO DEVICE LABORATORIES Deputy Sales Manager of CoAsia Electronics Corp.	Supervisor of STUDYBANK CO., LTD, Supervisor of Taiwan Interactive Education Corp., Director of Maiya Co., Ltd.
Deputy General Manager	Yi Duk Hyung	Department of Metal Materials Engineering, Kookmin University, Korea Samsung Display Marketing Manager Deputy Sales Manager of CoAsia Electronics Corp.	None
Deputy General Manager	Noh Kyung Heon	Semiconductor Engineering Co-op program, Sungkyunkwan University Samsung Semiconductor/Singapore Sales & Marketing Director Samsung Semiconductor/ South Korea Sales & Marketing Director, Samsung Research China Head of Research Center Deputy Sales Manager of CoAsia Electronics Corp.	Representative of CoAsia Semi (Shanghai) Co., Ltd.
Deputy General Manager	Moon Kyung Mo	Department of Electronic Materials, Inha University Samsung Electronics Co., Ltd/S.LSI Business Test Engineer Airforce of R.O.K Military Service / Officer / PTE Engineer Samsung Electronics Co., Ltd/S.LSI Business Samsung Electronics Co., Ltd/ S.LSI Business/DDI Marketing Samsung Electronics (DS) China/DDI & CIS Sales Marketing Senior Manager Samsung Electronics Co., Ltd/ S.LSI Business/China Sales Director Samsung Electronics Co., Ltd/ S.LSI Business/Overseas Sales Director Deputy Sales Manager of CoAsia Electronics Corp.	None

Deputy General Manager	Lee Hak Yong	Department of Electrical Engineering, Pusan National University Samsung Electronics Co.,Ltd./Senior Sales Manager Taiwan Samsung Electronics Co.,Ltd./Marketing Director Samsung Electronics Co.,Ltd./Sales Director & Business Developments SEMES Co.,Ltd./Sales Director for oversea markets SEMES (Xian) Co.,Ltd./Operation & Sales Director Deputy Sales Manager of CoAsia Electronics Corp.	None
Deputy General Manager	Kim Chang Wan	Department of Business Administration, Sungkyunkwan University SAMSUNG SDS Assistance Manager, Oniontech Manager Electronic Arts, Korea Senior Manager Vsearch CEO CoAsia Electronics/Senior Manager CoAsia Corporation Director HNT/Director (2019.01.01-2019.09.30) Deputy General Manager of CoAsia Electronics Corp.	None
Deputy General Manager	Cho Kye Young	Department of Electronic Materials and Equipment Engineering, Inha University, Korea Samsung Electronics/Asst. Manger Samsung Electronics/Sales Manger Samsung Semiconductor(San Jose)/Sr.Manager Samsung Electronics/Sales Leader Samsung Electronics/Leader of Biz Development Deputy General Manager of CoAsia Electronics Corp.	None
Deputy General Manager	Lee Jung Won	Department of Business Administration, Chonbuk National University, South Korea Overseas business manager, Samsung Electronics KR Consulting -Consultant YB International General Management Director Deputy Sales Manager of CoAsia Electronics Corp.	None
Deputy General Manager	Chen Hsiao Hsu	Department of Electronic Engineering, China Institute of Technology Design Director, Compal Electronics Inc Via Electronics Engineer WISE TECHNOLOGY Section Manager Deputy Sales Manager of CoAsia Electronics Corp.	None
Deputy General Manager	Lee Seung Rok	Department of Mechanical Engineering, Hanyang University, Korea Samsung Electronics/ Engineer Samsung Electronics/ Asst. Manager / Manager Samsung Electronics/ Manager / Sr. Manager Samsung Electronics/ Principal Engineer Deputy Sales Manager of CoAsia Electronics Corp.	None

Deputy General Manager	Chen Wei Li	Department of Cooperative Economics, National Chung Hsing University Special Assistant to Chairman of CoAsia Electronics Corp.	None
Assistant Manager	Chen Hung Yi	Accounting Department, Chinese Culture University Assistant Manager of KPMG Financial Accounting Manager of Gem-micro semiconductor Inc. Financial Accounting Manager of Real Green Material Technology Corp. Assistant Manager of CoAsia Electronics Corp.	None
Assistant Manager	Sim Woo Sup	Department of Chinese and Literature, Chonnam National University Samsung Insurance/Asst. Manager BSE/Manager Sales Director of Shenzhen Weidele Trading Co., Ltd.	None
Assistant Manager	Wu Chi Chang	Department of Horticulture, Taiwan University Business Manager of SOLOMON TECHNOLOGY CORPORATION Business Manager of U-BEST TECHNOLOGY INC. Business Manager of ZENITRON LIMITED Assistant Manager of CoAsia Electronics Corp.	Legal representative of CoAsia Electronics (Shenzhen) Corporation Limited
Assistant Manager	Kim Myoung Yi	Department of Chinese Literature, Suwon University Management officer of Samsung Electronics Senior business Manager of Shenzhen Representative Office of Hong Kong Amu Technology Co., Ltd. Director of Management Support Department, Shenzhen Weidele Trading Co., Ltd. Assistant Manager of CoAsia Electronics Corp.	None
Assistant Manager	Doh Sang Jin	Department of Control and Instrument Engineering, Gyeong-il University, Korea General Manager of Shanghai Office, Wiseworld HK Sales Manager of YOSUN INDUSTRIAL CORP. Deputy General Manager of Dual Corporation Assistant Manager of CoAsia Electronics Corp.	None
Assistant Manager	Yoon In Young	Department of Business Administration, Kyung Hee University, Korea Sewon Telecom/Staff ETOM Solution/Staff Digital Cube/Assistance Manager Core Logic/Manager Nexell/Senior Manager Assistant Manager of CoAsia Electronics Corp.	None

(III) Remuneration to directors, General Manager and Deputy General Manager in recent years

1. Remuneration to Independent Director

December 31, 2021, unit: NT\$ thousands

Title	Name	Remuneration to directors								Ratio of Total Remuneration (A+B+C+D) to Net Income (Note 10)		Relevant remuneration received by part-time employees						Ratio of Total Compensation (A+B+C+D+E+F+G) to Net Income (Note 10)		Whether There Is Compensation from an Invested Company Other than the Company's Subsidiaries or the Parent Company (Note 11)			
		Remuneration (A) (Note 2)		Severance Pay (B)		Remuneration to directors (C) (Note 3)		Allowances (D) (Note 4)		All companies in	The Consolidated Financial Statements companies (Note 7)	Salary, Bonuses, and Allowances (E) (Note 5)		Severance Pay (F)		Remuneration to employee (G) (Note 6)					All companies in	The Consolidated Financial Statements companies (Note 7)	
		All companies in	The Consolidated Financial Statements companies (Note 7)	All companies in	The Consolidated Financial Statements companies (Note 7)	All companies in	The Consolidated Financial Statements companies (Note 7)	All companies in	The Consolidated Financial Statements companies (Note 7)			All companies in	The Consolidated Financial Statements companies (Note 7)	All companies	in the Consolidated Financial Statements (Note 7)		Cash Amount	Stock Amount					
Director	Chairman	Lee Hee Jun	0	0	0	0	912	912	56	56	0.59%	0.59%	12,218	46,917	0	0	1,139	0	1,139	0	8.72%	29.83%	None
	Director	Shin Dong Soo																					
Independent director	Director	Chou Chih Cheng	2,160	2,160	0	0	1,374	1,374	160	160	2.24%	2.24%	0	0	0	0	0	0	0	0	2.25%	2.25%	None
	Director	Chen Chien Li																					
	Director	Hwang Il Suk																					
<p>1. Please state the remuneration policy, system, standard and structure, the procedure for determining remuneration to Independent Directors, and the correlation with responsibilities and risks assumed as well as time contributed:</p> <p>(1) Pursuant to Article 19 of the Articles of Incorporation, the Company shall set aside no less than 10% of the net profit before tax for the current period as remuneration to employees, and no more than 5% as remuneration to directors before deducting remuneration to employees and directors of the year; However, if the Company still has accumulated losses, it shall reserve the amount of compensation in advance.</p> <p>(2) Pursuant to Article 16 of the Articles of Incorporation, the Board of Directors has been delegated to determine the remuneration to Directors based on their involvement in the business operation of the Company and their contributions to the Company with reference to the remuneration standard of the industry both at home and abroad.</p> <p>2. Except for information disclosed above, remuneration paid for services rendered by Directors of the Company to all consolidated entities (e.g., serving as a non-employee consultant) in the Most Recent Year: None</p>																							

## Table of Remuneration Ranges

Range of remuneration paid to directors	Names of directors			
	Total of (A+B+C+D)		Total of (A+B+C+D+E+F+G)	
	The Company (Note 8)	All Companies in the Consolidated Financial Statements (Note 9) H	The Company (Note 8)	in the Consolidated Financial Statements (Note 7) (Note 9) I
Less than NT\$1,000,000	Lee Hee Jun, Shin Dong Soo	Lee Hee Jun, Shin Dong Soo		
NT\$1,000,000 (inclusive) to NT\$2,000,000 (exclusive)	Chou Chih Cheng, Chen Chien Li, Hwang Il Suk	Chou Chih Cheng, Chen Chien Li, Hwang Il Suk	Chou Chih Cheng, Chen Chien Li, Hwang Il Suk	Chou Chih Cheng, Chen Chien Li, Hwang Il Suk
NT\$2,000,000 (inclusive) to NT\$3,500,000 (exclusive)				
NT\$3,500,000 (inclusive) to NT\$5,000,000 (exclusive)			Shin Dong Soo	
NT\$5,000,000 (inclusive) to NT\$10,000,000 (exclusive)			Lee Hee Jun	
NT\$10,000,000 (inclusive) to NT\$15,000,000 (exclusive)				
NT\$15,000,000 (inclusive) to NT\$30,000,000 (exclusive)				Shin Dong Soo
NT\$30,000,000 (inclusive) to NT\$50,000,000 (exclusive)				Lee Hee Jun
NT\$50,000,000 (inclusive) to NT\$100,000,000 (exclusive)				
NT\$100,000,000 and above				
Total				

Note 1 : The name of Directors shall be listed separately (for corporate shareholders, their names and representatives shall be listed separately) and the amount of remuneration paid shall be disclosed in aggregate. If any Director concurrently serves as a General Manager or Deputy General Manager, please fill out this table and Tables (3-1) or (3-2) below.

Note 2: This refers to remuneration to Directors in the Most Recent Year (including salaries, allowances, severance pay, bonuses, incentive pay, etc. to Directors)

Note 3: This refers to Directors' remuneration approved by the Board of Directors in the Most Recent Year.

Note 4: This refers to Directors' allowances in the Most Recent Year (including transport fee, special allowance, various subsidies, accommodation, vehicles, etc. provided). If housing, vehicle and other means of transportation or personal expense are provided, the nature and cost of the asset provided, the rentals calculated based on actual or fair market value, fuel, and other payments shall be disclosed. If a driver is provided, disclose compensation paid to the driver in a note; however, do not calculate such as part of executive compensation.

Note 5: This refers to salaries, allowances, severance pay, bonuses, incentive pay, transport fee, special allowance, various subsidies, accommodation, vehicles, etc. received by the Directors for being an employee concurrently (including concurrently holding the position of General Manager, Deputy General Manager, other executive officers, or employees) in the Most Recent Year. If housing, vehicle or other means of transportation, or personal expenses are provided, the nature and cost of the asset provided, the rental calculated based on the actual cost or the fair market value, fuel, and other payments shall be disclosed. If a driver is provided, disclose compensation paid to the driver in a note; however, do not calculate such as part of executive compensation. Any salary listed under IFRS 2 Share-Based Payment, including employee stock options, new restricted employee shares, and cash capital increase by stock subscription, shall also be included in remuneration.

Note 6: Directors who hold concurrent positions as employees (including the position of General Manager, Deputy General Manager, other executive officers, or employees) and are entitled to employee remuneration (including stocks and cash) shall disclose the amount of employee remuneration approved in the Board of Directors' meeting in the Most Recent Year. If the amount cannot be estimated, please calculate by using the actual distribution amount and percentage of last year. Also, Table 1-3 shall be filled out.

Note 7: The sum of various compensations paid to the Company's Directors by all consolidated entities (including the Company) shall be disclosed.

Note 8: For the sum of various remunerations paid to each Directors by the Company, the name of each Director shall be disclosed in the proper range.

Note 9: For the sum of various remunerations paid to the Company's Directors by all consolidated entities (including the Company), the name of each Director shall be disclosed in the proper range.

Note 10: Net income after taxes refers to net income after taxes in the Most Recent Year. If IFRSs have been adopted, net income after taxes refers to net income after taxes recorded in the parent company only or individual financial statements of the Most Recent Year.

Note 11: a The amount of remuneration received by the Company's Directors from investees other than subsidiaries of the Company shall be stated clearly in this column.

b. If the Company's Directors received remuneration from investees other than subsidiaries of the Company, the amount received from the investees outside the subsidiaries shall be included in I column of the Remuneration Range Table and the name of the field shall be changed to "Parent Company and All Investees".

c. Remuneration in this case shall refer to salaries, compensations (including compensation received as an employee, director, or supervisor), allowances, and other related remunerations received by the Company's Directors for being a Director, Supervisor, or managers of investees other than subsidiaries.

\*The remuneration disclosed in this table is derived based on a concept different from the concept of income stipulated in the Income Tax Act. The purpose of the table is for information disclosure, not for taxation.

## Remuneration paid to the General Managers and Deputy General Managers

December 31, 2021, unit: NT\$ thousands

Title	Name	Base Compensation (A) (Note 2)		Severance Pay (B)		Bonus and Allowances, etc. (C) (Note 3)		Employee Compensation (D) (Note 4)				Ratio of Total Remuneration (A+B+C+D) to Net Income (%) (Note 8)		Remuneration from an Invested Company Other than the Company's Subsidiary or the Parent Company (Note 9)
		All companies	in the Consolidated Financial Statements (Note 5)	All companies	in the Consolidated Financial Statements (Note 5)	All companies	in the Consolidated Financial Statements (Note 5)	All companies		All Companies in the Consolidated Financial Statements (Note 5)		All companies	in the Consolidated Financial Statements (Note 5)	
								Cash	Stock	Cash	Stock			
CEO	Lee Hee Jun	19,434	52,692	324	611	16,983	68,378	3,884	0	3,884	0	24.72%	76.42%	None
General Manager	Shin Dong Soo													
Deputy General Manager	Wang Peng Cheng													
Deputy General Manager	Moon Kyung Mo													
Deputy General Manager	Chou Pei Ni													
Deputy General Manager	Yi Duk Hyung													
Deputy General Manager	Cho Kye Young													
Deputy General Manager	Chen Hsiao Hsu													
Deputy General Manager	Noh Kyung Heon													
Deputy General Manager	Cui Ming Gang													
Deputy General Manager	Lee Jung Won													
Deputy General Manager	Kim Chang Wan													
Deputy General Manager	Lee Seung Rok													
Deputy General Manager	Lee Hak Yong													

\*Information regarding General Manager, Deputy General Manager (for example, President, CEO, Director), or equivalent positions shall be disclosed regardless of the job titles.

### Table of Remuneration Ranges

Range of remuneration paid to General Managers and Deputy General Managers	Name of General Manager, Deputy General Manager	
	The Company (Note 6)	All Companies in the Consolidated Financial Statements (Note 7)
Less than NT\$1,000,000		
NT\$1,000,000 (inclusive) to NT\$2,000,000 (exclusive)		
NT\$1,000,000 (inclusive) to NT\$2,000,000 (exclusive)	Yi Duk Hyung	Lee Seung Rok
NT\$3,500,000 (inclusive) to NT\$5,000,000 (exclusive)	Shin Dong Soo, Chou Pei Ni, Chen Hsiao Hsu	Chou Pei Ni, Chen Hsiao Hsu
NT\$5,000,000 (inclusive) to NT\$10,000,000 (exclusive)	Lee Hee Jun, Wang Peng Cheng, Cho Kye Young	Wang Peng Cheng, Cho Kye Young, Yi Duk Hyung, Noh Kyung Heon, Lee Hak Yong, Cui Ming Gang, Kim Chang Wan, Lee Jung Won
NT\$10,000,000 (inclusive) to NT\$15,000,000 (exclusive)		Moon Kyung Mo
NT\$15,000,000 (inclusive) to NT\$30,000,000 (exclusive)		Lee Hee Jun, Shin Dong Soo
NT\$30,000,000 (inclusive) to NT\$50,000,000 (exclusive)		
NT\$50,000,000 (inclusive) to NT\$100,000,000 (exclusive)		
NT\$100,000,000 and above		
Total		

Note 1: Names of the General Managers and Deputy General Managers shall be listed separately and the amount of remuneration shall be disclosed in aggregate. If any Director concurrently serves as a General Manager or Deputy General Manager, please fill out this table and Tables (1-1) or (1-2) above.

Note 2: This refers to salaries, allowances and severance pay of General Managers and Deputy General Managers in the Most Recent Year.

Note 3: This refers to bonuses, incentive pay, transport fee, special allowance, various subsidies, accommodation, vehicles, etc. provided to General Managers and Deputy General Managers in the Most Recent Year. If housing, vehicle and other means of transportation or personal expense are provided, the nature and cost of the asset provided, the rentals calculated based on actual or fair market value, fuel, and other payments shall be disclosed. If a driver is hired, please disclose the amount of salaries paid by the Company to the driver as a footnote. However, this amount shall not be included in the compensation. Salary expenses recognized pursuant to IFRS 2 "Share-based Payment", including employee stock options, restricted stock award shares, and share subscription at capital increase by cash shall be included as remuneration.

Note 4: This refers to employee compensation (including stocks and cash) to General Managers and Deputy General Managers approved in the Board of Directors' meeting in the Most Recent Year. If the amount cannot be estimated, please calculate by using the actual distribution amount and percentage of last year. Also, Table 1-3 shall be filled out. Net income refers to that for the most recent fiscal year; if the IFRS are adopted, net income refers to that in the latest parent-only or individual financial statements.

Note 5: Total remuneration paid to the Company's General Managers and Deputy General Managers by all companies (including the Company) listed in the consolidated financial statements shall be disclosed.

Note 6: For the sum of various remuneration paid to General Manager and Deputy General Managers by the Company, the name of each General Manager and Deputy General Managers shall be disclosed in the proper range.

Note 7: For the sum of various remuneration paid to the Company's General Manager and Deputy General Managers by all consolidated entities (including the Company), the name of General Managers and Deputy General Managers shall be disclosed in the proper range.

Note 8: Net income after taxes refers to net income after taxes in the Most Recent Year. If IFRSs have been adopted, net income after taxes refers to net income after taxes recorded in the parent company only or individual financial statements in the Most Recent Year.

Note 9: a. The amount of remuneration received by the Company's General Managers and Deputy General Managers from investees other than the Company's subsidiaries or the parent company shall be stated clearly in this column

b. If the Company's General Manager and Deputy General Managers received remuneration from investees other than the Company's subsidiaries or the parent company, the amount received shall be included in E column of the Remuneration Range Table and the name of the field shall be changed to "All Investees".

c. Remuneration in this case shall refer to salaries, compensations (including compensation received as an employee, director, or supervisor), allowances, and other related remunerations received by the Company's General Managers and Deputy General Managers for being a director, supervisor, or manager of investees other than subsidiaries.

\*The remuneration disclosed in this table is derived based on a concept different from the concept of income stipulated in the Income Tax Act. The purpose of the table is for information disclosure, not for taxation.



## 2. Name and distribution of the manager who distributes employee compensation

March 31, 2021 Unit: NT\$ thousands

	Title (Note 1)	Name (Note 1)	Stock	Cash	Total	Ratio of Total Amount to Net Income (%)
Manager	CEO	Lee Hee Jun	0	5,345	5,345	3.25%
	General Manager	Shin Dong Soo				
	Deputy General Manager	Wang Peng Cheng				
	Deputy General Manager	Moon Kyung Mo				
	Deputy General Manager	Lee Hak Yong				
	Deputy General Manager	Noh Kyung Heon				
	Deputy General Manager	Chou Pei Ni				
	Deputy General Manager	Yi Duk Hyung				
	Deputy General Manager	Chen Hsiao Hsu				
	Deputy General Manager	Chen Wei Li				
	Deputy General Manager	Cui Ming Gang				
	Deputy General Manager	Lee Jung Won				
	Deputy General Manager	Kim Chang Wan				
	Deputy General Manager	Lee Seung Rok				
	Deputy General Manager	Cho Kye Young				
	Assistant Manager	Wu Chi Chang				
	Assistant Manager	Chen Hung Yi				
	Assistant Manager	Kim Myoung Yi				
Assistant Manager	Yoon In Young					
Assistant Manager	Doh Sang Jin					
Assistant Manager	Sim Woo Sup					

Note 1: Names shall be listed separately and the amount of remuneration shall be disclosed in aggregate.

Note 2: This refers to employee compensation (including stocks and cash) to Managers approved in the Board of Directors' meeting in the Most Recent Year. If the amount cannot be estimated, please calculate by using the actual distribution amount and percentage of last year. Net income after taxes refers to net income after taxes in the Most Recent Year; If IFRSs have been adopted, net income after taxes refers to net income after taxes recorded in the parent company only or individual financial statements in the Most Recent Year.

Note 3: The definition of a manager, as governed by the Official Letter No. 0920001301 issued by FSC on March 27 2003:

- (1) General Manager and equivalents
- (2) Deputy General Manager and equivalents
- (3) Assistant Manager and equivalents
- (4) Supervisor of the financial department
- (5) Supervisor of the accounting department
- (6) Other persons who have the substantial power to manage a company's affairs and are a company's authorized signatories

Note 4: If Directors, General Managers and Deputy General Managers has received employee compensation (including stock and cash), this table shall be prepared in addition to the Table 1-2.

(V) The remuneration paid in the most recent two years to the Directors (including Independent Directors), Supervisors, General Managers and Deputy General Managers of the Company and all the companies included in the Company's consolidated financial report, its ratio to the net profit after tax, remuneration policy, standards and portfolio, the procedure for determining remuneration, and the correlation with operating performance:

1. Ratio of Total Amount to Net Income

Unit: NT\$ thousands

Title	Ratio of Total Remuneration Amount to Net Income				Increase (decrease) ratio	
	2021		2020			
	All companies	All Companies in the Consolidated Financial	All companies	All Companies in the Consolidated Financial	All companies	All Companies in the Consolidated Financial
Director	10.97%	32.08%	16.15%	38.54%	-5.18%	-6.46%
Supervisors	0%	0%	0.35%	0.35%	-0.35%	-0.35%
General Managers and Deputy General Managers	24.72%	76.42%	31.92%	96.04%	-7.20%	-19.62%

2. Remuneration policy, standards and portfolio, the procedure for determining remuneration, and the correlation with operating performance

(1) The remuneration to directors of the Company shall be paid as follows:

the Company shall set aside no less than 10% of the net profit before tax for the current period as remuneration to employees, and no more than 5% as remuneration to directors before deducting the remuneration to employees and directors of the year; However, if the Company still has accumulated losses, it shall reserve the amount of compensation in advance. Remuneration to employees shall be made in stock or cash. The recipients may include employees of controlled or affiliated companies who meet the conditions set by the Board of Directors. Remuneration to directors shall be made in cash.

The remuneration to employees and directors shall be distributed upon the recommendation of the Remuneration Committee, and shall be submitted to the Board of Directors by a resolution approved by more than two-thirds of the directors present, and reported to the shareholders' meeting.

(2) The remuneration to General Managers and Deputy General Managers of the Company shall be paid as follows:

The remuneration policy of the Company shall be based on the salary level of the position in the market, the scope of responsibility of the position in the Company and the contribution to the Company's business objectives, and shall be approved by the Remuneration Committee Meeting of the Company.

- (3) The procedures for determining remuneration shall take into account not only the overall operating performance of the Company, but also performance achievement rate and his/her contribution to the Company's performance, as well as his/her expertise, supply and demand of talents on the market, as well as his/her responsibilities and future risks.
- (4) In order to minimize the likelihood and relevance of future risks to directors and managers, and balance the Company's sustainability and risk management, the Company has purchased liability insurance for all directors and managers in the amount of US \$8,000 thousand to mitigate the unknown risks of the Company and to offset the damage that the directors, managers and the Company may incur as a result of the performance of their duties.

### III. Corporate Governance Implementation and Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons.

#### (I) Operations of the Board of Directors:

##### (1) Operations of the Board of Directors

The Board of Directors convened 7 Board meetings in 2021 (A). The attendance of Directors and Supervisor is as follows:

Title	Name (Note 1)	Attendance in person Number of Attendance B	Attendance by Proxy	Actual Attendance Rate (%) (B/A) (Note 2)	Remarks
Chairman	CoAsia Corporation Representative: Lee Hee Jun	7	0	100.00%	2020.06.19 Re-elected
Director	Shin Dong Soo	7	0	100.00%	2020.06.19 Re-elected
Independent director	Chou Chih Cheng	6	1	85.71%	2020.06.19 Incoming
Independent director	Chen Chien Li	6	1	85.71%	2020.06.19 Incoming
Independent director	Hwang Il Suk	7	0	100.00%	2020.06.19 Incoming

#### Other mentionable items:

- I. The date, session, content of the motion, opinions of all independent directors and the Company's means of processing the opinions of independent directors shall be specified if one of the following circumstances occurred in the operation of the Board of Directors:
- (I) Matters referred to in Article 14-3 of the Securities and Exchange Act:  
Article 14-3 of the Securities Exchange Act of the Company in 2020.
- (II) Any recorded or written Board resolutions to which independent directors have objections or reservations to be noted in addition to the above:  
[Note] There was no objection or reservation from the Independent Directors.
- II. Regarding recusals of directors from voting due to conflicts of interests, the names of the directors, contents of motions, reasons for recusal, and results of voting shall be specified:  
[Note] None.
- III. The TWSE/TPEX Listed Companies shall disclose information on the evaluation frequency, period, scope, method and details of the Board's self (or peer) evaluation, and fill out Table (2), the implementation of Board evaluation.
- IV. Objectives of strengthening the functionality of the Board of Directors in the current year and the Most Recent Year (e.g., setting up the Audit Committee, enhancing information transparency, etc.), and evaluation of the execution thereof:  
Note (1) the Company has taken out directors and supervisors liability insurance for many years, with the latest policy effective from March 1, 2022 to March 1, 2023. The underwriting company is Fubon Insurance Co., Ltd. The main insurance coverage is directors and managers liability insurance, company compensation insurance, investigation and defense fees, securities claims, employment liability insurance.
- (2) The Company has adopted the board performance evaluation method by resolution of the Board of Directors on November 12, 2018, and has implemented the 2021 annual performance evaluation and submitted to the Board of Directors on March 8, 2022.

Note 1: For Directors and Supervisors who are judicial persons, the names of the corporate shareholders and their representatives shall be disclosed.

Note 2: (1) If any Director or Supervisor resigned before the end of the year, the resignation date shall be noted in the Remark column. The Actual Attendance Rate (%) shall be calculated based on the number of Board of Directors' meeting held and the actual attendance during the term of office.

(2) If Directors and Supervisors were re-elected before the end of the year, incoming and outgoing Directors and Supervisors shall be listed accordingly, and the status of Director and Supervisor, i.e. whether he/she is "Outgoing", "Incoming" or "Re-elected", and the date of re-election shall be indicated in the Remark column. The Actual Attendance Rate (%) shall be calculated based on the number of Board of Directors' meeting held and the actual attendance during the term of office.

## (2) Performance evaluation of the Board of Directors

Evaluation cycle	Evaluation period	Evaluation scope	Evaluation method	Evaluation contents
Once a year	From Jan. 1, 2021 to Dec. 31, 2021	1. Board of Directors 2. Individual board members	1. Evaluation on the governance unit 2. Self-evaluation of the board members	Note 1

Note 1: Evaluation contents:

- (1) Evaluation on the governance unit: 5 major sectors including degree of participation in the Company's operation, improvement of the decision-making quality of the Board of Directors, structure of the Board of Directors, appointment and continuous education of the directors, and internal control, totaling 43 indicators.
- (2) Self-evaluation of the board members: 6 major sectors including mastering of the Company's objectives and tasks, awareness of the director's responsibilities and duties, degree of participation in the Company's operation, internal relationship operation and communication, professional and continuous education of the director, and internal control, totaling 24 indicators.

Matters referred to Article 14-3 of the Securities and Exchange Act in 2021:

Board of Directors	Contents and follow-up treatment of the resolutions	Matters referred to Article 14-3 of the Securities and Exchange Act	The independent director has objection or qualified opinion
The 5th meeting of the 9th Board of Directors on March 5, 2021	1. Proposal on Replacement of PricewaterhouseCoopers Taiwan as the Financial Report Auditor of the Company	✓	No objection or qualified opinion
	Opinion of the independent director: None		
	Treatment on opinion of the independent director: None		
	Resolution results: All present directors adopt the proposal without objection		
The 6th meeting of the 9th Board of Directors on May 6, 2021	1. Proposal on Merger of the Company's Sub-subsidiary CoAsia Electronics Corporation (Hong Kong) Limited with the Subsidiary CoAsia Technology Corp. Limited	✓	No objection or qualified opinion
	2. Proposal on Extending the Endorsement Guarantee Amount for the Sub-subsidiary CoAsia (Hong Kong) and the Subsidiary CoAsia (Singapore)	✓	No objection or qualified opinion
	3. Proposal on New Endorsement Guarantee Amount for the Subsidiary CoAsia (Singapore)	✓	No objection or qualified opinion
	4. Proposal on Extending the Endorsement Guarantee Amount for the Sub-subsidiary CoAsia (Hong Kong)	✓	No objection or qualified opinion
	5. Proposal on New Payment Guarantee provided by the Company's Hong Kong Branch to the Supplier Singapore Avnet Taiwan Branch	✓	No objection or qualified opinion
	6. Proposal on Lending Funds to the Subsidiary STUDYBANK CO., LTD	✓	No objection or qualified opinion
	7. Proposal on Lending Funds to the Subsidiary CoAsia Korea Co., Ltd.	✓	No objection or qualified opinion
	8. Proposal on Allowance Traceability of the President Li, Hsi Chun Chin	✓	No objection or qualified opinion
	Opinion of the independent director: None		
	Treatment on opinion of the independent director: None		
Resolution results: All present directors adopt the proposal without objection			
The 7th meeting of the 9th Board of Directors on Jun. 16, 2021	1. Proposal on Establishment of USA Subsidiary	✓	No objection or qualified opinion
	2. Proposal on New Endorsement Guarantee for the Sub-subsidiary CoAsia (Hong Kong)	✓	No objection or qualified opinion
	Opinion of the independent director: None		
	Treatment on opinion of the independent director: None		
Resolution results: All present directors adopt the proposal without objection			
The 8th meeting of the 9th Board of Directors on Jul. 27, 2021	1. Proposal on Extending the Loans to the Business Counterparty CoAsia SEMI Taiwan Ltd.	✓	No objection or qualified opinion
	2. Proposal on 3-year Joint Loan for the Company	✓	No objection or qualified opinion

	Opinion of the independent director: None		
	Treatment on opinion of the independent director: None		
	Resolution results: All present directors adopt the proposal without objection		
The 9th meeting of the 9th Board of Directors on Aug. 5, 2021	1. Amendment to 'Decision Authority Table' for Internal Control System	✓	No objection or qualified opinion
	2. Proposal on Extending Endorsement Guarantee Amount for the Sub-subsidiary CoAsia (Hong Kong)	✓	No objection or qualified opinion
	Opinion of the independent director: None		
	Treatment on opinion of the independent director: None		
	Resolution results: All present directors adopt the proposal without objection		
The 10th meeting of the 9th Board of Directors on Nov. 8, 2021	1. Proposal on Extending Endorsement Guarantee Amount for the Sub-subsidiary CoAsia (Hong Kong)	✓	No objection or qualified opinion
	2. Proposal on Extending Endorsement Guarantee Amount for the Sub-subsidiary CoAsia (Singapore)	✓	No objection or qualified opinion
	3. Proposal on Inter-company Loans and Limit	✓	No objection or qualified opinion
	Opinion of the independent director: None		
	Treatment on opinion of the independent director: None		
	Resolution results: All present directors adopt the proposal without objection		
The 11th meeting of the 9th Board of Directors on Dec. 29, 2021	1. Proposal on New Endorsement Guarantee for the Sub-subsidiary CoAsia (Hong Kong)	✓	No objection or qualified opinion
	2. Proposal on Loans to the Business Counterparty CoAsia SEMI Taiwan Ltd. for the Sub-subsidiary CoAsia (Hong Kong)	✓	No objection or qualified opinion
	3. Proposal on Non-Loans Inter-company Accounts receivable between Head Office and Branch of CoAsia Electronics Corp.	✓	No objection or qualified opinion
	4. Proposal on Disposal of the Subsidiary STUDYBANK CO., LTD and Sub-subsidiary Taiwan Interaction Limited	✓	No objection or qualified opinion
	5. Proposal on Appointment of 'Governance Director'	✓	No objection or qualified opinion
	Opinion of the independent director: None		
	Treatment on opinion of the independent director: None		
	Resolution results: All present directors adopt the proposal without objection		

(II) Operation of the Audit Committee and operation of the Board of Directors

1. The main responsibilities and annual work of the Company's Audit Committee focus on audit and supervision of the Company's financial reports, risk control matters and finance related proposals. The audit covers: the Company's financial reports, internal control system, major assets or derivative commodity trading, placement or issuing of securities, appointment, removal or remuneration of the CPA, matters in which the directors are interested, appointment of financial, accounting or internal audit director, and evaluation on effectiveness of the internal control system.
2. The Audit Committee has held meeting for 6 times during the most recent fiscal year up to the date of publication of the annual report. Attendance at the meeting is as follows:

Title	Name	Actual attendance times	Actual attendance rate (%)	Remarks
Independent director	Chen Chien Li	6	100%	Convener
Independent director	Chou Chih Cheng	5	83%	
Independent director	Hwang Il Suk	6	100%	

Other matters that shall be recorded:

- I. In any of the following circumstances, the Audit Committee shall state the date, session, and resolution contents of the board meeting, the resolution results of the Audit Committee and the Company's treatment on the opinion of the Audit Committee.

Matters referred to in Article 14-5 of the Securities and Exchange Act:

Date of meeting	Contents of resolution	Resolution results	Treatment of the Company on the opinion of the Audit Committee
Jun. 11, 2021	1. Proposal on Investment and Establishment of USA Subsidiary 2. Proposal on New Endorsement Guarantee for the Sub-subsidiary CoAsia Electronics Corporation (Hong Kong) Limited	All members of the Audit Committee adopt the above proposals	The resolutions of the Audit Committee are approved
Jul. 27, 2021	1. Proposal on Loans to the Business Counterparty CoAsia SEMI Taiwan Ltd. 2. Proposal on 3-year Joint Loans for Interim Working Capital	All members of the Audit Committee adopt the above proposals	The resolutions of the Audit Committee are approved
Aug. 8, 2021	1. Proposal on the Company's 2021 Q2 Consolidated Financial Report 2. Proposal on the 'Decision Authority Table' for Internal Control System 3. Proposal on Extending Endorsement Guarantee Amount for the Sub-subsidiary CoAsia Electronics Corporation (Hong Kong) Limited	All members of the Audit Committee adopt the above proposals	The resolutions of the Audit Committee are approved
Nov. 8, 2021	1. Proposal on the Company's 2021 Q3 Consolidated Financial Report 2. Proposal on Extending Endorsement Guarantee Amount for the Sub-subsidiary CoAsia Electronics Corporation (Hong Kong) Limited 3. Proposal on Extending Endorsement Guarantee Amount for the Subsidiary CoAsia Electronics Corp. (Singapore) Pte. Ltd. 4. Proposal on Extending the Inter-company Loan Limit	All members of the Audit Committee adopt the above proposals	The resolutions of the Audit Committee are approved

Dec. 29, 2021	<ol style="list-style-type: none"> <li>1. Proposal on the Company's 2022 Audit Plan</li> <li>2. Proposal on New Endorsement Guarantee for the Sub-subsidiary CoAsia Electronics Corporation (Hong Kong) Limited</li> <li>3. Proposal on Loans to the Business Counterparty CoAsia Semi Limited for the Sub-subsidiary CoAsia Electronics Corporation (Hong Kong) Limited</li> <li>4. Proposal on Disposal of Subsidiary STUDYBANK CO., LTD and Sub-subsidiary Taiwan Interaction Limited</li> <li>5. Proposal on Non-Loans Inter-company Accounts receivable between Head Office and Branch of CoAsia Electronics Corp.</li> </ol>	All members of the Audit Committee adopt the above proposals	The resolutions of the Audit Committee are approved
Mar. 8, 2022	<ol style="list-style-type: none"> <li>1. Proposal on 'Evaluation for Effectiveness of Internal Control System' and 'Internal Control System Statement' for 2021</li> <li>2. Proposal on the Company's 2021 Statement of Operations</li> <li>3. Proposal on the Company's 2021 Individual Financial Report and Consolidated Financial Report</li> <li>4. Proposal on the Company's Profit Distribution for 2021</li> <li>5. Proposal on Conversion of Surplus into Capital and Issuance of New Shares</li> <li>6. Proposal on Canceling Loans to Subsidiary CoAsia Korea Co., Ltd.</li> <li>7. Proposal on Loans to Subsidiary CoAsia Korea Co., Ltd.</li> <li>8. Amendment to the 'Procedure for Acquisition or Disposal of Assets'</li> </ol>	All members of the Audit Committee adopt the above proposals	The resolutions of the Audit Committee are approved

- (I) Apart from the above matters, other matters that have not been adopted by the Audit Committee but have been resolved by more than two thirds of directors: None
- II. With respect to avoidance by the independent director to the interested proposals, please state the name of the independent director, the contents of the proposal, the reasons for avoidance and participation in voting: None
- III. Communication of the independent director with the internal audit director and the accountant (including major communication contents, method and results related to the Company's financial position and business).
- A. Summary of the past communication between the independent director and the internal audit director is as follows:
- The Company's internal audit unit will formulate the annual audit plan based on the risk evaluation results and the self-inspection report every year. Upon discussion and approval by the Board of Directors, the internal audit unit will perform the audit properly. Any amendment shall be submitted to the Board of Directors for discussion and approval.
- The Company's annual audit plan contains the audit items required by the competent authority. The internal audit unit shall inspect any internal control system defects and exceptions discovered in the audit operation under the annual audit plan, and shall attach the working paper and relevant data, disclose the facts in the audit report, follow up the treatment, and regularly form the follow-up report, in order to ensure that the relevant units have taken appropriate improvement measures. The above audit report, the follow-up reports, the working paper and the relevant data shall be retained for reference for the stipulated duration.
- After the audited units develop and confirm the improvement measures, the audit report and follow-up report will be submitted to the independent director every month; in case of any possible major violations or major losses caused to the Company, the internal audit unit shall immediately report to the independent director; the internal audit director will attend the board meeting without voting power to report the internal control system defects and exceptions discovered in the audit from the date of the last board meeting to the date of the current board meeting.



The Company's departments and subsidiaries will make self-inspection for the internal control system regularly every year. The internal audit unit offers assistance and rechecks the self-inspection reports of each department and subsidiary, and the internal control system defects and exceptions discovered by the internal audit unit, which become the main basis for the Board of Directors and the President to evaluate the overall effectiveness of the internal control system, and issue the statement on the internal control system.

The Company's internal audit director reports to the independent director and the supervisor in the next month following the audit based on the annual audit plan. The improvement is followed up at least every quarter. The follow-up report is submitted to the independent director and the supervisor. The Company's internal audit director attends the board meeting without voting power according to the regulations, and submit the internal audit reports. Besides, the internal audit director individually has met with the independent director and CPA to discuss such topics as the Company's 2021 financial report, the internal control system, the internal audit operation, the governance situation and ESG sustainable development on Mar. 4, 2022, Dec. 29, 2021, Nov. 8, 2021, Aug. 5, 2021, May 6, 2021 and Mar. 5, 2021. Communication between the Company's independent director, CPA and the internal audit director during the most recent fiscal year up to the date of publication of the annual report is as follows:

Communication date	Present members	Matters communicated between the internal audit director and the independent director	Suggestions of the independent director and the internal audit improvement results
Mar. 4, 2022	Independent Director Chen Chien Li Independent Director Chou Chih Cheng Independent Director Hwang Il Suk CPA Wu Han-Chi PricewaterhouseCoopers Taiwan Assistant Kao Lin-Ching PricewaterhouseCoopers Taiwan Team Leader Chou Yu-Chieh Internal Audit Director Wang Cheng Hsing	I. Communication (report) between the CPA and the audit committee (independent director) after audit on 2021 financial report II. Report of the internal audit director: 1. Reference items for judgment on effectiveness of the internal control system for 2021 (self-evaluation of internal control system) 2. Audit on the 'Statement on Internal Control System' for 2021 3. Performance evaluation of the internal audit director for 2021 III. Internal audit items: 1. Routine audit on derivative commodity trading	I. Communication (report) of CPA after audit on 2021 financial report The independent director has no objection. II. Report of the internal audit director: The independent director has no objection. III. Internal audit items: The independent director has no objection.

		<p>from Dec. 2021 to Jan. 2022</p> <ol style="list-style-type: none"> <li>2. Routine audit on loans in Q4 of 2021</li> <li>3. Routine audit on endorsement guarantee in Q4 of 2021</li> </ol>	
Dec. 29, 2021	<p>Independent Director Chen Chien Li Independent Director Chou Chih Cheng Independent Director Hwang Il Suk Internal Audit Director Wang Cheng Hsing</p>	<ol style="list-style-type: none"> <li>I. Project report: <ol style="list-style-type: none"> <li>1. Operation risk evaluation and annual audit plan for 2021</li> <li>2. Self-inspection of the 8th governance for 2021</li> </ol> </li> <li>II. Audit items: <ol style="list-style-type: none"> <li>1. Routine audit on derivative commodity trading for Nov. 2021</li> <li>2. Audit on management of related party transactions for 2021</li> </ol> </li> </ol>	<ol style="list-style-type: none"> <li>I. Project report: The independent director has no objection.</li> <li>II. Audit items: The independent director has no objection.</li> </ol>
Nov. 8, 2021	<p>Independent Director Chen Chien Li  Independent Director Hwang Il Suk Internal Audit Director Wang Cheng Hsing</p>	<ol style="list-style-type: none"> <li>I. Project report: Advocation for the Company' s Code for Honest Management, Honest Management Procedure and Guidelines, and Code of Ethical Conduct</li> <li>II. Audit items: <ol style="list-style-type: none"> <li>1. Routine audit on the derivative commodity trading in Sep. 2021</li> <li>2. Validation service of the Remuneration Committee for 2021</li> <li>3. Purchase and collection cycle for 2021</li> <li>4. Routine audit on loans in Q3 of 2021</li> <li>5. Routine audit on endorsement</li> </ol> </li> </ol>	<ol style="list-style-type: none"> <li>I. Project report: The independent director has no objection.</li> <li>II. Audit items: The independent director has no objection.</li> </ol>

		guarantee in Q3 of 2021	
Aug. 5, 2021	Independent Director Chen Chien Li Independent Director Chou Chih Cheng Independent Director Hwang Il Suk Internal Audit Director Wang Cheng Hsing	I. Project report: 1. The Company's internal audit implementation rules and the internal audit personnel report II. Audit items: 1. Routine audit on derivative commodity trading from Apr. 2021 to Jun. 2021 2. Audit on financing cycle for 2021 3. Audit on payroll cycle for 2021 4. Cycle of property, plant and equipment for 2021 3. Routine audit on loans in Q2 of 2021 4. Routine audit on endorsement guarantee in Q2 of 2021	I. Project report: The independent director has no objection. II. Audit items: The independent director has no objection.
May 6, 2021	Independent Director Chou Chih Cheng Independent Director Hwang Il Suk Internal Audit Director Wang Cheng Hsing	I. Project report: Report on the 7th Governance Evaluation Results II. Audit items: 1. Routine audit on derivative commodity trading from Feb. 2021 to Mar. 2021 2. Routine audit on loans in Q1 of 2021 3. Routine audit on endorsement guarantee in Q1 of 2021 4. Seal management for 2021 5. Computerized information processing in 2021	I. Project report: The independent director has no objection. II. Audit items: The independent director has no objection.
Mar. 5, 2021	Independent Director Chen Chien Li	II. Project report: Advocation for 'Prevention on Insider	I. Project report:

	Independent Director Chou Chih Cheng Independent Director Hwang Il Suk Internal Audit Director Wang Cheng Hsing	Trading and Insider Short-swing Trading' II. Audit items: 1. Routine audit on derivative commodity trading from Jan. 2021 to Feb. 2021	The independent director has no objection.  II. Audit items: The independent director has no objection.
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Note I: There is a attendance register to record the present independent director.

- B. The Company's CPA regularly reports the financial statement audit or review results and other matters to be communicated according to the requirements of the relevant decrees to the independent director at the meeting of the Audit Committee. Special circumstances, if any, will be also reported to the Audit Committee in real time. Communication between the Audit Committee and the CPA during the most recent fiscal year up to the date of publication of the annual report is set out in the following page (Schedule 2)

(III) Corporate Governance Implementation and Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons:

Evaluation Item	Implementation Status		Summary	Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No		
I. Has the Company established and disclosed the Corporate Governance Best-Practice Principles based on "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies"?	Yes		The Company adopted the "Corporate Governance Best-Practice Principles" by resolution of the Board of Directors on December 27, 2006 in accordance with the "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies" and reference examples of relevant rules and procedures. The Corporate Governance Best-Practice Principles was last revised by the Board of Directors on March 8, 2022 and is available for download on the MOPS and our website <a href="https://www.coasiaelec.com/zh-tw/">https://www.coasiaelec.com/zh-tw/</a> .	None
II. Shareholding structure & shareholders' rights (I) Has the Company established an internal operating procedure to deal with shareholders' suggestions, doubts, disputes and litigations, and implement based on the procedure?	Yes		The spokesman of the Company (Wang Peng Cheng), acting spokesman (Chen Hung Yi), is responsible for the handling of shareholders' suggestions, doubts, disputes and lawsuits; In addition, the Company's website has also set up a stakeholders' area and shareholders contact window for shareholders/investors to submit questions or suggestions.	None
(II) Does the Company possess the list of its major shareholders as well as the ultimate owners of those shareholders?	Yes		The shareholdings of directors, managers and major shareholders holding more than 10% of the Company may be known by the financial unit through the stock agent at any time, and the list of major shareholders and their ultimate beneficiaries may be known and disclosed as far as possible through the register of shareholders. In addition, the stock management unit and investor relations unit maintain good relationship with the shareholders and pay attention to the important issues of share changes.	None
(III) Does the Company establish and execute the risk management and firewall system within its conglomerate structure?	Yes		The Company shall establish the Measures for Supervision and Administration of Subsidiaries and other relevant rules in the internal control system according to laws and regulations. The division of rights and responsibilities of personnel, assets and financial management between companies shall be clearly defined, and appropriate firewalls and risk assessments shall be established. On November 6, 2020, the Board of Directors of the Company revised 15 rules of Standards of Operation Related to Financial Business Between Related Enterprises, which standardizes matters such as purchase and sales transactions, acquisition of disposed assets, asset endorsement guarantee and capital loan, between related enterprises.	None
(IV) Does the Company establish internal rules against insiders trading with undisclosed information?	Yes		The Company adopted Administrative Measures for Preventing Insider Transactions by resolution of the Board of Directors on August 30, 2018, and adopted Internal Important Information Processing Procedures by resolution of the Board of Directors on December 28, 2007, which prevents the trading of securities by insiders using undisclosed information in the market. On April 13 and April 14, 2021, a total of 46 employees were educated and trained by the head of legal department on the topic of preventing insider trading. After the training, the employees were tested and the results were included in their annual performance.	None
III. Composition and responsibilities of the Board of Directors (I) Has the Board of Directors established a diversity policy for the composition and has it been implemented accordingly?	Yes		The Board of Directors of the Company has formulated and implemented a diversity policy in terms of membership. Directors are nominated through a rigorous selection process, which not only considers their professional competence, but also attaches great importance to their reputation in ethical conduct and leadership, Board structure of the Company. The appropriate number of directors is determined based on the scale of the Company's business development and the shareholding of its major shareholders and the practical operation needs. Members of the Board of Directors shall generally possess the knowledge, skills and qualities necessary to perform their duties. In order to achieve the ideal goal of corporate governance, the Board of Directors as a whole should have the following capabilities: I. Operational judgment capabilities II. Business management capabilities III. Leadership/Decision-making capabilities	None

Evaluation Item	Implementation Status		Summary	Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons																																																																																							
	Yes	No																																																																																									
(II) Other than Remuneration and Audit Committees which are required by laws, does the Company plan to set up other functional committees?			IV. Industry expertise V. International market outlook VI. Accounting and financial capabilities VII. Crisis management  The implementation of the policy of diversity of all board members of the Company is as follows: <table border="1" style="width: 100%; border-collapse: collapse; text-align: center;"> <thead> <tr> <th rowspan="2">Director</th> <th colspan="7">Diversity program</th> </tr> <tr> <th>Operational judgment capabilities</th> <th>Business management capabilities</th> <th>Leadership/Decision-making capabilities</th> <th>Industry expertise</th> <th>International market outlook</th> <th>Accounting and financial capabilities</th> <th>Crisis management</th> </tr> </thead> <tbody> <tr> <td></td> <td>Name</td> <td>Nationality</td> <td>Gender</td> <td>Concurrent employee of the Company</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Director</td> <td>Lee Hee Jun</td> <td>Republic of Korea</td> <td>Male</td> <td>✓</td> <td>✓</td> <td>✓</td> <td>✓</td> <td>✓</td> <td>✓</td> <td></td> <td>✓</td> </tr> <tr> <td>Director</td> <td>Shin Dong Soo</td> <td>Republic of Korea</td> <td>Male</td> <td>✓</td> <td>✓</td> <td>✓</td> <td>✓</td> <td>✓</td> <td>✓</td> <td></td> <td>✓</td> </tr> <tr> <td>Independent director</td> <td>Chou Chih Cheng</td> <td>Republic of China</td> <td>Male</td> <td></td> <td>✓</td> <td>✓</td> <td>✓</td> <td>✓</td> <td>✓</td> <td>✓</td> <td></td> </tr> <tr> <td>Independent director</td> <td>Chen Chien Li</td> <td>Republic of China</td> <td>Male</td> <td></td> <td>✓</td> <td>✓</td> <td>✓</td> <td></td> <td>✓</td> <td>✓</td> <td>✓</td> </tr> <tr> <td>Independent director</td> <td>Hwang Il Suk</td> <td>Republic of Korea</td> <td>Male</td> <td></td> <td>✓</td> <td>✓</td> <td></td> <td>✓</td> <td>✓</td> <td></td> <td>✓</td> </tr> </tbody> </table> <p>※Circumstances where term of office (length of service) of the Company's independent directors has not reached more than 9 years.</p>	Director	Diversity program							Operational judgment capabilities	Business management capabilities	Leadership/Decision-making capabilities	Industry expertise	International market outlook	Accounting and financial capabilities	Crisis management		Name	Nationality	Gender	Concurrent employee of the Company								Director	Lee Hee Jun	Republic of Korea	Male	✓	✓	✓	✓	✓	✓		✓	Director	Shin Dong Soo	Republic of Korea	Male	✓	✓	✓	✓	✓	✓		✓	Independent director	Chou Chih Cheng	Republic of China	Male		✓	✓	✓	✓	✓	✓		Independent director	Chen Chien Li	Republic of China	Male		✓	✓	✓		✓	✓	✓	Independent director	Hwang Il Suk	Republic of Korea	Male		✓	✓		✓	✓		✓	
	Director	Diversity program																																																																																									
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Director	Lee Hee Jun	Republic of Korea	Male	✓	✓	✓	✓	✓	✓		✓																																																																																
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Independent director	Hwang Il Suk	Republic of Korea	Male		✓	✓		✓	✓		✓																																																																																
	Yes		The Company has set up a Remuneration Committee according to law and the Company has not set up any other functional committees.	On March 8, 2022, the Board of Directors of the Company approved the Organization Rules of the Nomination Committee, and it is expected to set up the																																																																																							

Evaluation Item	Implementation Status		Summary	Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No		
(III) Has the Company formulated rules and methods for the performance assessment of the Board of Directors and evaluate the Board performance every year? Is the outcome of performance assessment submitted to the Board of Directors and used as reference for the remuneration and re-election nomination of individual Director?	Yes		<p>I. The Company has established the performance evaluation system of the Board of Directors, and the Board of Directors adopted the performance evaluation method on November 12, 2018, so as to exert the self-motivation of the board members and improve the function of the Board of Directors. Internal board performance evaluation is carried out once a year. Self-evaluation and peer evaluation are conducted regularly in the first quarter, and the evaluation results are reviewed regularly in the second quarter; the performance evaluation of the independent directors shall be carried out at least once every three years by external professional independent institutions or external expert and scholar teams, and the performance evaluation of the current year shall be carried out at the end of the year.</p> <p>II. The annual director performance evaluation report in 2021 was made to the Board of Directors on March 8, 2022. The internal board performance evaluation result of the Company is good, which demonstrates the Company's achievements in strengthening the effectiveness of the Board of Directors. Over the years, the Company's internal board performance evaluation has all reached the evaluation standard, which is good, including the composition and structure of the Board of Directors and the degree of directors' participation in the operation of the Company.</p> <p>1. General evaluation of performance evaluation of directors in 2021: The Board of Directors of the Company has five directors, including three independent directors, and the number of independent directors is more than half of the Board of Directors. The background is in line with the development needs of the Company. Members of the Board of Directors of the Company are highly self-disciplined and abide by the responsibilities of the Board of Directors, and have the following characteristics:</p> <p>A. Members of the Board of Directors share the same beliefs and values, clearly declare the cultural core of integrity management, people-oriented management, make an example and lead employees to strive to become a high-tech electronic circuit of communication contributing to humanity.</p> <p>B. The Board of Directors actively selects independent directors with expertise and rich experience, fully provides the necessary resources to exercise their functions and responsibilities, and gives them high respect.</p> <p>C. Professional managers are held to the highest ethical standards by the Board of Directors. A number of measures such as voluntary introduction of more than half of the independent directors of the Board of Directors, setting up various functional committees demonstrate the corporate governance spirit of the Board of Directors in pursuit of sustainable development beyond legal compliance.</p> <p>D. Members of the Board of Directors interact closely with each other and with senior managers, and the communication channels are smooth. Senior managers provide timely, effective and complete information required by the management of board members, which shows that the Board of Directors actively constructs an open and transparent discussion culture.</p> <p>2. Recommendations/Improvement implementation:</p> <p>A. To establish a written system for the selection criteria and procedures for the qualification requirements of independent directors, as the basis for the selection of independent directors in the future.</p> <p>B. Consider holding a board meeting focusing on the Company's environment and major development strategies at least once a year, so that independent directors can fully participate in the development and discussion of important strategies.</p> <p>C. The Company's periodic assessment of the effectiveness (performance) of the board covers functional committees as well as the board and individual directors.</p> <p>D. Consider the establishment of a risk management committee, linked to the audit committee for integrity management reporting system.</p> <p>E. The Remuneration Committee should consider establishing long-term incentives for senior managers that are concerned with the Company's vision or long-term plans.</p>	<p>Nomination Committee in 2022.</p> <p>None</p>

Evaluation Item	Implementation Status		Summary	Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons															
	Yes	No																	
			<p>III. the Company's directors' performance evaluation and remuneration policy:  The independent directors of the Company receive fixed remuneration, and the other directors receive attendance fees at each board meeting. Pursuant to Article 20 of the Articles of Incorporation: the Company shall set aside no less than 10% of the net profit before tax for the current period as remuneration to employees, and no more than 5% as remuneration to directors before deducting the remuneration to employees and directors of the year; However, if the Company still has accumulated losses, it shall reserve the amount of compensation in advance. Remuneration to employees shall be made in stock or cash. The recipients may include employees of controlled or affiliated companies who meet the conditions set by the Board of Directors. Remuneration to directors shall be made in cash. The remuneration to employees and directors shall be distributed upon the recommendation of the Remuneration Committee, and shall be submitted to the Board of Directors by a resolution approved by more than two-thirds of the directors present, and reported to the shareholders' meeting.  Remuneration to directors (including independent directors) of the Company shall be based on their participation in the Company's operations and performance evaluation, and consideration factors including practical and operational management ability of the Company's core values, financial and business performance indicators and comprehensive management indicators, continuous training and participation in sustainable management, other special contributions or significant negative events (detailed consideration factors are described in the table below) will be included into performance evaluation and compensation.</p> <table border="1"> <thead> <tr> <th>Consideration factors</th> <th>Proportion</th> <th>Description</th> </tr> </thead> <tbody> <tr> <td>Practical and operational management ability of company core value</td> <td>25%</td> <td>Ethical practice and commitment are required, and the ability to practice business philosophy, corporate culture, and demonstrate leadership and management skills.</td> </tr> <tr> <td>Financial and business performance indicators and comprehensive management indicators</td> <td>25%</td> <td>Financial and business indicators: financial and business performance, including profitability, growth rate, market leadership, product quality, etc. Comprehensive management indicators: innovation and integration, risk management and information security, etc.</td> </tr> <tr> <td>Continuing education and participation in sustainable business</td> <td>25%</td> <td>Are directors and managers engaged in ESG development and activities in compliance with statutory requirements for continuous learning and acquisition of new knowledge</td> </tr> <tr> <td>Other special contributions or significant negative events</td> <td>25%</td> <td>Special international certification, or awards, etc. obtained by the Company Major negative news, internal management malpractice, etc.</td> </tr> </tbody> </table> <p>The Company's Shareholder Services unit has verified that the certified public accountant does not hold any shares of the Company, and the certified public accountant does not concurrently hold any positions of the Company. Hsu Yung-Chien, Hsu Sheng-Chung from PwC Taiwan has issued the statement of the role, responsibility and independence of the certified public accountant. The 2021 accountant independence evaluation has been approved by the Board of Directors on March 5, 2021. In the past seven years, the Company has appointed accountants to perform the financial reporting certification (as detailed in the table below). There has been no change of accountants for seven consecutive years or any loss of independence caused by the appointed accountants.</p>	Consideration factors	Proportion	Description	Practical and operational management ability of company core value	25%	Ethical practice and commitment are required, and the ability to practice business philosophy, corporate culture, and demonstrate leadership and management skills.	Financial and business performance indicators and comprehensive management indicators	25%	Financial and business indicators: financial and business performance, including profitability, growth rate, market leadership, product quality, etc. Comprehensive management indicators: innovation and integration, risk management and information security, etc.	Continuing education and participation in sustainable business	25%	Are directors and managers engaged in ESG development and activities in compliance with statutory requirements for continuous learning and acquisition of new knowledge	Other special contributions or significant negative events	25%	Special international certification, or awards, etc. obtained by the Company Major negative news, internal management malpractice, etc.	
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Evaluation Item	Implementation Status			Summary	Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons	
	Yes	No				
(IV) Has the Company periodically evaluate the independence of the CPAs?	Yes		Year	Appointed accounting firm	CPA	None
			2015	PwC Taiwan	Wu Han-Chi, Hsu Sheng-Chung	
			2015	PwC Taiwan	Wu Han-Chi, Hsu Sheng-Chung	
			2017	PwC Taiwan	Hsu Yung-Chien, Hsu Sheng-Chung	
			2018	PwC Taiwan	Hsu Yung-Chien, Hsu Sheng-Chung	
			2019	PwC Taiwan	Hsu Yung-Chien, Hsu Sheng-Chung	
			2020	PwC Taiwan	Hsu Yung-Chien, Hsu Sheng-Chung	
2021	PwC Taiwan	Hsu Yung-Chien, Wu-Han Ch'i				
IV. Did the TWSE/TPEX listed company have designated appropriate personnel to handle corporate governance tasks and set up a Chief Governance Officer as the most senior manager in charge of corporate governance-related tasks (including but not limited to providing information required for Director/Supervisor's operations, convening board/shareholder meetings in compliance with the law, apply for/change Company registry and producing meeting minutes of board/shareholder meetings)?	Yes		<p>On December 29, 2021, the Board of Directors of the Company approved Wang Peng-Cheng, Deputy General Manager of the Company, to serve as the Chief Governance Officer and carry out business related to corporate governance. The main responsibilities of the Chief Governance Officer are to instruct the finance department to provide the information required by the directors to carry out their business, and the latest regulatory developments related to the operation of the Company, so as to assist the directors to comply with the laws and regulations, and to handle the matters related to the meetings of the Board of Directors and prepare the meeting minutes in accordance with the following principles:</p> <ol style="list-style-type: none"> <li>1. Immediate disclosure of major information.</li> <li>2. The benign interaction and communication between the members of the Board of Directors and the operating team.</li> <li>3. Maintain a certain proportion of independent directors.</li> <li>4. Establish the Remuneration Committee (composed of all independent directors and external experts), and timely evaluate and review the salary and remuneration system of directors and managers of the Company.</li> <li>5. Cash dividend policy with a high earnings distribution ratio based on the Company's Articles of Incorporation.</li> <li>6. To fully implement the principle of shareholder activism, shareholders' motions can be voted on case by case and their voting rights can be exercised by electronic voting.</li> <li>7. Follow the standards of ethical conduct, uphold the principles of integrity and implement the internal audit mechanism.</li> <li>8. Continue to promote and fulfill the policy of integrity and corporate social responsibility. The purpose is to implement the corporate governance, and pay attention to the changes of relevant laws and regulations, regularly publicize and report to the Board of Directors.</li> <li>9. The Company registration and change registration is handled by the finance department.</li> </ol>			None
V. Has the Company established a communication channel with stakeholders (including but not limited to shareholders, employees, customers and suppliers)? Has a stakeholders' area been set up on the Company website? Are major Corporate Social Responsibility (CSR) topics that the	Yes		<p>The Company establishes communication channels for different main bodies (including stakeholders), and sets up a stakeholders' area on the Company website, requiring corresponding units to respond to important corporate social responsibility issues concerned by stakeholders. Please refer to the following instructions for details, the Company's stakeholder communication policy and situation.</p>			None

Evaluation Item	Implementation Status		Summary	Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No		
stakeholders are concerned with addressed appropriately by the Company?				
VI. Does the Company appoint a professional shareholder services agency to deal with shareholder affairs?	Yes		The Company appoints Qunyi Jinding Securities Co., Ltd. to deal with shareholder affairs.	None
VII. Information disclosure (I) Did the Company establish a website to disclose information on financial operations and corporate governance?	Yes		The Company discloses relevant financial business and corporate governance information on the Company's website: <a href="https://www.coasiaelec.com/zh-tw/">https://www.coasiaelec.com/zh-tw/</a> to regularly review and timely publish relevant information.	None
(II) Did the Company have other information disclosure channels (such as establishing an English language website, delegating a professional to collect and disclose Company information, implementing a spokesperson system, and disclosing the process of investor conferences on the Company website)?	Yes		The Company has set up an website in English, Korean, traditional Chinese and simplified Chinese, and provides a special email address for each related business; In addition, the Company has set up Internal Important Information Processing Procedures to establish a good internal important information processing and disclosure mechanism, and has implemented the spokesman system. At ordinary times, the Investor Relations and Shareholder Services unit is responsible for the collection and disclosure of the Company's information, and disclose relevant information of the Company in the MOPS in accordance with the law.	None
(III) Does the Company publish and report its annual financial report within two months after the end of an accounting period, and publish and report its financial reports for the first, second, and third quarters as well as its operating status for each month before the specified deadline?		No	The Company has not been able to announce and declare the annual financial report within two months after the end of the fiscal year. The financial report of the first, second and third quarters and the operating situation of each month are announced and declared within the prescribed time limit.	Evaluate the human resources of the Company's Accounting Department and make improvements
VIII. Has the Company disclosed other information to facilitate a better understanding of its corporate governance (including but not limited to employee's rights, employee wellness, investor relations, supplier relations, stakeholders' rights, Directors and Supervisors training records, implementation of risk management policies and measurement standards, implementation of customer policies and purchase of liability insurance for the Directors and Supervisors of the Company)?	Yes		While adhering to the development of core technology and values, the Company aims to provide integrated solutions of mobile communication multimedia core components between suppliers and customers to achieve sustainable operation. The Company seeks the best interests of investors, employees, suppliers and customers of the Company, conducts business in a fair competition with competitors, and protects the rights of interested parties, to fulfill the Company's social responsibility, to ensure the effectiveness and efficiency of the Company's operation, and establish the basic spirit of enterprise management. The Company adheres to Labor Standards Law, Employment Service Act, Gender Equality in Employment Act, Gender Equity Education Act, Sexual Harassment Prevention Law and other labor related laws and regulations, encourages employees to develop their career plans, reviews the future career direction through annual performance evaluation, carries out internal and external education and training, provides staff with appropriate development, organizes regular staff health examination, and cares for staff physical and mental health; the employee welfare committee of the Company organizes various leisure and entertainment activities for employees, such as group dinner, competition, travel and other activities for employees, offering various subsidies for marriage, funeral, hospitalization and childbirth, for the salary structure of the staff, it considers the relative balance between the efforts of the staff and the reward of investors, stabilizes the living conditions of the staff, so that the staff can do their best professionally and take pride in the Company, improve the corporate image of the Company, and achieve a virtuous cycle of labor relations. The Board of Directors assigns internal auditors to carry out the audit and report on the deficiencies and anomalies of the internal control system of each department, tracks the missing and abnormal improvement situation on a regular basis, cooperates with CPA	None

Evaluation Item	Implementation Status		Summary	Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No		
			<p>to check the Company's financial position and internal control on a regular basis, and provides the Board of Directors with risk management policies and risk measurement standards through self-inspection of internal control systems by each department. We understand the importance of fair dealing and confidentiality of trade secrets to the industrial structure. In order to protect the rights and interests between the Company and customers, and avoid customers' illegal use of trade secrets, the Company shall strengthen the publicity of the Company's customer policies in employee education and training, sign confidentiality agreements with employees, formulate Code of Ethical Conduct, and establish a consensus of ethical standards between directors, managers and employees.</p> <p>The Company's implementation of risk management policies and risk measurement standards:</p> <p>Risk management policy:</p> <p>Market risk management: To manage the risks arising from market fluctuations and economic changes:</p> <p>Take account of customers and industrial dispersion: not only to achieve customer dispersion, but also to achieve diversified and complete product line layout.</p> <p>Separate R&amp;D from normal operations: To ensure continuous supply of new requirements and technologies required by the market, separate R&amp;D unit from normal operations to avoid resource conflict and unbalanced use, and provide professional technical support.</p> <p>Debt risk management: Monitor cash flow at any time, and separate the use of short -term funds from long -term funds, regularly check customer credit, and effectively manage account receivables.</p> <p>Operational risk management: timely establish, correct, and promote various standard operation processes.</p> <p>Enterprise scale risk management: Promote the profit center system and sustainable management indicators, and strictly review the economic scale of each product line.</p> <p>Risk management architecture:</p> <p>The management of various operating risks of the Group shall be the responsibility of the corresponding unit according to the nature of its business, and Internal Auditing Office will supervise the existing or potential risks of each operation, and draw up and implement risk-oriented annual audit plan. The main management units of various risks are described as follows:</p> <p>Finance: Responsible for the group's financial scheduling, capital use and establishment of risk aversion mechanisms to reduce financial risks; and planning and setting short, medium and long -term financial and investment strategies.</p> <p>Business: Responsible for marketing strategies, product promotion and mastering of market trends to reduce business operating risks.</p> <p>Information: Responsible for Internet planning, construction, operation, and maintenance, continuously monitoring the quality of the Internet, evaluating various information risks, and taking safe and appropriate response measures to reduce the risk of Internet operations.</p> <p>Legal affairs: In addition to responsible for the review of contract documents, it also assists in controlling legal risks, follows government supervision policies and handles contracts and litigation disputes to reduce legal risks.</p> <p>Internal audit: Responsible for the correction and promotion of the internal control system, planning and implementation of the internal audit business to strengthen the internal control function, ensure its continuous effectiveness and achieve the effect and efficiency of the group's operations, reliability, timeliness, transparentness of the report, and in compliance with the relevant norms and related laws and regulations.</p> <p>Board of Directors: The Board of Directors is the highest decision-making body for risk management of the Group. It approves risk management policies to ensure effective management of operational risks and improve management efficiency in the light of the group's overall operational risks and operating environment.</p> <p>The Company has formulated Good Faith Operation Code, and Operating Procedures and Behavior Guide for Good Faith Operation for customer policy to establish a business environment for honest and fair competition to enhance the positive image and effectiveness of the Company's integrity management.</p> <p>The Company has currently purchased directors and key staff liability insurance for directors and managers from Fubon Insurance Co., Ltd. for the period from March 1, 2022 to March 1, 2023.</p>	

Evaluation Item	Implementation Status		Summary	Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No		
<p>IX. Please specify the Company's measures to improve the items listed in the corporate governance review result by Taiwan Stock Exchange's Corporate Governance Center and the improvement plans for items yet to be completed.</p> <p>In 2013, the Financial Supervisory Commission issued the 2013 Blueprint for Strengthening China's Corporate Governance and the new version of the Corporate Governance Blueprint (2018-2020), and designated Taiwan Stock Exchange to set up the Corporate Governance Center. Since the implementation of the first Corporate Governance Evaluation in 2014, the Company has made progress in various indicators of corporate governance, such as the voluntary adoption of electronic voting and case-by-case voting in the shareholders' regular meeting, the amendment of the articles of incorporation and the comprehensive adoption of candidate nomination system for the election of directors. However, in recent years, the annual report and website information cannot be disclosed simultaneously, resulting in poor performance of corporate governance evaluation. In view of this phenomenon, the Business Operation Department was established in 2009, and a specially-assigned person (deputy general manager level) was responsible for updating the Company website information in real time; the Company actively encourages directors to participate in board decision-making, and has installed multi-national video conferencing facilities, which has greatly increased the board Actual Attendance Rate of directors, in order to achieve corporate governance and sustainable development goals.</p> <p>For all listed companies to conduct corporate governance evaluation, the year of 2020 shall be taken as the evaluation year, and the evaluation results shall be published in accordance with the corporate governance blueprint, and the Company shall complete the self-evaluation according to the schedule. The results of the evaluation were announced on April 30, 2021, and the score of the 7th corporate governance evaluation was 45.98, ranking among the top 51% to 65%. Some of the projects have not scored the project. The General Manager will lead the heads of all departments to form a corporate governance team to construct the interaction between the Company and investors in the spirit of Environmental, Social and Governance, to enable longer view of investment decisions. At the same time, the Company will follow the Corporate Governance 3.0- Sustainable Development Blueprint published by the Financial Regulatory Commission in 2021 and take a total of 39 specific promotion measures, which center on 5 axes of [strengthen the functions of the board of directors, enhance the sustainability value of the enterprise], [enhance information transparency, promote sustainable management], [strengthen stakeholder communication, create a good interaction channel], [comply with international norms, guide due diligence governance] and [deepen company culture of sustainable management, offer diversified commodity] and make continuous improvement in order to conform to the spirit of corporate governance and achieve sustainable development objective of the Company.</p>				

Note 1: Provide a brief description in the appropriate column, regardless whether "yes" or "no" is selected.

Note 2: The self-evaluation report of corporate governance refers to the report on the current operation and implementation of the project evaluated by the Company according to the self-evaluation project of corporate governance.

Summary Table of training status of the Manager, Accounting Officer and Internal Auditing Officer of the Company in 2021:

Title	Name	Date of Training	Main Institution of the Study	Course of Study	Training Hours	Whether it conforms to the main points of implementation of training for directors and supervisors of TWSE/TPEX Listed Companies
Chairman	Lee Hee Jun	2021/09/01~2021/09/01	Gre Tai Securities Market	2021 GreTai Securities Market Sustainable Upgrade Online Forum Equity Promotion Seminar for Insider of Listed and Emerging Companies The 17th Corporate Governance Summit Forum - Practice ESG, Implement Governance and Sustainable Development	2 hours	Yes
		2021/10/18~2021/10/18	Gre Tai Securities Market		3 hours	
		2021/12/22~2021/12/22	Taiwan Corporate Governance Association		6 hours	
Vice-Chairmen	Shin Dong Soo	2021/09/01~2021/09/01	Gre Tai Securities Market	2021 GreTai Securities Market Sustainable Upgrade Online Forum Equity Promotion Seminar for Insider of Listed and Emerging Companies The 17th Corporate Governance Summit Forum - Practice ESG, Implement Governance and Sustainable Development	2 hours	Yes
		2021/10/18~2021/10/18	Gre Tai Securities Market		3 hours	
		2021/12/22~2021/12/22	Taiwan Corporate Governance Association		6 hours	
Independent director	Chou Chih Cheng	2021/03/19~2021/03/19	Corporate Operating and Sustainable Development Association	Case study on the competition for management rights of companies Directors and Supervisors Responsibility and Risk Management Seminar of Fubon Property Insurance [Online Open Refresher Courses for Directors and Supervisors (Independent Directors) and Chief Governance Officer]	3 hours	Yes
		2021/04/15~2021/04/15	Taiwan Corporate Governance Association		3 hours	
		2021/08/10~2021/08/10	Chinese Independent Directors Association		3 hours	
Independent director	Chen Chien Li	2021/10/25~2021/10/25	Certified Public Accountant of Republic of China	Company Law interpretation and case study Responsibilities of the directors and supervisors for false information disclosure with financial reports	3 hours	Yes
		2021/12/07~2021/12/07	Certified Public Accountant of Republic of China		3 hours	
Independent director	Hwang Il Suk	2021/08/06~2021/08/06	Chinese Independent Directors Association	[Online Open Refresher Courses for Directors and Supervisors (Independent Directors) and Chief Governance Officer] [Online Open Refresher Courses for Directors and Supervisors (Independent Directors) and Chief Governance Officer]	3 hours	Yes
		2021/08/10~2021/08/10	Chinese Independent Directors Association		3 hours	
Accounting Supervisor	Wang Peng Cheng	2021/01/25~2021/01/25	Accounting Research and Development Foundation	Legal liability and case analysis of corporate securities fraud Corporate audit practice with accountants: consideration of	3 hours	Yes
		2021/02/25~2021/02/25	Accounting Research and Development Foundation		3 hours	

		2021/03/25~2021/03/25	Accounting Research and Development Foundation	compliance with laws and the adoption of work of internal auditors	3 hours	
		2021/03/26~2021/03/26	Accounting Research and Development Foundation	New regulations on remuneration of directors and supervisors and corporate governance practice analysis	3 hours	
Chief Internal Auditor	Wang Cheng Hsing	2021/10/20~2021/10/20	Securities and Futures Institute	Chinese IFRS policy latest development and financial report/supervision laws compliance practical issues analysis	6 hours	Yes
		2021/10/21~2021/10/21	Securities and Futures Institute	How does internal audit interpret financial information and see through financial report fraud analysis	6 hours	
Internal audit agent	Chen Chuan Hua	2021/10/20~2021/10/20	Securities and Futures Institute	Regulatory compliance cycle of nine operation cycles	6 hours	Yes
		2021/10/21~2021/10/21	Securities and Futures Institute	How does internal audit interpret financial information and see through financial report fraud analysis	6 hours	
				Regulatory compliance cycle of nine operation cycles		

(IV) If the Company Has a Remuneration Committee in Place, the Composition, Duties, and Operation of the Remuneration Committee Shall be Disclosed:

The Remuneration Committee Charter were adopted by the Board of Directors on August 6, 2020. Mr. Chou Chih Cheng, Chen Chien Li, Hwang Il Suk serve as members of the Remuneration Committee; the purpose of the Remuneration Committee is to assist the Board of Directors in implementing and evaluating policies, rules, standards and structures for performance evaluation and compensation of directors and managers of the Company. The Remuneration Committee shall convene at least two meetings a year and may convene meetings as often as necessary.

## (1) Remuneration Committee member information

March 31, 2022

Condition			Professional Qualifications and Experience (Note 2)	Independence Criteria (Note3)	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Remuneration Committee Member
Title (Note 1) Name					
Independent Director (Convener)	Chou Chih Cheng	<ul style="list-style-type: none"> <li>● Date of office: 2020/8/6</li> <li>● Professional fields: business, finance, accounting.</li> <li>● Work experience: see page 10 Attachment (1) Directors experience related content.</li> </ul>		<ul style="list-style-type: none"> <li>● These restrictions do apply to independence of the Remuneration Committee who exercises powers pursuant to of paragraph 1 of Article 6.1 of the Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Stock Exchange or Traded Over the Counter.</li> <li>● Where none of the circumstances in the subparagraphs of Article 30 of the Company Act applies</li> </ul>	5
Independent Director (Committee Member)	Chen Chien Li	<ul style="list-style-type: none"> <li>● Date of office: 2020/8/6</li> <li>● Professional fields: business, finance, accounting.</li> <li>● Work experience: see page 10 Attachment (1) Directors experience related content.</li> </ul>			0
Independent Director (Committee Member)	Hwang Il Suk	<ul style="list-style-type: none"> <li>● Date of office: 2020/8/6</li> <li>● Professional fields: Business, intellectual property rights</li> <li>● Work experience: see page 10 Attachment (1) Directors experience related content.</li> </ul>			1

Note 1: Please specify the relevant years of service, professional qualifications, experience and independence of the members of the Remuneration Committee in the table, or if they are independent directors, please refer to the relevant information of Directors and Supervisors (I) in Table (1) on page 10. Please specify separately as independent director or other (if convener, please add note).

Note 2: Professional qualifications and experience: specify the professional qualifications and experience of individual members of the Remuneration Committee.

Note 3: Eligibility for independence: specify the eligibility for independence of members of the remuneration committee, including but not limited to whether the member, spouse, relative within the second degree of kinship serves as a director, supervisor or an employee of the Company or its affiliates; number and proportion of shares held by the member, spouse, relative within the second degree of kinship (or in the name of others); whether the member, spouse, relative within the second degree of kinship serves as a director, supervisor or an employee of a company that has a specific relationship with the Company (refer to Subparagraph 5~8, Paragraph 1, Article 6 of the Measures for the establishment and exercise of functions and powers of the remuneration committee of a company whose stocks are listed or traded at the business premises of a securities firm); The amount of remuneration obtained from providing the Company or its affiliates with commercial, legal, financial and accounting services in the recent 2 years.

## **(2) Operations of the Remuneration Committee**

- I. The Company's Remuneration Committee consists of three members.
- II. Tenure of members: From August 6, 2020 to June 18, 2023. The Remuneration Committee has held 4 meetings in the Most Recent Year. The qualifications and attendance of the members is set out as follows:

Title	Name	Attendance in Person	Attendance by Proxy	Actual Attendance Rate (%) (B/A)	Remarks
Independent director	Chou Chih Cheng	4	0	100%	
Independent director	Chen Chien Li	3	1	75%	
Independent director	Hwang Il Suk	4	0	100%	

### Other mentionable items:

- I. If the Board of Directors declines to adopt or modifies a recommendation of the remuneration committee, it should specify the date of the meeting, session, content of the motion, resolution by the Board of Directors, and the Company's response to the remuneration committee's opinion (e.g., the remuneration passed by the Board of Directors exceeds the recommendation of the remuneration committee, the circumstances and cause for the difference shall be specified): None.
- II. Resolutions of the remuneration committee objected to by members or expressed reservations and recorded or declared in writing, the date of the meeting, session, content of the motion, all members' opinions and the response to members' opinion should be specified: None.
- III. The results of proposals and resolutions of recent annual compensation committee meetings and the Company's handling of members' opinions

Compensation Committee	Contents of the Proposal and Follow-up Actions
2021.3.5 (3rd meeting of the fourth session)	<p>Proposal: ● The Company's director remuneration in 2020</p> <p>● The Company's employee remuneration in 2020.</p> <p>● The Company's senior manager personnel.</p> <p>● The Company's manager's promotion, etc. (including salary adjustment)</p> <p>● From March 1, 2021 to February 28, 2022, managers salary adjustment of the Company and subsidiaries.</p> <p>● In 2020, senior manager bonus proposals of the Company and subsidiaries.</p> <p>Members' opinion: No objection or reservation.</p> <p>Resolution result: Passed by all members present without objection.</p> <p>the Company's handling of the opinion of the compensation committee: the proposal of the Board of Directors shall be approved by all the directors present.</p>
2021.5.6 (4th meeting of the fourth session)	<p>Proposal: ● The Company's remuneration distribution of directors in 2020.</p> <p>● The Company's remuneration distribution of managers and employees in 2020.</p> <p>● Retrospective of allowances and subsidies for Mr. Li-Hsi Chiün, president of the Company.</p> <p>Members' opinion: No objection or reservation.</p> <p>Resolution result: Passed by all members present without objection.</p>



	The Company's handling of the opinion of the compensation committee: the proposal of the Board of Directors shall be approved by all the directors present.
2021.8.5 (5th meeting of the fourth session)	Proposal: ●Special bonuses for managers' performance issued by the Company and its subsidiaries for the first half of 2021
	Members' opinion: No objection or reservation. Resolution result: Passed by all members present without objection. The Company's handling of the opinion of the compensation committee: the proposal of the Board of Directors shall be approved by all the directors present.
2021.12.29 (6th meeting of the fourth session)	Proposal: ●Bonus proposal for senior managers of the Company and its subsidiaries ●The Company sets up the Chief Governance Officer proposal. ●Korea senior managers promotion proposals of the Company and its subsidiaries
	Members' opinion: No objection or reservation. Resolution result: Passed by all members present without objection. The Company's handling of the opinion of the compensation committee: the proposal of the Board of Directors shall be approved by all the directors present.

Note:

- (1) Where members of the Remuneration Committee resign before the end of the year, the Notes column shall be annotated with the date of resignation. Actual presence rate (%) shall be calculated based on the number of the resigning members' actual participation of the Remuneration Committee's meetings over the number of Remuneration Committee's meetings held.
- (2) When an election is held for the Remuneration Committee before the end of year, the new and retired members of the Committee shall be listed in separately, and in the note column, indicate whether a member is new, retired, or reflected, along with the election date. The Actual Attendance Rate (%) shall be calculated based on the number of members' actual participation of the Remuneration Committee.

(V) Implementation Status of Sustainable Development Promotion and Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof :

Evaluation Item	Implementation Status (Note 1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No	Summary (Note 2)	
I. Does the Company conduct risk assessment in regards to environmental, social, and governance topics related to company operations in accordance with the materiality principle, and establish relevant risk management policy or strategy? (Note 3)	✓		<p>(I) Environmental protection The Company is a professional semiconductor electronic parts distributor, and engages in no manufacturing and production activities, nor energy intensive and major energy consumption industry. It is not directly regulated by climate change-related regulations, such as greenhouse gas emission reductions, because of concerns that the production and manufacturing process will not pollute the environment. However, We still sincerely hope to contribute to the earth and our environment, so we actively imported ISO 14001 environmental management system in July 2021, completed the external evaluation and verification in October the same year, and officially obtained ISO 14001 certificate and qualification. In accordance with the requirements of corporate governance and management and the spontaneous promotion of corporate value, the Company is still actively improving the operation and related norms of environmental management, and continue to carry out environmental review and risk prediction and control, and formulate the environmental policy, document, activities and ultimate objectives of the Company. We hope to provide colleagues with a healthy, comfortable and safe green office environment, and by implementation of low-carbon work day, we move towards the goal of green office.</p> <p>(II) Occupational safety 1. Cooperate with the park to organize regular fire seminar, fire drills, escape dynamic drills and safety accident education and training every year, so as to cultivate employees' fire awareness, emergency response ability and self-rescue safety management ability. 2. The Company complies with occupational safety and health regulations, arranges staff to participate in various safety skills training, and have successively obtained "Class A occupational safety and health business supervisor", "fire manager", "first aid personnel" and other relevant qualifications and certificates.</p> <p>(III) Product responsibility The main businesses of the Company are component trading and foundry service of mobile devices and electronic products, mainly purchasing Wafer, LSI, AP, CIS, Memory and AMOLED and other key components from Samsung. The main customers cover all electronic information, network communications and consumer electronics manufacturers in China. Samsung Electronics has completed the development of new products and related production processes in accordance with RoHS<sup>1</sup> and REACH<sup>2</sup>, and provides products that meet the environmental protection certification for the production and use of system manufacturers according to the customers' development schedule of new product models. Other domestic suppliers are also required to supply materials in compliance with RoHS regulations. In addition to signing a guarantee from the supplier, they must obtain a test report from qualified testing company (such as SGS), and the survey results should meet the requirements of RoHS and REACH. the Company is committed to maintaining long-term friendly</p>	<p>None</p> <p>None</p> <p>None</p>

Evaluation Item	Implementation Status (Note 1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and Reasons Thereof
	<u>Yes</u>	<u>No</u>	Summary (Note 2)	
			<p>cooperative relations with upstream and downstream suppliers at home and abroad, through mutual trust and resource sharing, to jointly establish a sustainable supply chain featuring steady development, continuous innovation and progress.</p> <p>(IV) Employee-employer relations We regards staff as an important asset. Recruitment is made according to the annual plan of each department. Through multiple recruitment channels, the Company treats candidates of different races, genders, ages, religions, nationalities and political positions equally and recruits employees through open and fair procedures to find outstanding talents that meet the core values of CoAsia, and appoints people by abilities. Under the reasonable and fair personnel system and sound internal organization, the staff can give full play to their abilities and we attach importance to the retention of excellent talents; In order to maintain the order of employment in the workplace, the Company has formulated Employee Handbook for employees. In addition, through the communication channels provided by the Company, employees can communicate with the Company on various system and working environment issues, which can serve as an important reference for administrative management, so as to maintain a good interaction of labor relations. In addition, through interviews, we can objectively understand the reasons for employees' resignation, collect relevant information for analysis and provide follow-up improvement plans, feedback to the department supervisor for personnel and work management, as well as recruitment and vacancy adjustment and other optimization measures, hoping to create a challenging and interesting working environment.</p> <p>(IV) Anti-corruption The Company sets up a specialized area to be responsible for corporate governance and promotion. It regularly reports to the Board of Directors the previous year's integrity management implementation at the beginning of the year, assists the board in verifying and evaluating the effectiveness of the precautionary measures established to implement the Good Faith Operation Code, Code of Ethical Conduct, Operating Procedures and Behavior Guide for Good Faith Operation. In addition, the audit unit shall regularly report to the Board of Directors the internal control system, authorization system, functional division of labor and other anti-fraud measures, and cooperate with the internal audit operation and internal control self-evaluation operation, provide a channel for reporting violations of professional ethics and implement the anti-corruption implementation measures.</p> <p>(V) Customer privacy The Company shall strictly abide by the confidentiality of trade secrets, and shall not inquire or collect or disclose to others non-job-related supplier and customer business secrets, trademarks, patents and other intellectual property. The Company signs with customers and the original factory Non-Disclosure Agreement (NDA), and has launched 5 measures of capital security risk protection to protect business secrets,</p> <p>(VI) Social and economic law compliance The Company follows the laws and regulations and international standards of the Fair Trading Law, Trade Law, Measures for the Administration of Import and Export of Strategic High-tech Goods, Measures for Licensing Trade between Taiwan and Mainland. All products meet international security standards, international environmental protection norms, and import and export regulations, to ensure</p>	<p>None</p> <p>None</p> <p>None</p> <p>None</p>

Evaluation Item	Implementation Status (Note 1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	<u>Yes</u>	<u>No</u>	Summary (Note 2)	
			that business operations are environmentally friendly and ethical, and conduct in-house training courses to promote laws and regulations.	
II. Has the Company established an exclusively (or concurrently) dedicated unit for promoting CSR? Is the unit empowered by the Board of Directors to implement CSR activities at upper management levels? Does the unit report the progress of such activities to the Board of Directors?	✓		<p>While engaging in business operations, the Company actively practices corporate social responsibility to meet the international trend of balancing environmental, social and corporate governance development. Moreover, as a responsible corporate citizen, the Company makes more contribution to the national economy, improves the quality of life of employees, communities and society, and promotes its competitive advantage based on corporate responsibility. The Board of Directors of the Company prepared the Code of Practice on Corporate Social Responsibility on Mar. 25 2011, and the Code was revised and approved by the Board of Directors on Dec. 28 2019. The Code is disclosed at the Market Observation Post System and the Company's website (<a href="https://www.coasiaelec.com/zh-tw/">https://www.coasiaelec.com/zh-tw/</a>) for download and reference. The Company established the Corporate Social Responsibility Committee in 2011. The general manager serves as the convener. There are 5 members in the committee, which are composed of senior supervisors of various departments. The Admin Efficiency Department conducts co-ordination and planning and integrates corporate social responsibility into the Company's business strategy in accordance with the Code of Practice on Corporate Social Responsibility. In a purposeful, systematic and organized way, the department has been deeply cultivating and fulfilling corporate social responsibility for a long time, and promoted the planning and arrangement of employees to attend courses related to social responsibility education and training.</p> <p>CoAsia Electronics Corp. upholds corporate social responsibility, implements issues related to social care, public welfare and charity, uses resources to fulfill social responsibility, and actively practices social participation. It maintains good social relations (public relations), cares for the weak, promotes the sustainable development of local communities, and creates maximum social benefits.</p> <p>Following the issue of neighborhood care and social welfare in 2021, CoAsia continued to carry out plans related to corporate social responsibility in 2022, such as schools, epidemics, disadvantaged people, skip-generation families, new residents and other projects. It continued to participate in various public welfare activities such as caring for relatives and neighbors, educational resources in rural areas, caring for disadvantaged people, emergency assistance, public services, corporate sponsorship, and employee care. In 2021, CoAsia successively completed the following charity activities:</p> <ol style="list-style-type: none"> <li>1. In 2021, when Covid-19 Novel Coronavirus was raging, due to the large number of teachers and students in the school and the large demand for epidemic prevention materials, CoAsia took the initiative to contact community schools and donated a number of epidemic prevention materials to Chengzheng National Middle School, Nangang District, Taipei, including smart Bluetooth forehead temperature guns, 75% alcohol cleaning solution, 75% 500ml alcohol and spray guns. Through this contact, regarding the disadvantaged families in the school, emergency assistance, uniforms and nutritious lunches for poor students, subsidies for student associations, platforms for performances and so on, the two sides determined the direction and content of in-depth cooperation in the future, and established a long-term cooperation channel.</li> <li>2. In 2021, for the second time, CoAsia continued to cooperate with "Changhua Xizhou Friendly Agricultural Products", which advocates non-toxic farming, purchasing at fixed-price, no pesticides, no chemical fertilizers, no herbicides and insists on ecological rehabilitation. CoAsia once again</li> </ol>	None

Evaluation Item	Implementation Status (Note 1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and Reasons Thereof
	<u>Yes</u>	<u>No</u>	Summary (Note 2)	
			<p>purchased Xizhou Shangshui Rice through activities "Adoption of One Mu of Field" and "Bring Warmth in the Whole Year Project", which was not only provided for colleagues to eat but also donated to other people. CoAsia cooperated with Nangang Social Welfare Service Center of Social Bureau of Taipei Municipal Government. Through the introduction of this center, it regularly donated rice to disadvantaged families in Nangang District, Xinyi Nangang District Resource Center for Physically and Mentally Handicapped People, Neihu Women and Family Service Center, Xinyi Nangang District Early Treatment Resource Center, etc. It does not seek icing on the cake, but seeks to provide timely help, the most basic family food and clothing.</p> <p>3. Nangang has a "Jiuru Community", which is underdeveloped but enjoys beautiful ecological scenery. The proportion of low-and middle-income households in this community is high. The gap between the rich and the poor is wide. They are also faced with the dilemma of grandparents upbringing and lack of resources. Social workers offer local and diversified courses for children in the community, hoping to overcome their weaknesses and change their plight through education. CoAsia visited Jiuru Community on Sep. 28, 2021, and donated 54 kg of Xizhou Shangshui Rice, local calceolaria honey, mushroom sauce, etc., hoping to bring more warmth and care to the society through community connection.</p>	
<p>III. Environmental Issues</p> <p>(I) Whether the Company has established an appropriate environmental management system according to its industrial characteristics?</p> <p>(II) Is the Company committed to improving the utilization efficiency of various resources and using recycled materials with small impact on environment?</p>	<p>✓</p> <p>✓</p>		<p>(I) The Company officially introduced the ISO 14001 environmental management certification system in July 2021. It completed external evaluation and verification, and officially obtained the ISO 14001 license and qualification in October of the same year. The Company expects to implement the sustainable responsibility for society and environment, and more effectively prevent and control environmental pollution, which is the responsibility and value of an enterprise, and establish a common sense of mission for the Company and employees as global citizens.</p> <p>(II) CoAsia's first environmental protection commitment: Take energy saving, reduction and resource recovery as action strategies:</p> <ol style="list-style-type: none"> <li>1. The latest design plan should be adopted in office decoration. Decoration building materials and office furniture materials are strictly restricted to brand materials. The Company will introduce flame-proof materials, environmental protection materials and green building materials to greatly reduce the formaldehyde smell after new decoration.</li> <li>2. The Company will comprehensively inspect and clean air-conditioning equipment and filter screen, adjust the configuration of air-conditioning main engine, blower and air outlet, and improve the efficiency of air conditioning. It will use sunshade and heat insulation curtains and heat insulation paper to reduce energy consumption inside the office and save energy and reduce carbon.</li> <li>3. The lights in the office will be completely replaced with LED lights, and the number of light controllers will be increased, so as to achieve the purpose of zoning control and reduce unnecessary lighting.</li> <li>4. In respect of office environmental protection, double-sided photocopying and waste paper recycling are required. The Company cooperates with the government to promote smoke-free workplace, regularly holds second-hand market auctions every year, prohibits straws, and</li> </ol>	<p>None</p> <p>None</p> <p>None</p>

Evaluation Item	Implementation Status (Note 1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof														
	<u>Yes</u>	<u>No</u>	Summary (Note 2)															
(III) Does the Company assess the potential risks and opportunities of climate change to itself now and in the future, and take countermeasures against climate-related issues?	✓		<p>distributes stainless steel tableware (advocating repetitive use of tableware). It aims to create an environment of making the best use of everything and sharing resources.</p> <p>5. The Company will actively introduce the electronic operation platform, implement the goal of paperless office, and reduce the use of paper printing. The Company will implement waste paper recycling, effectively control the use of new paper, etc., expecting to become a low-carbon environmental friendly enterprise with environmental sustainability.</p> <p>(III) Because the Company is a non-manufacturing company, it is not directly related to external climate change problems, but it still monitors the long-term operational risks caused by climate change. The main risks come from environmental factors. Factors such as product packaging, cargo transportation, insurance, as well as internal environment and employee safety care are all related to the risks of the Company's operation. Therefore, prediction, prevention and management control have become necessary operating rules.</p> <p>1. Office greening and energy saving The lights in the office will be completely replaced with LED lights. The Company will arrange green planting, install sunshade curtains to reduce the temperature in the office, and install light sensing switches in the foyer. The Company plans to control the lights in different areas of the office, turn off the lights during lunch break and after work, and set the air-conditioning temperature in the office at 26° c, which is adjusted with the change of weather and outdoor temperature. The Company will regularly carry out air conditioning maintenance and filter cleaning, provide air conditioning calibration, and install a timer to control the switch time.</p> <p>2. Energy regeneration-top floor solar green power system The Company cooperates with the management committee of Nangang Software Park where the Company is located to meet the management requirements of environment and energy conservation, and gives appropriate improvement suggestions when necessary. We hope to provide colleagues with a healthy, comfortable and safe green office environment, and by implementation of low-carbon work day, we move towards the goal of green office.</p>	None														
(IV) Has the Company made statistics on greenhouse gas emissions, water consumption and total waste weight in the past two years, and formulated policies on energy conservation, carbon reduction, greenhouse gas reduction, water consumption reduction or other waste management?	✓		<p>(IV) CoAsia is an electronic distributor without factory. The Company is located in a general office building, and it only has living and general affairs wastes, but it is still committed to promoting energy conservation and carbon reduction, and fulfilling its social responsibility. Although greenhouse gas emissions, water consumption and waste, energy use and energy consumption are not large, the Company still actively records, monitors and improves its operation accordingly.</p> <p style="text-align: center;">Greenhouse gas emissions</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Year of survey</th> <th style="text-align: center;">Electricity consumption (kWh)</th> <th style="text-align: center;">Emissions (metric tons)</th> <th style="text-align: center;">Increase or decrease (metric tons)</th> <th style="text-align: center;">Increase or decrease ratio (%)</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">2017</td> <td style="text-align: center;">116,589</td> <td style="text-align: center;">61.56</td> <td style="text-align: center;">(Omitted)</td> <td style="text-align: center;">(Omitted)</td> </tr> <tr> <td style="text-align: center;">2018</td> <td style="text-align: center;">105,087</td> <td style="text-align: center;">55.49</td> <td style="text-align: center;">-6.07</td> <td style="text-align: center;">-9.87%</td> </tr> </tbody> </table>		Year of survey	Electricity consumption (kWh)	Emissions (metric tons)	Increase or decrease (metric tons)	Increase or decrease ratio (%)	2017	116,589	61.56	(Omitted)	(Omitted)	2018	105,087	55.49	-6.07
Year of survey	Electricity consumption (kWh)	Emissions (metric tons)	Increase or decrease (metric tons)	Increase or decrease ratio (%)														
2017	116,589	61.56	(Omitted)	(Omitted)														
2018	105,087	55.49	-6.07	-9.87%														

Evaluation Item	Implementation Status (Note 1)				Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof																																																		
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(I) Has the Company formulated relevant management policies and procedures in accordance with relevant laws and regulations and international human rights conventions?	✓		<p>International Labour Organization, and the Ten Principles of the United Nations Global Covenant, the Labor Standards Law and related decrees, the Company formulated various internal management regulations and the Code of Practice on Corporate Social Responsibility, to protect the basic human rights of all colleagues, customers and interested parties and safeguard social welfare.</p> <ol style="list-style-type: none"> <li>1. Assist employees to maintain physical and mental health and work-life balance. In order to maintain the physical and mental health and work-life balance of employees, regular health examination for employees is held to prevent potential health risks. The Company provides staff meals, birthday party, staff travel, sports meeting and other rich and diversified activities, so as to enhance the communication and cohesion among employees, and the competitiveness of the Company.</li> <li>2. Create a gender equality environment the Company follows Articles 7 to 11 of the Law on Gender Equality at Work and does not discriminate against employees on the basis of gender. Therefore, there is no difference in remuneration due to gender in relevant operational standards related to employee performance and salary system.</li> <li>3. Educational advocacy Advocate human rights policies, workplace equality and prohibition of bullying through staff meetings in a timely manner to create a friendly and harmonious working environment.</li> <li>4. Establish effective communication channels Establish effective and multi-channel communication, and actively understand the needs of employees and expectations of the Company, as an important reference for formulating corporate social responsibility policies and related plans.</li> </ol> <p>(1) Report line: (02) 2655-7699 ext.663 (Special line of Mr. Yeh Kuang Shih Legal Manager)</p> <p>(2) Report e-mail: alvin_yeh@coasia.com</p> <p>(3) Written delivery: Please mail or send the complaint documents to the internal audit unit.</p>	None
(II) Whether the Company has formulated and implemented reasonable employee welfare measures (including salary, vacation and other benefits), and properly reflected the performance or results of operation in employee salary?	✓		<p>(II)</p> <ol style="list-style-type: none"> <li>(1) The Company establishes the Employee Welfare Committee according to the government decree to allocate the welfare funds according to law. The Company and employees jointly supervise the use and custody of the welfare funds. The Company formulates various salary standards, absence on leave and various welfare measures for employees according to the Labor Standards Law and relevant laws and regulations, and provides competitive benefits in the market to motivate employees. In addition, the Company regularly assesses and pays performance bonuses, and shares surplus results with colleagues.</li> <li>(2) Correlation and rationality of the Company's operating performance and employee compensation: In addition to the provisions of the Articles of Association, the remuneration of the Company's employees is assessed on the basis of taking into account the profit of the current year and</li> </ol>	



Evaluation Item	Implementation Status (Note 1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof																																	
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(III) Does the Company provide employees with a safe and healthy working environment and regularly provide safety and health education for employees?	✓		measuring the performance of employees, so as for the Company to handle relevant salary adjustment and remuneration matters.	None																																	
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2020	108,929	92,653	59	1,846	1,570	-3.3%	0.71	922	781	0.36																											
<p>(III) The assets that the Company attaches most importance to are employees. Continuously creating a safe and friendly workplace environment is one of the top priorities of the Company.</p> <p>1. Working environment and employee safety protection measures: The office provides a safe and comfortable working environment, such as strict access control and perfect monitoring equipment, special personnel carrying out environmental cleaning and maintenance, regular disinfection, fresh and healthy air conditioning, office green beautification, adequate lighting, fire-fighting facilities conforming to safety standards, smooth course of action, medicine boxes, oximeters and sphygmomanometers, as well as nursing room, gym, washroom, and hospital outpatient department integrated in the park, comfortable and fully functional staff restaurant. Advocate employees' safety and health education irregularly by means of email announcements, meetings and large-scale gatherings, and master employees' understanding of concept and advocacy results.</p> <p>2. Implementation of health protection management: The Company regularly organizes health check-ups for its employees. Before health check-ups, the staff of the health check-ups center are invited to give relevant consultation to colleagues about the check-ups. After the health check-up, the Company invites physicians from the health check-up center to the Company to give consultation to employees and implement basic health education.</p>	None																																				
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(IV) Has the Company established an effective career competency development training plan for its employees?	✓		3. Promotion of health diversified activities: Organize outdoor activities and small competitions regularly to encourage employees to develop good exercise habits and enhance colleagues' awareness of self-health management.	
(V) Does the Company comply with relevant laws and regulations and international standards on customer health and safety, customer privacy, marketing and labeling of products and services, and has the Company formulated relevant policies and complaint procedures for protecting consumer rights and interests?	✓		(IV) The Company has a complete annual education and training plan for different ranks and job contents. Through on-the-job training, special lectures, various training courses, etc., the Company carries out complete and effective ability training, so as to meet the business requirements and future needs of the Company. Through the "Agent System" and "Successor Plan", the Company cultivates the future reserve talents of the Company. (V) The Company attaches importance to customer opinions. In addition to individual visits, the Company also provides product contact window and email address on the Company website. It also sets up a special area for interested parties to provide customers with a channel for asking questions, making complaints or suggestions. Adhering to the principle of good faith, the Company properly handles customer opinions and gives feedback to protect customers' rights and interests.	
(VI) Has the Company formulated a supplier management policy, requiring suppliers to follow relevant norms on issues such as environmental protection, occupational safety and health or labor human rights, and is the policy implemented properly?	✓		(VI) The Company formulated a Supplier Management Policy, which has been disclosed on the Company's website. The policy is provided to suppliers for knowledge of and compliance with the same, to meet the Company's product safety and ethical requirements, and enhance social and environmental responsibility, including requiring suppliers to follow issues such as labor human rights, health and safety, environmental protection and ethics, and working together with suppliers to develop and apply green environmental protection technologies, solving the environmental problems of the earth's energy shortage, and jointly enhancing corporate social responsibility; In case of any breach of the policy, the Company may immediately terminate the cooperative relationship with the supplier and may claim damages. When purchasing goods, the Group must comply with environmental laws and regulations; In addition, the official websites of major international suppliers of the Company also have statements revealing that the products comply with relevant environmental laws and regulations.	
V. Has the Company prepared reports that reveal non-financial information, such as corporate social responsibility reports, with reference to international reporting standards or guidelines? Has the previous report obtained the assurance or guarantee opinions of the third-party verification unit?	✓		According to the tax payment standard, although CoAsia has not prepared the corporate social responsibility report, it still plans to prepare the Sustainable Operation Report in 2022. At present, the plan has been included in the annual budget, and the preparatory work has started. The Editorial Committee of Sustainable Operation Report and relevant editorial working groups have been set up to implement the principles and spirit of the Code of Practice on Corporate Social Responsibility.	None
VI. If the Company has established its own corporate social responsibility code in accordance with the Code of Practice on Corporate Social Responsibility of Listed and OTC Companies, please describe the differences between its operation and the code: the Company has formulated the Code of Practice on Corporate Social Responsibility to promote the implementation of various social responsibilities. There is no difference between the actual operation and the code of the Company.				
VII. Other important information that is helpful to understand the operation of corporate social responsibility: (I) Social welfare: CoAsia Electronics Corp. upholds corporate social responsibility, implements issues related to social care, public welfare and charity, uses resources to fulfill social responsibility, and actively practices social participation. It maintains good social relations (public relations), cares for the weak, promotes the sustainable development of local communities, and creates maximum social benefits. In 2021, aiming at social care, CoAsia Electronics Corp. listed the related activity plans of "Humanities and Public Welfare Activities", including ecological conservation, environmental education, caring for the disadvantaged, emergency assistance, rural educational resources, public services, and corporate sponsorship.				

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	Yes	No	Summary (Note 2)	
<p>"Good Neighborhood/Public Service"</p> <p>the Company continued to actively participate in the Management Committee of Nangang Software Park Phase II where the Company is located. It assisted and supported the organization of various activities such as: "Spring Festival Calligraphy", "Starting Operation in New Year Celebration", "Mother's Day Activities", "Father's Day Activities", "Ghost Festival Activities", "Art Box", "Cultural Corridor", "Street Performers and Art Box", "Enterprise Garden Tour", "Garden Basketball Competition", "Garden Badminton Competition", "Park Photography Competition", "Happy Enterprise Speech Activity", "Charity Music Garden Tour", "Charity Sale", "New Year Goods Street", "fire Protection Static Lecture Briefing", "Fire Evacuation Drill" and "Disaster Prevention and Response Drill" and other large-scale community activities. The Company has won unanimous praise both inside and outside the park, and has been awarded the title of "Happy Enterprise" in the park. All kinds of achievements have made the Company better understand the importance of community participation. The Company hopes to contribute to the society by serving the society and the community, and show the universal value of social welfare.</p> <p>"CoAsia with Caring Hearts · Small Town Shines"</p> <p>Nangang has a "Jiuru Community", which enjoys beautiful ecological scenery. However, the proportion of low-and middle-income households in this community is high. The gap between the rich and the poor is wide. They are also faced with the dilemma of grandparents upbringing and lack of resources. It is a typical underdeveloped border area. Community cadres and social workers asked community residents to "enclose stream for fish protection" and protect their beautiful homeland through ecological protection. Social workers offer local and diversified courses for children in the community, hoping to overcome their weaknesses and change their plight through education.</p> <p>On September 28, 2021, CoAsia entered this community. On the day of the visit, the community activity center was holding DIY activities for the elderly in the community. Later, the Company provided group meals for the elderly in the community. the Company donated 54 kg of Xizhou Shangshui Rice containing white rice/black rice/brown rice, local Calceolaria honey, mushroom sauce and so on. Through connection with communities and donation, the Company hopes to help vulnerable families, care for the most vulnerable groups in society, and bring more warmth and care to society.</p> <p>"CoAsia Walks into the Campus and Cooperates with the School for Epidemic Prevention"</p> <p>In 2021, when Covid-19 Novel Coronavirus was raging, due to the large number of teachers and students in the school and the large demand for epidemic prevention materials, for the sake of caring for communities and offering public services, CoAsia took the initiative to contact Chengzheng National Middle School, Nangang District, Taipei and donated a number of epidemic prevention materials, including smart Bluetooth forehead temperature guns, 75% alcohol cleaning solution, 75% 500ml alcohol and spray guns, to help the school maintain a clean campus and students' health.</p> <p>Through this charity connection, we had an in-depth conversation with President Wang about the teachers and students, the environment and the future development of the school. Regarding the disadvantaged families in the school, emergency assistance, uniforms and nutritious lunches for poor students, subsidies for student associations, platforms for performances and so on, the two sides determined the direction and content of in-depth cooperation in the future, and established a long-term cooperation channel.</p> <p>In 2021, for the second time, CoAsia continued to cooperate with "Changhua Xizhou Friendly Agricultural Products", which advocates non-toxic farming, purchasing at fixed-price, no pesticides, no chemical fertilizers, no herbicides and insists on ecological rehabilitation. CoAsia once again purchased Xizhou Shangshui Rice through activities "Adoption of One Mu of Field" and "Bring Warmth in the Whole Year Project", which was not only provided for colleagues to eat but also donated to other people.</p> <p>"Purchase and Donate Rice and Provide Timely Help"</p> <p>After donating rice to Hongdao Welfare Foundation for the Elderly, Dazhuang Community Development Association of Xizhou Township, Zhanghua County and Shuangqi Community Development Association of Heping District, Taichung City in 2020, the Company cooperated with Nangang Social Welfare Service Center of Social Bureau of Taipei Municipal Government in 2021 to donate purchased rice. Through the introduction of this center, it regularly donated rice to disadvantaged families in Nangang District, Xinyi Nangang District Resource Center for Physically and Mentally Handicapped People, Neihu Women and Family Service Center, Xinyi Nangang District Early Treatment Resource Center, etc. It does not seek icing on the cake, but seeks to provide timely help, the most basic family food and clothing.</p> <p>(II) Environmental protection actions and certification:</p> <p>The Company is a professional semiconductor channel provider, without production activities. The Company is not an energy-intensive and major energy-consuming industry, and there is no worry that the production process will pollute the environment. However, in order to contribute to the environment and society and fulfill the social citizenship responsibility, CoAsia Electronics officially introduced ISO 14001 environmental management system in July 2021. On October 20th of the same year, the Company completed external evaluation and verification, and officially obtained ISO 14001 license and qualification.</p> <p>The main spirit of ISO 14001 environmental management system is to assess the environmental considerations, environmental impacts and compliance obligations of an organization from the life cycle of service provision, and control them through necessary preventive measures to reduce the possible environmental hazards caused by the enterprise.</p> <p>The function of introducing ISO 14001 system standard for an enterprise is to help the enterprise improve its environmental management ability, provide methods and systematic framework, and ensure the balance between environment and productivity. Its purpose is to strengthen management, reduce costs, reduce environmental pollution, help the enterprise to better control costs, and improve employees' environmental awareness and law-abiding consciousness. It reflects the commitment of the enterprise to follow the environmental protection policies and improve environmental behavior, helps to establish a good corporate image, implements corporate governance and corporate social responsibility, and enhances corporate reputation, popularity and competitive advantage in the market.</p>				

Evaluation Item	Implementation Status (Note 1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	<u>Yes</u>	<u>No</u>	Summary (Note 2)	
<p>Environmental protection policy: "Compliance with Laws and Regulations, Energy Saving and Carbon Reduction, Resource Recycling, and Full Participation"</p> <p>Environmental protection concept: Concern about and implement environmental protection, environmental improvement and sustainable development and other related issues; Achieve environmental protection strategies and objectives through continuous review, active improvement and introduction of ISO 14001 environmental management system; Abide by the government's environmental protection and energy laws and regulations and fulfill the green citizenship obligations of an enterprise.</p> <p>Environmental commitment:</p> <ol style="list-style-type: none"> <li>1. Take energy saving, waste reduction and resource recovery as action strategies.</li> <li>2. Achieve implementation benefits by effective management, control and continuous improvement.</li> <li>3. Implement sustainable development of environment with full participation, change and innovation.</li> </ol> <p>(III) Human rights:</p> <p>The Group attaches great importance to the interests of interested parties and has set up a special interested party area at the Company's website to provide a good communication platform for understanding the reasonable expectations and needs of interested parties. Whether it is an internal or external issue such as an economic, social and environmental question, complaint or suggestion, adhering to the principle of trust, the Group properly handles it and provides feedback or improvement programs for effective communication.</p>				

The Company conducted risk assessments on important issues in relation to the materiality principle of corporate social responsibility and, based on the assessed risks, formulated relevant risk management policies or strategies as follows:

Major issues	Risk assessment projects	Risk management policies or strategies
Environment	Environmental protection and ecological conservation	<ol style="list-style-type: none"> <li>1. The Company is committed to environmental protection, using office environmental friendly and green non-toxic building materials.</li> <li>2. Introduce ISO14001 environmental protection system, and ask the third party to verify it continuously every year.</li> <li>3. Develop a key implementation plan every year, and track and review the progress of each target regularly to ensure the achievement of the target.</li> <li>4. Make an annual plan regarding internal audit activities. Because the Company shall comply with relevant environmental laws and regulations, check if all operation procedures have been in compliance with the requirements.</li> </ol>
Society	1. Occupational safety	<ol style="list-style-type: none"> <li>1. Cooperate with the park to organize regular fire seminar, fire drills, escape dynamic drills and safety accident education and training every year, so as to cultivate employees' fire awareness, emergency response ability and self-rescue safety management ability.</li> <li>2. The Company complies with occupational safety and health regulations, arranges staff to participate in various safety skills training, and have successively obtained "Class A occupational safety and health business supervisor", "fire manager", "first aid personnel" and other relevant qualifications and certificates.</li> </ol>
	2. Product safety	<p>All products of the Company comply with the laws and regulations of products and services regulated by the government, conform to the RoHS specifications of the European Union, and have no harmful substances. Through strict quality system management, the Company provides products with stable quality to customers. Meanwhile, in order to ensure the quality of customer service and improve customer satisfaction, the Company has set up customer service lines and communication websites. It regularly and actively conducts customer service satisfaction surveys every year, to strengthen the cooperative relationship with customers. The relationship of mutual benefit and common prosperity with customers has become the cornerstone of sustainable development of the enterprise.</p>

Corporate governance	Social economy and compliance with laws and regulations	<ol style="list-style-type: none"> <li>1. Ensure that all personnel and operations of the Company comply with relevant laws and regulations by establishing a governance organization and implementing internal control mechanisms.</li> <li>2. Review compliance with operational regulations.</li> <li>3. Apply for patents for the products developed by the Company to protect the rights and interests of the Company.</li> </ol>
	Strengthen the functions of directors and implement their responsibilities	<ol style="list-style-type: none"> <li>1. In order to make directors understand their rights and legal responsibilities, the Company arranges related further education for directors, and provides directors with the information about the latest laws and regulations, system development and policies every year.</li> <li>2. Buy liability insurance for directors. When a director has performed his duties as a good manager, he will be protected from litigation or claims.</li> </ol>
	Communication with interested parties	<ol style="list-style-type: none"> <li>1. In the past, the Company paid more attention to investor relations. Recently, the development of interested parties and the Company has become increasingly important. In order to avoid the risk of operation or litigation caused by misunderstanding between interested parties and the Company, the Company needs to analyze important interested parties and their important issues of concern every year.</li> <li>2. Establish various communication channels, actively communicate, and reduce opposition and misunderstanding. Set up an investor mailbox, which will be handled and responded by the spokesperson.</li> <li>3. In case of important issues, an interested party meeting shall be held, and the business unit shall be responsible for communicating and negotiating with interested parties.</li> </ol>

The Company's climate change assessment and response measures:

The No.1 risk in the Global Risk Report published by the World Economic Forum (WEF) is extreme weather and natural disaster. In response to the impact of climate change on business operations and the information disclosure of climate change, in addition to regularly reporting to the Board of Directors and the Risk Management Committee to let the Board of Directors and senior management know the impact of climate change on the Company, since 2018, various departments of the Company have also started to conduct business inventory and risk identification for climate change, including direct or indirect impact caused by extreme climate, transformation impact caused by regulations, technology or market demand, and analysis of risks and opportunities caused by other humanistic and social factors to the Company's operating activities. Based on the results of the analysis, the Company established a risk management strategic plan as the core of its climate change response actions, to estimate the management costs and financial impacts. Based on the data collected above, the Company strengthens its climate change governance and systematically evaluates financial connections to reduce risks and grasp business opportunities.

Risk category	Identification of risk of climate change	Identification of opportunity of climate change
Energy source	Policy incentives	When replacing equipment, the Company complies with the government subsidy policy and applies for relevant energy-saving subsidies.
Products and services	Ways of meetings and communication with customers	The way of meeting with customers has changed from physical meeting to digital online channel, which is used for meeting, communication and exchange of opinions.
	Change of customer behavior	Customers focus on 5G network and green energy projects, and support many Internet-friendly industries such as 5G network and green energy handheld devices. Currently, they are undertaking many large-scale projects.
Market	Low carbon products	In response to climate change, the Company promotes the development of renewable energy and energy technology industries, and the market demand for green energy continues to increase.
	Look for new business opportunities	With the development of large-scale energy projects such as 5G network and green energy, the internationalization ratio of industrial chain continues to increase. As the Asia-Pacific region continues to attach importance to 5G networks and green energy, many countries have listed 5G networks and green energy as important policy objectives. The evaluation of related projects will be released in the future.
	Participation in public construction	In response to the government's 5G network policy, the Company has actively participated in handheld device project and other projects in recent years, and continuously improved its professional brand image of Internet and green energy.

(VI)The Company's performance of good faith operation and implementation measures, and the differences between the Company's good faith operation code and that of the listed and OTC companies and the reasons:

The Company passed the Good Faith Operation Code on Mar. 25, 2011 by resolution of the Board of Directors and the Operating Procedures and Behavior Guide for Good Faith Operation on Nov. 6, 2020 by resolution of the Board of Directors, and informed all employees of the Company of the honest operation participation letters of major suppliers. On Apr. 13 and Apr. 14 2021, the Company sent a total of 48 employees to attend the training. The supervisor of the legal unit offered education and training under the topic of "Good Faith Operation Code". After the education and training, a test was implemented and included in the annual performance of employees.

Evaluation Item	Implementation Status (Note 1)			Differences between the Company's Good Faith Operation Code and that of listed and OTC companies and reasons.
	Yes	No	Summary	
I. Formulate good faith operation policies and plans				
(I) Has the Company formulated a good faith operation policy approved by the Board of Directors, and clearly stated the policies and practices of good faith operation in its regulations and external documents, and have the Board of Directors and senior management actively implemented the operation policy?	Yes		(I) The Company adopted the Good Faith Operation Code by resolution of the Board of Directors on Mar. 25, 2011, and the Operating Procedures and Behavior Guide for Good Faith Operation by resolution of the Board of Directors on Nov. 6, 2020, which are disclosed at the Market Observation Post System and the Company's website ( <a href="https://www.coasiaelec.com/zh-tw/">https://www.coasiaelec.com/zh-tw/</a> ) for download and reference. The Company will inform all employees of the Company of the good faith operation participation letters of major suppliers, and convey the Company's philosophy and efforts in performing good faith operation to interested parties. The members of the Board of Directors and all senior management of the Group are responsible for supervising the conduct of business with the concept of operating in good faith, so as to create a business environment for sustainable development.	None
(II) Has the Company established a risk assessment mechanism for dishonest conduct, regularly analyzed and assessed the business activities within its business scope with a high risk of dishonest conduct, and accordingly formulated a plan for preventing dishonest conduct, which at least covers the preventive measures for acts in paragraph 2 of Article 7 of the Good Faith Operation Code of Listed and OTC Companies?	Yes		(II) In the Operating Procedures and Behavior Guide for Good Faith Operation, the Company clearly prohibits such dishonest behaviors as bribery and accepting bribes, providing or accepting illegitimate interests, providing or promising facilitating fees, providing illegal political contributions, engaging in unfair competition, improper charitable donations or sponsorship, revealing trade secrets and damaging the interests of interested parties. Preventive measures, education,	None



Evaluation Item	Implementation Status (Note 1)			Differences between the Company's Good Faith Operation Code and that of listed and OTC companies and reasons.
	Yes	No	Summary	
(III) Has the Company specified the operating procedures, behavior guidelines, disciplinary and complaint systems for violations in the plan for preventing dishonest conduct, and implemented them, and regularly reviewed and revised the previous plan?	Yes		<p>training and advocacy have been implemented to implement the good faith operation policy.</p> <p>(III) The Company is engaged in business activities based on the principles of fairness, honesty, trustworthiness and transparency. In order to implement the good faith operation policy, in accordance with the Good Faith Operation Code of Listed and OTC Companies, the Board of Directors adopted the Operating Procedures and Behavior Guide for Good Faith Operation on Nov. 6, 2020. This document specifies the matters that employees of the Company should pay attention to when performing business, including specifying the operating procedures and location guidelines of each scheme, disciplinary and complaint systems and channels for violations. The scope of its application covers the Company, its subsidiaries and other invested companies, as well as other institutions and legal persons with substantial control ability (such as the employee welfare committee). While being used to educate new employees, this document is implemented in operational activities.</p>	None
<p>II. Implement good faith operation</p> <p>(I) Does the Company assess the good faith records of its trading partners and specify the terms of good faith in the contracts it enters into with the trading partners?</p> <p>(II) Has the Company set up a special unit under the Board of Directors to promote the good faith operation, and regularly (at least once a year) reported to the Board of Directors on its good faith operation policies and plans to prevent dishonest behaviors and supervised their implementation?</p>	<p>Yes</p> <p>Yes</p>		<p>(I) The Company formulated the "Supplier Management Policy" containing relevant norms. Before establishing business relations with customers, suppliers or other trading partners, the Company first evaluates the necessity and legality of the business relations, conducts credit reporting procedures in a timely manner, and signs contracts containing good faith clauses. For example, the trading partner promises not to accept or ask for illegitimate interests such as red envelopes, gifts and shopping cards, and promises to carry out various business activities in accordance with the principles of fairness, impartiality, openness, honesty and trustworthiness. In addition, the financial institutions with which the Company deals are legally registered and well-known commercial banks. The rights, obligations and trading conditions of both parties are clearly stipulated in the credit contract.</p> <p>(II) In 2011, the Company established the Enterprise Good Faith Operation Committee, with the General Manager as the convener. The committee has five members, composed of senior executives of various departments. According to the Good Faith Operation Code, the Company appointed the</p>	<p>None</p> <p>None</p>

Evaluation Item	Implementation Status (Note 1)			Differences between the Company's Good Faith Operation Code and that of listed and OTC companies and reasons.
	Yes	No	Summary	
(III) Has the Company formulated policies to prevent conflicts of interest, provided appropriate channels for presentation, and implemented them?	Yes		<p>director of corporate governance as the top director of the unit to promote the good faith operation. In order to assist the Board of Directors in evaluating whether the good faith operation precautions established by the Company are effective, the Company's performance of good faith operation in 2020 was submitted to the Board of Directors by the Chief Governance Officer on May 6, 2021 for approval. In addition to promoting "good faith and integrity" as the core value of the Company to all colleagues, the Company also educates and trains new colleagues about matters that should be paid attention to when they carry out operation. Employees can also communicate with various management and legal units through multiple channels (including company websites, internal E-mail mailboxes). In addition, the Company's website has a platform for reporting "illegal, immoral and dishonest behaviors", and provides channels for informants to report illegal behaviors of company staff. The head of the legal department accepts the reported cases and forwards the cases to the top executives of relevant units for investigation, and tracks the final handling results of the cases. The identity of the informants and the contents of the reports are kept confidential, and a complete record is kept of the acceptance, investigation process and results of the cases; In the year of 2021, there was no effective case reported by outsiders and no case directly reported by employees, and no major dishonest behavior occurred.</p> <p>(III) The Company formulated the Good Faith Operation Code and the Operating Procedures and Behavior Guide for Good Faith Operation. In addition, any person present at the Board of Directors of the Company who has an interest in the proposals to be discussed by the Board of Directors shall abstain from voting in accordance with Article 15 of the Rules of Procedure of the Board of Directors of the Company concerning the avoidance of conflicts of interests. The Company also formulated the Code of Ethical Conduct which regulates the prevention of conflicts of interest of directors and managers and the provision of appropriate channels of representation.</p>	None
(IV) Has the Company established an effective accounting system and internal control system for the implementation of good faith operation, and has the internal audit unit drawn up relevant audit plans according to the	Yes		<p>(IV) The Company has established an effective accounting system and internal control system for business activities with potential and high risk of dishonest behavior, and reviews them</p>	None

Evaluation Item	Implementation Status (Note 1)			Differences between the Company's Good Faith Operation Code and that of listed and OTC companies and reasons.
	Yes	No	Summary	
<p>assessment results of dishonest behavior risks, so as to check the compliance of the plan for preventing dishonest behavior, or entrusted an accountant to carry out the audit?</p> <p>(V) Does the Company regularly hold internal and external education and training on good faith operation?</p>	Yes		<p>at any time to ensure that the design and implementation of these systems are continuously effective. The internal auditors of the Company regularly check the compliance of the above system, and make an audit report and submit it to the Board of Directors. In addition, through the annual corporate internal control self-assessment exercise, all departments and subsidiaries of the Company are required to self-review the internal control system to ensure the effectiveness of the design and implementation of the system.</p> <p>(V) The Company holds regular meetings and carries out education, training and promotion from time to time, so that all employees can understand the Company's determination to operate in good faith. On Apr. 13 and Apr. 14 2021, the Company sent a total of 48 employees to attend the training. The supervisor of the legal unit offered education and training under the topic of "Good Faith Operation Code". After the education and training, a test was implemented and included in the annual performance of employees.</p>	None
<p>III. The operation of the Company's reporting system</p> <p>(I) Has the Company established a specific reporting and reward system, established a convenient reporting channel, and assigned appropriate special personnel for the reported objects?</p> <p>(II) Has the Company formulated the standard operating procedures for the investigation of the reported matters, the follow-up measures to be taken after the investigation is completed, and the relevant confidentiality mechanism?</p>	Yes		<p>(I) Article 23 of the Company's Good Faith Operation Code and Article 21 of the Operating Procedures and Behavior Guide for Good Faith Operation are relevant provisions of the reporting system. If any personnel of the Group suspect or find any violation, they should take the initiative to report it to independent directors, managers, internal audit supervisors or other appropriate personnel. The Company's website also has a "illegal, immoral and dishonest behavior" channel for relevant personnel to report illegal acts. In 2021, there was no major internal and external report.</p> <p>(II) If any of the colleagues of the Company discovers that any of directors, managers, employees or persons with substantial control ability of the Company have committed acts of dishonesty, illegality or breach of fiduciary obligations in the course of their business activities, he shall provide specific information on the persons, events, times and things concerned and report them to the head of the legal department. The head of the legal department shall keep confidential the identity of the informant and the contents of the</p>	None

Evaluation Item	Implementation Status (Note 1)			Differences between the Company's Good Faith Operation Code and that of listed and OTC companies and reasons.
	Yes	No	Summary	
(III) Has the Company taken measures to protect the whistle-blower from improper treatment due to the reporting?	Yes		<p>report, and submit an investigation report to the Board of Directors after the investigation is completed. The Board of Directors shall decide to punish and listen to the appeal of the accused. There was no such event in 2021.</p> <p>(III) The head of the legal department of the Company is the communication and notification channel for the whistle blower, and implements the Whistleblower system. The identity of the whistle blower and contents of the reporting are kept confidential, so as to avoid improper treatment of the whistle blower due to the reporting.</p>	None
IV. Strengthen information disclosure Has the Company disclosed the contents and promotion results of its good faith operation code on its website and the Market Observation Post System?	Yes		The Company discloses the relevant information of good faith operation on the Company's website ( <a href="https://www.coasiaelec.com/zh-tw/">https://www.coasiaelec.com/zh-tw/</a> ), regularly reviews and announces relevant information in a timely manner. Good faith is the most important core value and business philosophy of the Company. Employees should adhere to clear ethical standards and integrity, and do their best to take into account the rights and interests of all interested parties and fulfill their commitments to suppliers, customers, employees, shareholders and society.	None
<p>V. If the Company has formulated its own good faith operation code in accordance with the Good Faith Operation Code for Listed and OTC Companies, please state the differences between its operation and the code:</p> <p>(I) The Company has formulated the Good Faith Operation Code, the Operating Procedures and Behavior Guide for Good Faith Operation and the Code of Ethical Conduct to establish a corporate culture of good faith operation and develop the Company in a sound way. There is no material difference or discrepancy between the actual operation of the Company and the Company's code.</p> <p>(II) The Company has formulated the Operational Procedures for the Prevention of Insider Trading, to prevent insider trading. The Company conducts its business activities on the principle of fairness and transparency, and protects the rights and interests of customers, suppliers, other external persons, investors and other interested parties. Anyone shall not obtain improper benefits by manipulating, concealing or abusing information obtained by using his position or other unfair transactions.</p>				
<p>VI. Other important information that is helpful to understand the good faith operation of the Company: (For example, the Company reviews and amends its good faith operation code): The Company keeps abreast of the development of standards related to good faith operation at home and abroad, and encourages suppliers, customers, shareholders, creditors, directors, managers and employees to put forward suggestions for improving the good faith operation of the Company, so as to enhance the positive image and effectiveness of the Company's good faith operation.</p>				

Note 1: Provide a brief description in the appropriate column, regardless whether "yes" or "no" is selected.

(VII) Inquiry method of corporate governance code and related regulations:

The Company currently has established Code of Practice on Corporate Governance, Code of Ethical Conduct, Good Faith Operation Code, Operating Procedures and Behavior Guide for Good Faith Operation, Specifications for Related Operations of Financial Business Among Related Enterprises, Code of Practice for Exercising Rights and Participating in Procedures of Controlling Corporate Shareholders, Rules on the Scope of Duties of Independent Directors, Organizational Rules of the Audit Committee, Key Points for the Implementation of Directors' Further Education, Self-discipline Code for Information Disclosure of Corporate Mergers and Acquisitions, Organizational Rules of Salary and Compensation Committee, Code of Practice on Corporate Social Responsibility, Operating Procedures for Handling Major Internal Information, Standard Operating Procedures for Handling Directors' Requirements, and Performance Evaluation Measures of the Board of Directors (The above are approved by the resolution of the Board of Directors). Rules of Procedure of Shareholders' Meeting, Rules of Procedure of Board of Directors, Procedures for Selection and Appointment of Directors (The above are approved by resolution of shareholders' meeting). The Company's Code of Practice on Corporate Governance and related rules and procedures can be found at the Market Observation Post System (<http://mops.twse.com.tw/mops/web/index>) and the Company's website (<https://www.coasiaelec.com/zh-tw/>).

(VIII) Other important information to enhance the understanding of corporate governance operations:

The Deputy Chief Financial Officer of the Company is responsible for compliance with the laws and regulations, and collecting the laws and regulations of the competent authorities and explanatory letters. The Deputy General Manager of Business Operation is responsible for collecting corporate governance information and providing it to the Board of Directors as reference for corporate governance decision-making.

In May 2007, the head of internal audit of the Company obtained certification for international internal auditor (CIA, Certificate No.69937), international internal control self-assessor (CCSA, Certificate No.69937) and international risk management assurer (CRMA, Certificate No.7228), which met the evaluation index of the competent authority on the licenses related to corporate governance.

The succession plan and operation of members of the Board of Directors:

The Articles of Association of the Company stipulates that the candidate nomination system shall be adopted in the election of directors in an all-round way. In the Code of Practice on Corporate Governance and the Method for Election of Directors, it is clearly stipulated that the composition of members of the Board of Directors should be diversified, and a diversified policy should be formulated for the Company's operation, operation type and development needs, including but not limited to the standards of basic conditions and values, professional knowledge and skills. In the ongoing director succession plan of the Company, a database of directors candidates is established based on the following criteria:

- (1) Being honest, responsible, innovative and have decision-making power, consistent with the core values of the Company, with professional knowledge and skills that contribute to the Company's operation and management.
- (2) Have industry experience related to the business operated by the Company.

- (3) It is expected that this member will continue to provide the Company with an effective, collaborative, diverse Board of Directors that meets the needs of the Company.

The Company has a Board of Directors, and the independent directors account for more than half of all directors. The overall expertise of the Board of Directors needs to include corporate strategy, accounting and taxation, finance, law, administration and production management. The selection process of the Company's list of candidates for directors must comply with the qualification examination and relevant standards to ensure that suitable new directors can be effectively identified and selected when there is a vacancy or planned increase in the number of directors.

Meanwhile, the Company has formulated the Measures for Performance Evaluation of the Board of Directors. Through the measurement items of performance evaluation, including the management of the Company's objectives and tasks, responsibility awareness, operation participation, internal relations, management and communication, professional functions and further education, internal control and specific opinions, the Company can confirm the effective operation of the Board of Directors and evaluate the performance of directors, which can be used as a reference for future selection of directors.

The succession plan and operation of key management:

The Human Resources Department of the Company co-ordinates the establishment of the talent development mechanism and defines key positions. Two or three successors are submitted for each key position. The succession schedule is stated, which is divided into four schedules: immediate, within one year, one (inclusive) to three years, three (inclusive) to five years, and more than five years.

1. According to the advantages and abilities to be developed of the successors, the Company pools training resources for training and development, including management courses, strengthening new scientific and technological capabilities and job rotation. Since 2020, the Company has promoted the Professional Dynametric Programs (PDP) for successor talents. Through the human resources diagnosis system, combined with the objectives of the Company and departments, the Company has strengthened the advantages of the current position and improved the preparation for the reserved position.

2. The Company conducts a strategic consensus camp for senior executives (including general managers), conducts training once a year, and carries out thematic courses and discussions on future strategic planning. Courses include system thinking, performance management and talent management, high-performance leadership, organizational change and continuous renewal, change management, strategic thinking and planning and leadership career growth, talent development and leadership inheritance, strategic map, leadership talent development and system.

3. The management ability training of the leadership echelon (middle and high-level managers) is carried out once every year, to understand the latest management thinking and the pulse of the times by sharing external industrial knowledge, new scientific and technological knowledge and benchmarking enterprise models. Meanwhile, based on many years of leadership experience, senior executives of the Company share the leadership practice of organizational culture and management of the Company.

The Company's human rights concerns and practices:

	Provide a safe and healthy working environment	Eliminate unlawful discrimination to ensure equal work opportunities	Prohibition of child labor	Forced labor is prohibited	Assist employees to maintain physical and mental health and work-life balance.
Objectives and actions	Implement occupational disease prevention and promote employees' physical and mental health.	Compliance with local government's labor laws and regulations, international norms and the Company's human rights policies, and implementation of relevant internal laws and regulations. Promote and implement internal control procedures, and reveal the principle of non-discrimination in the Internal Control Operation Process of Interview of Applicants. There is no discrimination on grounds of race, class, language, ideology, religion, party affiliation, place of origin, place of birth, sex, sexual orientation, age, marriage, pregnancy, appearance, facial features, physical or mental impairment. Make necessary adjustments according to the findings of internal control inspection. The training course of "Talent Selection Basis" provided by the Company to the	According to the Company's human rights policy, the Internal Control Operation Process for Interview of Applicants is revised and implemented accordingly. The Company only accepts applicants over the age of 18, and checks the hired employees to ensure that there are no omissions.	Abide by local government's labor laws, international norms and the Company's human rights policies, and do not force or coerce any personnel to perform labor services. It is stated in the working rules that if there is any need to work overtime, the employee must agree and the Company must provide overtime pay or compensatory leave afterwards.	The Company provides diversified activities, such as arts and sports, family participation and parent-child interaction. It also expands interpersonal interaction among colleagues through community participation and enriches the concept of "work-life balance".

		HR manager includes non-discrimination against the applicant. In the Company's internal interview notice, the interviewer will be specially reminded not to ask for personal information of candidates unrelated to the job during the interview.			
Risk assessment	Record whether there are occupational diseases caused by chemical exposure. The participation rate of non-mandatory health programs shows the effectiveness of the Company in assisting employees to promote health.	From the beginning of the recruitment process, the Company will eliminate illegal discrimination according to internal control procedures. Applicants will not be asked to provide personal information unrelated to their jobs in the Company's resume filling system.	Applicants are required to provide relevant identification documents (e.g. ID card, driver's license, health insurance card, education certificate) to the Company to confirm that they have reached the age of 18.	In addition to internal system control of working hours, the Company also advocates and reviews through the Company's extensive complaint channels and factory communication meetings.	Review the participation rate.
Mitigation measures	The senior executives at the deputy general manager level presides over the quarterly meeting of employee health management project, and leads the relevant departments such as the employee health promotion management department to control the five major hazard factors of occupational diseases including chemical, physical, human,	Since the recruitment, the Company has carried out the employment process according to law to eliminate illegal discrimination.	Since the recruitment, the Company has carried out the employment process according to law to eliminate the employment of child labor.	The Company sets reminding function in the attendance system and overtime declaration system, and inspects and controls the working hours of the factory every month.	Cooperate with members of the Welfare Committee to help publicize the issue and encourage participation.



	biological and psychosocial diseases.				
How to make remedy?	Immediately move the person away from the original job, provide adequate medical assistance, and give paid leave and salary compensation according to law, and prevent recurrence of the illegal conduct.	There is no such doubt.	There is no such doubt.	If forced labor is found, the Company will take necessary improvement measures with the manager and give back the employees' rights.	At the end of the activity, the questionnaire will be filled out as the basis for future improvement. The Company will help to give paid leave and salary compensation according to law, prevent recurrence of the illegal conduct, and give back the employees' rights.
Appeal channel	Occupational disease investigation committee.	The "Reporting System for Violations of Professional Ethics" in the Company's official website allows external personnel to report or complain.	The "Reporting System for Violations of Professional Ethics" in the Company's official website allows external personnel to report or complain.	The Company has smooth complaint channels such as employee suggestion boxes and complaint express, and regular communication meetings, so that employees can reflect problems at any time.	The Company has smooth complaint channels such as employee suggestion boxes and complaint express, and regular communication meetings, so that employees can reflect problems at any time.

[Internal Communication Structure of the Company]

Provide compliance with relevant laws and regulations in pre-service training for new recruits, including prohibition of forced labor, prohibition of child labor, anti-discrimination, anti-harassment, working hours management, and protection of humane treatment.

[Online Course on Sexual Harassment Prevention]

Understand the concept of sexual harassment, sexual harassment prevention, and the Company's way of handling of sexual harassment incidents.

[Implementing the Advocacy of Preventing Bullying in the Workplace]

Assist employees to understand bullying in the workplace, know how to avoid bullying, and jointly create a friendly working environment where employees are willing to communicate and open management is available.

[Provide A Complete Series of Occupational Safety Training]

According to the situation that different types of employees will encounter in the workplace, the Company provides different safety training, such as fire fighting training, emergency response training, first aid personnel training, general safety and health education training, factory safety training, safety training for newly promoted managers.

#### Communication policy and situation for interested parties of the Company:

Adhering to the business philosophy of "customer first, cultivating talents, pursuing excellence and sharing benefits", the Company deeply understands the importance of interested parties. In pursuit of sustainable operation and development, the Company expects to establish a transparent and effective communication channel for all interested parties, and handle and respond to problems in real time based on the principle of good faith. By understanding the issues concerned by interested parties, the Company can consider them as reference for the future implementation of corporate social responsibility.

#### Shareholders/investors:

The Company attaches great importance to the opinions of shareholders, has a spokesperson system and a contact window for stock affairs, and timely announces operation-related information through the Market Observation Post System, so as to strengthen the completeness, timeliness, correctness and transparency of information disclosure and protect the rights and interests of investors.

If you have any related questions, please contact us, and we will explain to you wholeheartedly:

Spokesperson: Wang Peng Cheng Tel:+886-2-26557699 ext.660 Email Address : benjamin\_wang@coasia.com

Acting spokesperson: Chen Hung Yi Tel:+886-2-26557699 ext.671 Email Address : wilson\_chen@coasia.com

Stock Department: Chen Chuan Hua Tel : +886-2-26557699 Ext.666 Email Address : jessica@coasia.com

Stock agent

Capital Securities Corporation

Telephone:+886-2-27023999

Address: 2/B, No.97, Section 2, Dunhua South Road, Taipei, 106

Website:<http://www.capital.com.tw>

#### Employee:

In order to maintain a harmonious relationship between the Company and employees, if employees have problems on labor relations, salary and welfare, work-related or occupational safety and health problems, the Company will provide smooth communication channels for employees to give constructive opinions to the Company at any time.

Internal staff can give opinions or complain through the following channels:

- ◆Chief Executive and General Manager's Office (Miss Chen or Lisa, Miss Hsiao or Mindy)
- ◆Direct manager of each department
- ◆Manager of Human Resources (Miss Yang or Grace) Email Address : grace\_yang@coasia.com
- ◆HR suggestion box (placed in the staff leisure area)

#### Supplier/Agent Factory:

The Company adheres to the principle of good faith management and conducts its business with suppliers in a fair, honest and transparent manner. Neither party shall, directly or indirectly, offer, promise, demand or accept any illegitimate benefits or commit any other breach of good faith, wrongdoing or breach of obligations. Both parties shall not manipulate, conceal or abuse the information they have learned based on their duties, make false statements or other unfair transactions on important matters, so as to safeguard the legitimate rights and interests of both parties.

The Company is a distributor of electronic components. In addition to striving to play an active role as an agent and maintain the agency right, in order to make the supply and marketing process smoother, the Company keeps abreast of the stability and sustainability of the agent products at the factory or the supply side, so as to effectively ensure the supply of goods and achieve a better inventory economic scale, so as to meet the customer's supply demand and reduce inventory risks.

The Company maintains a long-term and stable cooperative relationship with suppliers, and continuously pays attention to whether the suppliers comply with the social responsibilities of an enterprise in terms of green environmental protection, labor human rights and ethics, health and safety, risk management and ethics.

If you have questions about products, business requirements or quality, you can contact each product business window, or call 886-2-26557699 Ext.623, and you will be served by our staff member (Miss Hsiao or Mindy) (Email Address: stella@coasia.com).

#### Customer:

In view of the rapid changes in the demand of end consumers, the Company, on the customer demand side, not only devotes itself to product line operation and sales, but also evaluates the changes in supply and demand of customers' industries due to changes in external environmental consumption trends and customers' demand for products at any time. The Company strictly controls the stock level to reduce the opportunity cost due to capital backlog; the Company actively grasps the changes of customers' operation, finance and management, strengthens credit risk management, and prevents possible default risks, thus reducing the Company's operating risks and stabilizing the Company's overall profits.

The Company provides technical service support to address customer manufacturers' needs and problems related to key components and products, and assists in seeking solutions for new product applications, thus reducing the time for customers to enter the industry. The Company will assist in communication and coordination with upstream suppliers for product quality problems, and seek solutions to meet customer needs.

As the Company's business model is business to business (B2B), ordinary end consumers are not included among the interested parties.

If you have questions about products, business requirements or quality, you can contact each product business window, or call 886-2-26557699 Ext.526, and you will be served by our staff member (Miss Wu or Miranda) (Email Address: miranda\_wu@coasia.com).

**Illegal (including corruption), unethical and dishonest behavior reporting/complaint channels:**

In order to safeguard the rights and interests of all interested parties, the Company has formulated relevant code of conduct, and has the reporting system and procedures.

Any person inside or outside the Company who discovers any illegal (including corruption), immoral or dishonest behavior shall report or complain to the relevant units of the Company by providing the name of the person being reported, specific evidence for investigation, etc.

Appropriate rewards will be given to the whistleblower, if the reporting is verified to be true and prevents the Company from losing money.

The Company undertakes to protect whistleblowers from being improperly treated due to the reporting and ensures an anonymous reporting channel for whistleblowers.

Report line: Mr. Yeh Kuang Shih Tel : +886-2-26557699 ext.663 Email Address : alvin\_yeh@coasia.com

The Company operates according to the Plan-Do-Check-Action management model (P-D-C-A), identifying interested parties and collecting and reviewing issues of concern to interested parties. In order to ensure the implementation of major issues and the achievement of goals, the Company regularly conducts discussions on major economic, social and environmental issues, and checks the achievement of goals and formulates future directions of each unit. The Company collates relevant results and materials, discusses the results with interested parties and submits CSR discussion suggestions to the responsible manager for review, and submits the report and confirmation to the general manager every year, as follows:

Interested parties	Priority topics of concern	Communication channel, response mode and communication frequency	Communication with interested parties in 2020
Government and competent authorities	1. Compliance with law 2. Customer protection and communication 3. Corporate governance 4. Risk management 5. Communication with the competent authority	◆Participate in policy seminars of competent authorities from time to time ◆Cooperate with the competent authority to supervise and check ◆Set up a contact window to maintain good interaction with the competent authorities →Legal Department (Mr. Yeh or Alvin) Email Address : alvin_yeh@coasia.com	◆There has been no punishment for violating the law.
Employees	1. Employee benefits 2. Employee assessment mechanism 3. Operational performance 4. Employee-employer relations 5. Corporate image	◆Important business information, education and training course information, annual performance management assignments and other information of the Company ◆Actively interact with employees and maintain good relations with employees ◆Collect employees' comments through employees' comment mailbox →Human Resources Department (Miss Yang or Grace) Email Address : grace_yang@coasia.com ◆Announce various employee welfare matters (health check-up, group insurance, etc.), information of the welfare committee, gifts for Spring Festival, Dragon Boat Festival and Mid-Autumn Festival, birthday gifts, employee travel from time to time. →The contact window is the Welfare Committee (Mr. Wang or Michael) Email Address : michael_wang@coasia.com	◆Realization of assistance and care for employees ◆Internal promotion of staff welfare and training in 2020

Shareholders and investors:	<ol style="list-style-type: none"> <li>1. Corporate governance</li> <li>2. Sustainable development strategy</li> <li>3. Risk management</li> <li>4. Shareholder participation</li> <li>5. Operational performance</li> </ol>	<p>◆Major information: Through the Market Observation Post System, the Company announces important information in real time, such as corporate governance, important business development, operating performance and other relevant information of concern to shareholders and investors</p> <p>◆Hold a shareholders' meeting once a year and publish the annual report of the Company</p> <p>◆Set up a contact window for stock affairs and investor relations for two-way communication</p> <p>◆Receive visits from corporate analysts from time to time</p> <p>◆Participate in forums at home and abroad from time to time</p> <p>→Stock Department (Miss Chen or Jessica) Email Address : jessica@coasia.com</p>	<p>◆Good communication with shareholders and investors</p>
Customer	<ol style="list-style-type: none"> <li>1. Information security</li> <li>2. Customer protection and communication</li> <li>3. Information transparency</li> <li>4. Service quality</li> <li>5. Corporate governance</li> </ol>	<p>◆Publicity and advertising, social media: Information is irregularly published.</p> <p>◆Provide customers with multiple communication channels, including message board for website visitors, etc.</p> <p>◆Handle relevant complaints or disputes by special personnel to protect the rights and interests of customers</p> <p>→Business unit contact window (Miss Wu or Miranda) Email Address : miranda_wu@coasia.com</p>	<p>◆Choose customers with sound financial position.</p> <p>◆Actively deal with problems raised by customers</p>
Supplier	<ol style="list-style-type: none"> <li>1. Information security</li> <li>2. Sustainable development strategy</li> <li>3. Corporate image</li> <li>4. Information transparency</li> <li>5. Supplier management</li> </ol>	<p>◆Invite suppliers to sign the corporate social responsibility commitment letter.</p> <p>→Business unit contact window (Miss Hsiao or Mindy) Email Address : stellar@coasia.com</p>	<p>◆Choose suppliers with excellent reputation</p> <p>◆Ask suppliers to sign the corporate social responsibility commitment letter</p>
Social organizations and community residents	<ol style="list-style-type: none"> <li>1. Corporate image</li> <li>2. Employee diversity and labor benefits</li> <li>3. Community care</li> <li>4. Social participation</li> <li>5. Green purchasing</li> </ol>	<p>◆Actively participate in forums and seminars held by non-governmental organizations and academic groups.</p> <p>→The communication channel and the contact window with social organizations is the Executive Director of the Corporate Social Responsibility Committee (Mr. Chen or Karl) Email Address : karl_chen@coasia.com</p>	<p>◆Participate in social welfare activities such as saving lives by old shoes, adoption of Xizhou Shangshui friendly agricultural products fields.</p> <p>◆Participate in various community welfare activities such as Nangang High School Games</p>

(IX) Implementation status of the internal control system:

1. Declaration of internal control

CoAsia Electronics Corp.  
Declaration of Internal Control System

Date: Mar. 8, 2022

According to the results of self-assessment, the Company's internal control system for the year of 2022 is as follows:

- I. The Company ascertains that the establishment, implementation and maintenance of an internal control system is the responsibility of the Board of Directors and managers of the Company, and the Company has established such a system. Its purpose is to reasonably assure that the effectiveness and efficiency of operations (including profitability, performance and asset safety), as well as the reliability, timeliness, transparency, compliance with relevant norms and relevant laws and regulations of the reporting are achieved.
- II. The internal control system has its inherent limitations. No matter how perfect its design is, an effective internal control system can only provide reasonable assurance for the achievement of the above three objectives. Moreover, due to the change of environment and situation, the effectiveness of the internal control system may change accordingly. However, the Company's internal control system has a self-monitoring mechanism. Once any defects are identified, the Company will take corrective actions.
- III. The Company judges whether the design and implementation of the internal control system is effective according to the criteria for judging the effectiveness of the internal control system as stipulated in the Guidelines for the Establishment of Internal Control Systems by Public Offering Companies (hereinafter referred to as the "Guidelines"). The items judged in the internal control system adopted in the "Guidelines" are the process of management control. The internal control system is divided into five components: 1. Control environment, 2. Risk assessment, 3. Control operations, 4. Information and communication, and 5. Supervise operations. Each component element includes several items. Please refer to the provisions of the "Guidelines" for the above items.
- IV. The Company has adopted the aforesaid assessment items for the internal control system to determine whether the design and implementation of the internal control system are effective.
- V. Based on the inspection results mentioned in the preceding paragraph, it is considered that the internal control system of the Company on Dec. 31, 2021 (including the supervision and management of subsidiaries), the design and implementation of the internal control system, including the understanding of the effectiveness and efficiency of operations, as well as the reliability, timeliness, transparency and compliance with relevant norms and laws and regulations of the reporting, are effective and can reasonably ensure the achievement of the above objectives.

- VI. This declaration will become the main contents of the annual report and prospectus of the Company and will be disclosed to the public. If there is any falsity or omission in the contents disclosed above, the Company shall bear legal responsibilities under Articles 20, 32, 171 and 174 of the Securities and Exchange Law.
- VII. This declaration was approved by the Board of Directors of the Company on Mar. 8, 2022. Among the 5 directors present, 0 director opposed it, and the rest agreed with the contents of this declaration.

CoAsia Electronics Corp.

Chairman: Lee Hee Jun



General Manager: Shin Dong Soo



- 2.If CPA is appointed to audit the internal control system, please disclose the audit report of the CPA: None
- (X) In case of any punishment imposed on the Company and its internal personnel according to laws, or punishment imposed by the Company on its internal personnel for violation of the internal control system, with possible material effect on the shareholder's equity or price of the securities in the recent year as of the issuing date of the annual report, please state the punishment contents, major defects and improvement: None
- (XI) Major resolutions of the shareholders' meeting and the board meetings during the most recent fiscal year up to the date of publication of the annual report:

1. Important resolutions of the Board of Shareholders and the execution thereof

Shareholders' meeting\ board meeting	Date	Major resolutions
Shareholders' meeting	2021.07.27	<p>Contents and execution of major resolutions of the general shareholders' meeting for 2021</p> <ol style="list-style-type: none"> <li>1. Proposal on Approving the Consolidated Financial Report for 2020 (including individual financial report)</li> <li>2. Proposal on Approving Profit Distribution of 2020 Execution: Sep. 28, 2021 is set as the ex-dividend base date. Oct. 25, 2021 is set as the release date. (Allocated cash dividend per share is NT\$ 0.2, and stock dividend is NT\$ 0.2)</li> <li>3. Proposal on Revising the Company's Code for Honest Management Execution: The proposal has been announced at the Company's website, and the revised provisions apply.</li> <li>4. Proposal on Revising the Rule of Procedure of the Shareholders' Meeting Execution: The proposal has been announced at the Company's website, and the revised provisions apply.</li> <li>5. Proposal on Formulating the Company's Honest Management Procedure and Guidelines Execution: The proposal has been announced at the Company's website, and the revised provisions apply.</li> <li>6. Proposal on Revising the Company's Code of Ethical Conduct Execution: The proposal has been announced at the Company's website, and the revised provisions apply.</li> <li>7. Proposal on Revising the Company's Code of Practice for Enterprise Social Responsibility Execution: The proposal has been announced at the Company's website, and the revised provisions apply.</li> <li>8. Proposal on Revising the Rule of Procedure of the Shareholders' Meeting Execution: The proposal has been announced at the Company's website, and the revised provisions apply.</li> <li>9. Proposal on Conversion of Surplus into Capital and Issuance of New Shares Execution: Sep. 28, 2021 is set as the ex-dividend base date. Oct. 25, 2021 is set as the release date. (Allocated stock dividend per share is NT\$ 0.2)</li> </ol>



2. Major resolutions of the board meeting

Shareholders' meeting\ board meeting	Date	Major resolutions
Board meeting	2021.03.05	Adopted the Proposal on 'Evaluation for Effectiveness of Internal Control System' and 'Internal Control System Statement' for 2020, adopted the Proposals on the Company's 2020 Statement of Operations, the Individual Financial Report and the Consolidated Financial Report, adopted the Proposal on Remuneration of the Employees, Directors and Supervisors for 2020, adopted the Proposal on Profit Distribution for 2020, adopted the Proposal on Conversion Surplus into Capital and Issuance of New Shares, adopted the Proposal on Replacement of PricewaterhouseCoopers Taiwan as the Financial Report Auditor of the Company, the Proposal on Revising Certain Provisions of the Rule of Procedure of the Shareholders' Meeting, Relevant Matters for Convening the General Shareholders' Meeting for 2021, Financing Limit of the Banks and Financial Institutions, adopted the Proposal on Staffing of Executive Managers, adopted the Proposal on Promotion of Managers (including Salary Adjustment), adopted the Proposal on Salary Adjustment for the Managers of the Company and the Subsidiaries from Mar. 1, 2021 to Feb. 28, 2022, and adopted the Proposal on Bonus for Executive Managers of the Company and Subsidiaries for 2020.
Board meeting	2021.05.06	Reported the Company's practice for honest management in 2020, reported the Company's practice for enterprise social responsibility in 2020, and adopted the Proposal on Merger of the Company's Sub-subsidiary CoAsia Electronics Corporation (Hong Kong) Limited with the Subsidiary CoAsia Technology Corp. Limited, the Proposal on Financing Limit of Banks and Financial Institutions, the Proposal on Extending Endorsement Guarantee Amount for the Sub-subsidiary CoAsia Electronics Corporation (Hong Kong) Limited and the Subsidiary CoAsia Electronics Corp. (Singapore) Pte. Ltd., the Proposal on New Endorsement Guarantee Amount for the Sub-subsidiary CoAsia Electronics Corp. (Singapore) Pte. Ltd., the Proposal on Extending Endorsement Guarantee Amount for the Sub-subsidiary CoAsia Electronics Corp. (Hong Kong) Ltd., the Proposal on Providing Payment Guarantee as Joint and Several Guarantee for Transactions between CoAsia Electronics Corp. Hong Kong Branch and Supplier Singapore Avnet Taiwan Branch, the Proposal on Loans to the Subsidiary CoAsia Korea Co., Ltd., the Proposal on Allocation of Director Remuneration for 2020, the Proposal on Allocation of Manager and Employee Remuneration for 2020, the Proposal on Allowance Traceability of the President Li, Hsi Chun from Sep. 2015 to Apr. 2021.
Board meeting	2021.06.16	Adopted the Proposal on Establishment of USA Subsidiary, the Proposal on Changing Time and Place to Convene the General Shareholders' Meeting, the Proposal on Financing Limit of the Banks and Financial Institutions, and the Proposal on New Endorsement Guarantee Amount for the Sub-subsidiary CoAsia Electronics Corp. (Hong Kong) Ltd.
Board meeting	2021.07.27	Adopted the Proposal on Extending Loans to the Business Counterparty CoAsia SEMI Taiwan Ltd., and the Proposal on 3-year Joint Loans for Interim Working Capital
Board meeting	2021.08.05	Adopted the Proposal on Revising the 'Decision Authority Table' for Internal Control System, the Proposal on Conversion of Surplus into Capital and Issuance of New Shares, and Matters related to Release of Cash Dividends, the Proposal on Financing Limit of Banks and Financial Institutions, the Proposal on Extending Endorsement Guarantee Amount for the Sub-subsidiary CoAsia Electronics Corporation (Hong Kong) Limited, and the Proposal on 1H Performance Special Bonus released by the Company and the Subsidiary in 2021
Board meeting	2021.11.08	Adopted the Proposal on Financing Limit of Banks and Financial Institutions, the Proposal on Extending Endorsement Guarantee Amount for the Sub-subsidiary CoAsia Electronics Corporation (Hong Kong) Limited, the Proposal on Extending Endorsement Guarantee Amount for the Subsidiary CoAsia Electronics Corp. (Singapore) Pte. Ltd., and the Proposal on Extending the Inter-company Loan Limit

Shareholders' meeting\ board meeting	Date	Major resolutions
Board meeting	2021.12.29	Adopted the Proposal on Audit Plan for 2022, the Proposal on Annual Operation Plan and Annual Financial Budgets for 2022, the Proposal on Financial Limit of Banks and Financial Institutions, the Proposal on New Endorsement Guarantee Amount for the Sub-subsidiary CoAsia Electronics Corporation (Hong Kong) Limited, the Proposal on Loans from the Sub-subsidiary CoAsia Electronics Corporation (Hong Kong) Limited to its Business Counterparty CoAsia Semi Limited, the Proposal on Non-Loans Inter-company Accounts receivable between Head Office and Branch of CoAsia Electronics Corp., the Proposal on Disposal of the Subsidiary STUDYBANK CO., LTD, and Sub-subsidiary Taiwan Interaction Limited, the Proposal on Bonus for Executive Managers of the Company and the Subsidiary, the Proposal on Appointment of 'Governance Director', and the Proposal on Promotion of Korean Executive Managers of the Company and the Subsidiary.
Board meeting	2022.03.08	Reported the 'Evaluation for Effectiveness of Internal Control System' and 'Internal Control System Statement' for 2021, reported the Company's 2021 Statement of Operations, the Individual Financial Report and the Consolidated Financial Report, and adopted the Proposal on Remuneration of the Employees, Directors and Supervisors for 2021, the Proposal on Profit Distribution for 2021, the Proposal on Conversion Surplus into Capital and Issuance of New Shares, the Proposal on Financing Limit of Banks and Financial Institutions, the Proposal on Canceling Loans to the Subsidiary CoAsia Korea Co., Ltd., the Proposal on Loans to the Subsidiary CoAsia Korea Co., Ltd., the Proposal on Promotion of Managers (including Salary Adjustment), the Proposal on Salary Adjustment for Managers of the Company and Subsidiary from Mar.1, 2022 to Feb. 28, 2023, the Proposal on Revising the 'Articles of Association', the Proposal on Revising the Code of Practice on Corporate Governance, the Proposal on Revising Key Points for Further Education of Directors, the Proposal on Revising the 'Procedure for Acquisition or Disposal of Assets', the Proposal on Revising 'Code of Practice for Enterprise Social Responsibility, the Proposal on Formulating the 'Rules of Procedure of the Nomination Committee', and the matters related to general shareholders' meeting for 2022.

- (XII) Where the directors or supervisors have objections to the major resolutions adopted at the board meetings with recorded or written statements during the most recent fiscal year up to the date of publication of the annual report, the main contents:

It is not the case during the most recent fiscal year up to the date of publication of the annual report.

- (XIII) Summary on resignation and removal of the Company's Chairperson, President, Accounting Supervisor, Financial Supervisor, Internal Audit Director, Governance Director and R&D Director during the most recent fiscal year up to the date of publication of the annual report.

It is not the case during the most recent fiscal year up to the date of publication of the annual report.

#### IV. Audit Fees for Independent Auditors

##### (I) Independent Auditors Fee Information Range Table

Name of Accounting Firm	Name of Accountant		Audit Period	Remarks
PricewaterhouseCoopers Taiwan	Hsu Yung- Chien	Wu Han- Chi	2021.01.01~2021.12.31	

Unit: In Thousands of New Taiwan Dollars

Amount Range		Item	Audit Fee	Non-audit Fee	Total
1	Below NT\$ 2,000			1,690	1,690
2	NT\$ 2,000 (inclusive) ~ NT\$ 4,000				
3	NT\$ 4,000 (inclusive) ~ NT\$ 6,000		4,070		4,070
4	NT\$ 6,000 (inclusive) ~ NT\$ 8,000				
5	NT\$ 8,000 (inclusive) ~ NT\$ 10,000				
6	More than NT\$ 10,000 (inclusive)				

Unit: In Thousands of New Taiwan Dollars

Name of Accounting Firm	Name of Accountant	Audit Fee	Non-audit Fee					Accountant Audit Period	Remarks
			System Design	Industry and Commerce Registration	Human Resources	Other (Note 2)	Sub-total		
PricewaterhouseCoopers Taiwan	Hsu Yung- Chien	4,070		40		1,650	5,760	2021.01.01~2021.12.31	Others: Transfer pricing fees, tax consulting fee
	Wu Han- Chi							1	

Note 1: If the CPA or accounting firm is replaced in this year, please state the audit period and the replacement reasons in the Remark Column, and disclose the paid audit and non-audit fees.

Note 2: The non-audit fees are stated by the service item. If 'other' non-audit fees are up to 25% of the total amount, please state the service contents in the Remark Column.

1. If the accounting firm is replaced and the audit fee paid in the year of replacement is decreased comparing the audit fee of the previous year, please disclose the reduced amount, percentage and reasons of the audit fee:  
None
2. If the audit fee is reduced by more than 10% based on the previous year, please disclose the reduced amount, percentage and reasons of the audit fee: None.

**V. Replacement of CPA:** In accordance with the internal restructuring of the accounting firm, PwC Taiwan, the CPAs of the financial statements have been changed from Hsu Yung-Chien and Hsu Sheng-Chung to Hsu Yung-Chien and Wu Han-Chi, with effect from the first quarter of 2021.

**VI. If the Company's Chairperson, President, or any managerial officers in charge of finance or accounting matters hold a position in the Company's accounting firm or its affiliated enterprise during the most recent fiscal year, please disclose the name, title and employment period in the accounting firm or its affiliated enterprise:** None.

**VII. Changes in equity transfer and equity pledge of directors, supervisors, managers, and shareholders with a shareholding ratio of more than 10% in the recent year and up to the date of publication of the annual report.**

(I) Changes in equity of directors, managers, and shareholders holding more than 10%

Title	Name	2021		The current year ended on April 17	
		Increase (decrease) in number of shares held	Increase (decrease) in Pledged Shares	Increase (decrease) in number of shares held	Increase (decrease) in Pledged Shares
Shareholders holding more than 10% of the shares	Special investment account of Bishengyi Holding Co., Ltd. entrusted by CTBC Bank of Taiwan	347,824	0	0	0
Shareholders holding more than 10% of the shares (jointly acquired)	Korean business CoAsia Corporation (Note 1)	228,895	0	0	0
Vice-chairman and general manager	Shin Dong Soo	0	0	0	0
Independent director (Note 2)	Chou Chih Cheng	0	0	0	0
Independent director (Note 2)	Chen Chien Li	0	0	0	0
Independent director (Note 2)	Hwang Il Suk	0	0	0	0
Deputy General Manager (Accounting Supervisor)	Wang Peng Cheng	0	0	0	0
Deputy General Manager	Cui Ming Gang	0	0	0	0
Deputy General Manager	Chou Pei Ni	3	0	0	0
Deputy General Manager	Noh Kyung Heon	0	0	0	0
Deputy General Manager	Yi Duk Hyung	0	0	0	0
Deputy General Manager (Note 3)	Lee Hak Yong	0	0	0	0
Deputy General Manager	Moon Kyung Mo	0	0	0	0
Deputy General Manager	Kim Chang Wan	0	0	0	0
Deputy General Manager	Cho Kye Young	0	0	0	0
Deputy General Manager	Lee Jung Won	0	0	0	0
Deputy General Manager (Note 4)	Chen Hsiao Hsu	0	0	0	0
Deputy General Manager (Note 5)	Lee Seung Rok	0	0	0	0
Deputy General Manager (Note 6)	Chen Wei Li	344	0	0	0
Associate	Chen Hung Yi	0	0	0	0
Associate	Sim Woo Sup	0	0	0	0
Associate	Yoon In Young	0	0	0	0
Associate (Note 7)	Kim Myoung Yi	0	0	0	0
Associate (Note 7)	Wu Chi Chang	0	0	0	0
Associate (Note 7)	Doh Sang Jin	0	0	0	0

Note 1: It is jointly obtained by Korean business CoAsia Corporation and CTBC Bank in the special investment account of Bishengyi Holding Co., Ltd.

Note 2: Chou Chih Cheng, Chen Chien Li, and Hwang Il Suk served as the independent directors on June 19, 2020.

Note 3: Mr. Lee Hak Yong resigned on Dec. 31, 2021.

Note 4: Mr. Chen Hsiao Hsu was promoted to deputy general manager on March 5, 2021.

Note 5: Mr. Lee Seung Rok served as the deputy general manager on May 17, 2021.

Note 6: Ms. Chen Wei Li served as the deputy general manager on March 1, 2022.

Note 7: Kim Myoung Yi, Wu Chi Chang, and Doh Sang Jin served as associate managers on March 5, 2021

(II) Equity transfer information: not applicable.

(III) Equity transfer information: not applicable.

**VIII. Information on the relations between the two persons who are related to each other or their spouses or within the second degree of kinship among the top ten shareholders:**

April 26, 2022 / unit: shares;%

Name	Shares Held by Oneself		Shares Held by Spouse and Minor Children		Total Shares Held in the Name of Others		Name and Relations between the Top 10 Shareholders That Are Either Related, A Spouse or a Relative within the Second Degree.		Remark
	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Name (or Full name)	Relations	
Special investment account of Bishengyi Holding Co., Ltd. entrusted by CTBC Bank of Taiwan	17,739,028	12.21%	0	0	0	0	None	None	
Korean business CoAsia Corporation	11,673,652	8.04%	0	0	0	0	None	None	
Nien Yung-Wen	2,068,622	1.42%	0	0	0	0	None	None	
Huang Chih-Hao	1,400,000	0.96%	0	0	0	0	None	None	
Tseng Yu-Yuan	1,267,426	0.87%	0	0	0	0	None	None	
Chen Kuan-Yung	816,346	0.56%	0	0	0	0	None	None	
Chang Jung-Tsun	680,381	0.47%	0	0	0	0	None	None	
Chen Shu-Chuan	637,745	0.44%	0	0	0	0	None	None	
Chiang Ping-chu	610,000	0.42%	0	0	0	0	None	None	
Chen Shu-Hui	602,846	0.41%	0	0	0	0	None	None	

**IX. Shareholding of the Company, and its directors, supervisors, managers and undertakings directly or indirectly controlled by the Company in the same investee, and consolidated comprehensive shareholding ratio**

Total equity stake held

Mar. 31, 2022 Unit: 1,000 shares; %

Transfer to investment	Investment of the Company		Investments of directors, the supervisors, the managers and directly or indirectly controlled undertakings		Comprehensive investments	
	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio
CoAsia International Corp.	1,330	100%	0	0%	1,330	100%
CoAsia Technology Corp.	2,598	100%	0	0%	2,598	100%
CoAsia Korea Co., Ltd.	1,320	100%	0	0%	1,320	100%
STUDYBANK CO., LTD	9,205	89.1%	0	0%	9,205	89.1%
CoAsia Electronics Corp. (Singapore) Pte. Ltd	1,000	100%	0	0%	1,000	100%
CoAsia Electronics Corp. (Hong Kong) Ltd.	10,293	100%	0	0%	10,293	100%
CoAsia Electronics (Shanghai) Limited	Contribution Certificate (US\$5,000,000)	100%	0	0%	Contribution Certificate (US\$5,000,000)	100%
CoAsia Electronics (Shenzhen) Limited	Paid-up Capital (US\$1,000,000)	100%	0	0%	Paid-up Capital (US\$1,000,000)	100%
Taiwan Interaction Education Co., Ltd.	1,600	100%	0	0%	1,600	100%
CoAsia Electronics Corp. LLP	Original Investment (US\$158,700)	100%	0	0%	Original Investment (US\$158,700)	100%
CoAsia Electronics (US) Corp.	Original Investment (US\$50,000)	100%	0	0%	Original Investment (US\$50,000)	100%

## Chapter 4 Capital Overview

### I. Capital and share

#### (I) Source of share capital

Unit: share/ NT\$

YYYY.MM	Issuing Price	Authorized Share Capital		Paid-up Capital		Remarks		
		Number of shares	Amount	Number of shares	Amount	Source of share capital	Payment for shares in form of properties other than cash	Other
1997.11	10	8,000,000	80,000,000	8,000,000	80,000,000	Capital for formation of the Company	None	None
2000.09	12	9,500,000	95,000,000	9,500,000	95,000,000	Cash capital increase of NT\$15,000,000	None	Note 1
2000.11	15	51,500,000	515,000,000	20,000,000	200,000,000	Cash capital increase of NT\$105,000,000	None	Note 2
2001.05	10	51,500,000	515,000,000	27,048,000	270,480,000	Conversion of surplus (inclusive of employee bonus) into capital by NT\$40,480,000 Conversion of capital reserve into capital by NT\$30,000,000	None	Note 3
2002.07	10	51,500,000	515,000,000	35,863,000	358,630,000	Conversion of surplus (inclusive of employee bonus) into capital by NT\$63,806,800 Conversion of capital reserve into capital by NT\$24,343,200	None	Note 4
2003.11	10	51,500,000	515,000,000	40,749,300	407,493,000	Conversion of surplus (inclusive of employee bonus) into capital by NT\$48,863,000	None	Note 5
2004.06	10	71,500,000	715,000,000	45,254,230	452,542,300	Conversion of surplus (inclusive of employee bonus) into capital by NT\$44,234,310 Conversion of capital reserve into capital by NT\$814,990	None	Note 6
2005.08	10	74,500,000	745,000,000	48,469,484	484,694,840	Conversion of surplus (inclusive of employee bonus) into capital by NT\$32,152,540	None	Note 7
2005.09	10	74,500,000	745,000,000	48,629,484	486,294,840	Conversion of employee stock option certificate into capital by NT\$1,600,000	None	Note 8
2006.01	10	74,500,000	745,000,000	63,629,484	636,294,840	Cash capital increase of NT\$150,000,000	None	Note 9
2006.02	10	74,500,000	745,000,000	63,679,484	636,794,840	Conversion of employee stock option certificate into capital by NT\$500,000	None	Note 10
2006.05	10	74,500,000	745,000,000	63,789,484	637,894,840	Conversion of employee stock option certificate into capital by NT\$1,100,000	None	Note 11
2006.10	10	150,000,000	1,500,000,000	69,475,843	694,758,430	Conversion of surplus (inclusive of employee bonus) into capital by NT\$56,863,590	None	Note 12
2006.10	10	150,000,000	1,500,000,000	69,750,843	697,508,430	Conversion of employee stock option certificate into capital by NT\$2,750,000	None	Note 13
2007.01	10	150,000,000	1,500,000,000	74,742,041	747,420,410	Conversion of corporate bond by NT\$44,936,980 Conversion of employee stock option certificate into capital by NT\$4,975,000	None	Note 14
2007.04	10	150,000,000	1,500,000,000	74,891,747	748,917,470	Conversion of corporate bond by NT\$1,297,060 Conversion of employee stock option certificate into capital by NT\$200,000	None	Note 15
2007.07	10	150,000,000	1,500,000,000	76,135,737	761,357,370	Conversion of corporate bond by NT\$11,589,900 Conversion of employee stock option certificate into capital by NT\$850,000	None	Note 16
2007.09	10	150,000,000	1,500,000,000	82,967,077	829,670,770	Conversion of surplus (inclusive of employee bonus) into capital by NT\$68,313,400	None	Note 17

YYYY.MM	Issuing Price	Authorized Share Capital		Paid-up Capital		Remarks		
		Number of shares	Amount	Number of shares	Amount	Source of share capital	Payment for shares in form of properties other than cash	Other
2007.10	10	150,000,000	1,500,000,000	87,171,765	871,717,650	Conversion of corporate bond by NT\$ 39,846,880 Conversion of employee stock option certificate into capital by NT\$2,200,000	None	Note 18
2008.01	10	150,000,000	1,500,000,000	88,194,483	881,944,830	Conversion of corporate bond by NT\$7,727,180 Conversion of employee stock option certificate into capital by NT\$2,500,000	None	Note 19
2008.04	10	150,000,000	1,500,000,000	88,284,483	882,844,830	Conversion of employee stock option certificate into capital by NT\$900,000	None	Note 20
2008.07	10	150,000,000	1,500,000,000	88,384,483	883,844,830	Conversion of employee stock option certificate into capital by NT\$1,000,000	None	Note 21
2008.09	10	150,000,000	1,500,000,000	93,188,708	931,887,080	Conversion of surplus (inclusive of employee bonus) into capital by NT\$48,042,250	None	Note 22
2009.10	10	150,000,000	1,500,000,000	93,246,029	932,460,290	Conversion of corporate bond into capital by NT\$573,210	None	Note 23
2010.01	10	150,000,000	1,500,000,000	93,475,322	934,753,220	Conversion of corporate bond into capital by NT\$2,292,930	None	Note 24
2011.02	10	150,000,000	1,500,000,000	89,475,322	894,753,220	Reduction of capital by NT\$40,000,000 through cancellation of treasury stock	None	Note 25
2011.10	10	150,000,000	1,500,000,000	97,077,322	970,773,220	Reduction of capital by NT\$23,980,000 through cancellation of treasury stock Cash capital increase of NT\$100,000,000	None	Note 26
2011.11	10	150,000,000	1,500,000,000	110,207,270	1,102,072,700	Conversion of surplus (inclusive of employee bonus) into capital by NT\$131,299,480	None	Note 27
2012.09	10	150,000,000	1,500,000,000	116,154,958	1,161,549,580	Conversion of surplus (inclusive of employee bonus) into capital by NT\$59,476,880	None	Note 28
2013.09	10	150,000,000	1,500,000,000	122,262,652	1,222,626,520	Conversion of surplus (inclusive of employee bonus) into capital by NT\$61,076,940	None	Note 29
2016.09	10	150,000,000	1,500,000,000	139,623,950	1,396,239,500	Conversion of surplus into capital by NT\$173,612,980	None	Note 30
2020.09	10	150,000,000	1,500,000,000	142,416,429	1,424,164,290	Conversion of surplus into capital by NT\$27,924,790	None	Note 31
2021.09	10	150,000,000	1,500,000,000	145,264,758	1,452,647,580	Conversion of surplus into capital by NT\$28,483,290	None	Note 32

Note 1: Number of Approval for Issuance of Ordinary Shares for Cash: Taipei City Construction Bureau 89.10.30 BJSJSEZ No. 89336920

Note 2: Number of Approval for Issuance of Ordinary Shares for Cash: Investment Promotion Committee and Ministry of Economic Affairs 89.12.20 J (089) SZ No. 089145894

Note 3: Number of Approval for Conversion of Surplus into Capital: Ministry of Economic Affairs 90.06.13 J (90) SZ No. 09001210720

Note 4: Number of Approval for Conversion of Surplus into Capital: Securities and Futures Commission 91.06.25 TCZYZ No. 0910134627

Note 5: Number of Approval for Conversion of Surplus into Capital: Securities and Futures Commission 92.10.17 TCZYZ No. 0920148781

Note 6: Number of Approval for Conversion of Surplus into Capital: Financial Management Commission 930808 JGZYZ No. 0930135080

Note 7: Number of Approval for Conversion of Surplus into Capital: Financial Management Commission 940728 JGZYZ No. 0940130814

Note 8: Number of Approval for Conversion of Employee Stock Option Certificate into Capital: Government of Taipei City 941019 FJSZ No. 09423622500

Note 9: Number of Approval for Issuance of Ordinary Shares for Cash: Financial Management Commission 940926 JGZYZ No. 0940141306

Note 10: Number of Approval for Conversion of Employee Stock Option Certificate into Capital: Department of Commerce under Ministry of Economic Affairs 950208 JSSZ No. 09501022070

Note 11: Number of Approval for Conversion of Employee Stock Option Certificate into Capital: Department of Commerce under Ministry of Economic Affairs 950504 JSSZ No. 09501079820

Note 12: Number of Approval for Conversion of Surplus into Capital: Financial Management Commission 950721 JGZYZ No. 0950131966

Note 13: Number of Approval for Conversion of Employee Stock Option Certificate into Capital: Department of Commerce under Ministry of Economic Affairs 951025 JSSZ No. 09501236080

Note 14: Number of Approval for Convertible Corporate Bonds: Financial Management Commission 950714 JGZYZ No. 0950128948

Number of Approval for Conversion of Employee Stock Option Certificate into Capital: Department of Commerce under Ministry of Economic Affairs 960126 JSSZ No. 09601013980

Note 15: Number of Approval for Conversion of Employee Stock Option Certificate into Capital: Department of Commerce under Ministry of Economic Affairs 960419 JSSZ No. 09601082030



- Note 16: Number of Approval for Conversion of Employee Stock Option Certificate into Capital: Department of Commerce under Ministry of Economic Affairs 960725JSSZ No. 09601171460
- Note 17: Number of Approval for Conversion of Surplus into Capital: Financial Management Commission 960716 JGZYZ No. 0960036936
- Note 18: Number of Approval for Conversion of Employee Stock Option Certificate into Capital: Department of Commerce under Ministry of Economic Affairs 961018 JSSZ No. 09601255840
- Note 19: Number of Approval for Conversion of Employee Stock Option Certificate into Capital: Department of Commerce under Ministry of Economic Affairs 970117 JSSZ No. 09701012650
- Note 20: Number of Approval for Conversion of Employee Stock Option Certificate into Capital: Department of Commerce under Ministry of Economic Affairs 970421 JSSZ No. 09701093690
- Note 21: Number of Approval for Conversion of Employee Stock Option Certificate into Capital: Department of Commerce under Ministry of Economic Affairs 970721 JSSZ No. 09701179200
- Note 22: Number of Approval for Conversion of Surplus into Capital: Financial Management Commission 970709 JGZYZ No. 0970034413  
Department of Commerce under Ministry of Economic Affairs 97.09.17 JSSZ No. 09701231680
- Note 23: Number of Approval for Conversion of Company Bond into Capital and Issuance of New Shares: Department of Commerce under Ministry of Economic Affairs 981022 JSSZ No. 09801242690
- Note 24: Number of Approval for Conversion of Company Bond into Capital and Issuance of New Shares: Department of Commerce under Ministry of Economic Affairs 990122 JSSZ No. 09901011450
- Note 25: Number of Approval for Reduction of Capital by Canceling Treasury Stock: Department of Commerce under Ministry of Economic Affairs 1000221 JSSZ No. 1000131180
- Note 26: Number of Approval for Reduction of Capital by Canceling Treasury Stock and Issuance of Ordinary Shares for Cash: Department of Commerce under Ministry of Economic Affairs 1001003 JSSZ No. 10001225830
- Note 27: Number of Approval for Conversion of Surplus into Capital: Financial Management Commission 1001017 JGZYZ No. 000049218  
Department of Commerce under Ministry of Economic Affairs 1001121 JSSZ No. 10001264210
- Note 28: Number of Approval for Conversion of Surplus into Capital: Financial Management Commission 1010727 JGZYZ No. 1010033594  
Department of Commerce under Ministry of Economic Affairs 1010917 JSSZ No. 10101189030
- Note 29: Number of Approval for Conversion of Surplus into Capital: Financial Management Commission 1020729 JGZYZ No. 1020029527  
Department of Commerce under Ministry of Economic Affairs 1020925 JSSZ No. 10201195420
- Note 30: Number of Approval for Conversion of Surplus into Capital: Department of Commerce under Ministry of Economic Affairs 1050922  
JSSZ No. 10501227270
- Note 31: Number of Approval for Conversion of Surplus into Capital: Department of Commerce under Ministry of Economic Affairs 1091005  
JSSZ No. 10901177850
- Note 32: Number of Approval for Conversion of Surplus into Capital: Department of Commerce under Ministry of Economic Affairs 1101026  
JSSZ No. 11001188930

## Types of shares

April 26, 2022; Unit: shares

Types of shares	Approved share capital			Remark
	Outstanding shares	Unreleased shares	Total	
ordinary stock	145,264,758	54,735,242	200,000,000	The approved share capital includes 4,000,000 shares of employee stock option certificates that can be released and subscribed

### (II) Shareholder structure

April 26, 2022; Unit: shares

Shareholder structure	Government agencies	Financial institutions	Other legal persons	Individual	Foreign institutions and foreigners	Total
Number of shareholders	0	0	236	47,999	69	48,304
Number of shares held	0	0	1,626,402	111,366,808	32,271,548	145,264,758
Shareholding ratio	0.00%	0.00%	1.12%	76.67%	22.21%	100.00%

### (III) Shareholding distribution status

#### 1. Dispersion of ordinary shares:

The par value of each share is NT \$10; April 26, 2022

Shareholding classification	Number of shareholders	Number of shares held	Shareholding ratio
From 1 to 999	36,117	1,546,987	1.06%
From 1,000 to 5,000	8,077	16,871,338	11.61%
From 5,001 to 10,000	1,881	13,072,707	9.00%
From 10,001 to 15,000	882	10,302,639	7.09%
From 15,001 to 20,000	340	5,946,542	4.09%
From 20,001 to 30,000	399	9,503,828	6.54%
From 30,001 to 50,000	256	9,770,120	6.73%
From 50,001 to 100,000	198	13,667,382	9.41%
From 100,001 to 200,000	101	14,193,488	9.77%
From 200,001 to 400,000	36	9,585,676	6.60%
From 400,001 to 600,000	7	3,308,005	2.28%
From 600,001 to 800,000	4	2,530,972	1.74%
From 800,001 to 1,000,000	1	816,346	0.56%
Above 1,000,001	5	34,148,728	23.51%
Total	48,304	145,264,758	100.00%

#### 2. Special equity dispersion: not applicable.

## (IV) List of major shareholders:

Name, amount and proportion of shareholders holding 5% or more of the total shares or accounting for the top 10 equity ratio

The par value of each share is NT \$10; April 26, 2022

Name of major shareholders	shares	Number of shares held	Shareholding ratio
Special investment account of Bishengyi Holding Co., Ltd. entrusted by CTBC Bank of Taiwan		17,739,028	12.21%
Korean business CoAsia Corporation		11,673,652	8.04%
Nien Yung-Wen		2,068,622	1.42%
Huang Chih-Hao		1,400,000	0.96%
Tseng Yu-Yuan		1,267,426	0.87%
Chen Kuan-Yung		816,346	0.56%
Chang Jung-Tsun		680,381	0.47%
Chen Shu-Chuan		637,745	0.44%
Chiang Ping-chu		602,846	0.42%
Chen Shu-Hui		602,846	0.41%

## (V) Share prices for the past two fiscal years, with company net worth per share, earnings per share, dividends per share, and related information

Unit: New Taiwan dollars; Thousand shares

Project	year	2020	2021	The current year, as of March 31, 2022	
Market price per share	Highest	14.35	16.55	14.00	
	Lowest	7.38	10.35	12.10	
	Average	10.87	13.49	13.05	
Net worth per share	Before allocation	16.85	17.07	16.85	
	After allocation	16.51	Note 1	Note 1	
Earnings per share	The weighted average number of shares	142,416	145,265	145,265	
	Earnings per share	0.71	1.13	0.73	
Dividend per share	cash dividends		0.2	Note 1	Note 1
	Free allotment	Earnings allotment	0.2	Note 1	Note 1
		Capital reserve allotment	0	Note 1	Note 1
	Accumulated unpaid dividends		0	Note 1	Note 1
Investment return analysis	Cost-benefit ratio		15.31	11.94	43.50
	Cost-benefit ratio		54.35	Note 1	Note 1
	Cash dividend yield		1.84%	Note 1	Note 1

Note 1: The earnings distribution in 2021 is a cash dividend of NT \$ 0.25 per share and a stock dividend of NT \$ 0.25 per share under the resolution of the board of directors on March 8, 2022, which will be finalized after the resolution of the shareholders' meeting.

(VI) Dividend policy and implementation of the Company

1. Dividend policy stipulated in the articles of association:

The Company's dividend policy is formulated by the board of directors under the Company law and the articles of association, and the Company's capital and financial structure, operating conditions, capital budget, and changes in the internal and external environment. The Company is currently in the stage of operation growth. It is required to reserve earnings to meet the operation growth and investment needs. It adopts the residual dividend policy at this stage. The principle of earnings distribution is as follows: the ratio of a stock dividend and cash dividend shall determine the capital needs of the Company with a distribution of not less than 20% of the distributable earnings of the current year, but the ratio of a cash dividend of this part shall not be less than 50%.

2. Proposed dividend distribution for the current year:

The Company was resolved by the board of directors on March 8, 2022.

1. The statement of earnings distribution is as follows:

2021

Unit: New Taiwan dollars

Undistributed earnings at the beginning of the period	19,628,598
Plus: net profit after tax of the current period	164,317,635
Less: provision of 10% legal earnings reserve	16,431,764
Less: provision of the special earnings reserve	56,009,994
Current distributable earnings	111,504,475
Distribution items:	
Shareholder bonus -cash (NT \$ 0.25 per share)	36,316,190
Shareholder bonus -shares (NT \$ 0.25 per share)	36,316,190
Undistributed earnings at the end of the period	38,872,095

2. The cash dividend calculates as NT \$36,316,190, and the proposed allotment is NT \$ 0.25 per share until NT \$ 1.00, and the amount below NT \$ 1.00 is rounded off; The total amount of the zero-sum included in other income of the Company. After the approval of the shareholders' meeting, the board of

directors shall be authorized to set the ex-dividend benchmark date, payment date, and other relevant matters.

3. The number of dividend shares distributed by shareholders calculates based on the number of 145,264,758 shares outstanding. Subsequently, it proposes to request the general meeting of shareholders to authorize the board of directors to handle it with full power if the number of shares outstanding is affected by the change in the Company's share capital, resulting in the change in shareholders' interest distribution rate and share distribution rate.

(VII) The impact of the free allotment proposed at the shareholders' meeting on the Company's operating performance and earnings per share:

Since the Company did not disclose its financial forecast for 2022, there is no relevant information to calculate the impact of this free allotment on the Company's operating performance and earnings per share.

(VIII) Remuneration of employees and directors:

1. The percentage or scope of remuneration of employees and directors as outlined in the articles of association:

It shall allocate not less than 10% of the remuneration of employees and not more than 5% of the remuneration of directors if there is net profit before tax for the current period before deducting the remuneration of employees and directors in the year. However, the amount to be made up shall be reserved in advance if the Company still has accumulated losses. Employees may be paid in shares or cash. The recipients include employees of subordinate companies who meet certain conditions. Directors may only be remunerated in cash.

The distribution of remuneration of employees and directors shall be recommended by the Remuneration Committee, submitted to the board of directors for adoption by a resolution attended by more than two-thirds of the directors and agreed by more than half of the directors present, and reported to the shareholders' meeting.

2. The accounting treatment will be applied when there is any difference between the estimated basis of the amount of remuneration of employees and directors, the calculation basis of the number of shares of employee remuneration distributed by shares, and the actual distribution amount and the estimated amount.

The remuneration of employees and directors is listed as expenses and liabilities when there are legal or constructive obligations and the amount can be reasonably estimated. It shall be treated as the change of accounting estimate if there is any difference between the actual allotment amount and the estimated amount.

3. The board of directors approved the proposed distribution of employees and directors' remuneration.

The board of directors of the Company approved the proposed distribution of employee remuneration and director remuneration in 2021. The relevant information is as follows:

Unit: NT \$1,000

Distribution situation	The board of directors approved the distribution of remuneration
Employee compensation	20,797
Directors' remuneration	2,286

4. Distribution of earnings and remuneration to employees in the previous year.

The Company distributed NT \$ 11,045 thousand of employee remuneration in 2021 and NT \$ 1,105 thousand of director remuneration in cash in 2020, which is no different from the amount recorded by the Company in 2020.

(IX) The Company repurchases its shares: not applicable.

**II. Handling of corporate bonds (including overseas corporate bonds): none.**

**III. Handling of special shares: none.**

**IV. Participation in the issuance of overseas depositary receipts: none.**

**V. Handling of employee stock option certificate: none.**

**VI. Handling of new shares with restricted employee rights: none.**

(I) The Company's employee warrants that have not yet expired shall disclose the processing status as of the printing date of the annual report and its impact on shareholders' equity: none.

(II) It shall disclose the names, acquisition, and subscription of managers who have obtained employee stock option certificates and the top 10 employees who have obtained stock option certificates and can subscribe for more than NT \$30 million as of the printing date of the annual report: none.

**VII. Merger and acquisition or acquisition of shares of other companies and issuance of new shares: none.**

**VIII. Implementation of fund utilization project: not applicable.**

## Chapter 5. Operational Highlights

### I. Business activities

#### (I) Business scope

1. Main business contents
2. Main contents and business proportion

Unit: NT \$1000; %

Main products	2020		2021	
	Sales value	Ratio	Sales value	Ratio
Mobile communication device components revenue	24,078,470	89.67%	24,510,945	83.93%
Other products	2,669,610	9.94%	4,692,628	16.07%
Service revenue	0	0.00%	0	0.00%
Other operating income	104,493	0.39%	140	0.00%
<b>Total</b>	<b>26,852,573</b>	<b>100.00%</b>	<b>29,203,713</b>	<b>100.00%</b>

#### (1) AMOLED display products

Samsung is the world's first-panel supplier. Entrusted by customers, it designs, integrates, and buys AMOLED panel module products, which mainly apply in smartphones, notebook computers (NB), portable monitors, tablet computers, virtual reality products (VR), and Smart wearable devices, and onboard display applications.

#### (2) System LSI products

Samsung Semiconductor provides mobile device CMOS sensor/CPU/NFC and other products, adopts the industry's most advanced new technology integration capability, and its semiconductor production capacity meets the needs of world-class manufacturers, and provides customized specifications and products.

#### (3) MEMORY products

As Samsung is the world's first memory supplier, Samsung electronic semiconductor has the most advanced technology and the most complete product line, providing all-round services for electronic products, mainly used in Smartphones, personal consumer computers (PC/NB) and tablet products (tablet), virtual reality products (VR), smart wearable devices, car display, server related consumer products and AI.

#### (4) New business products

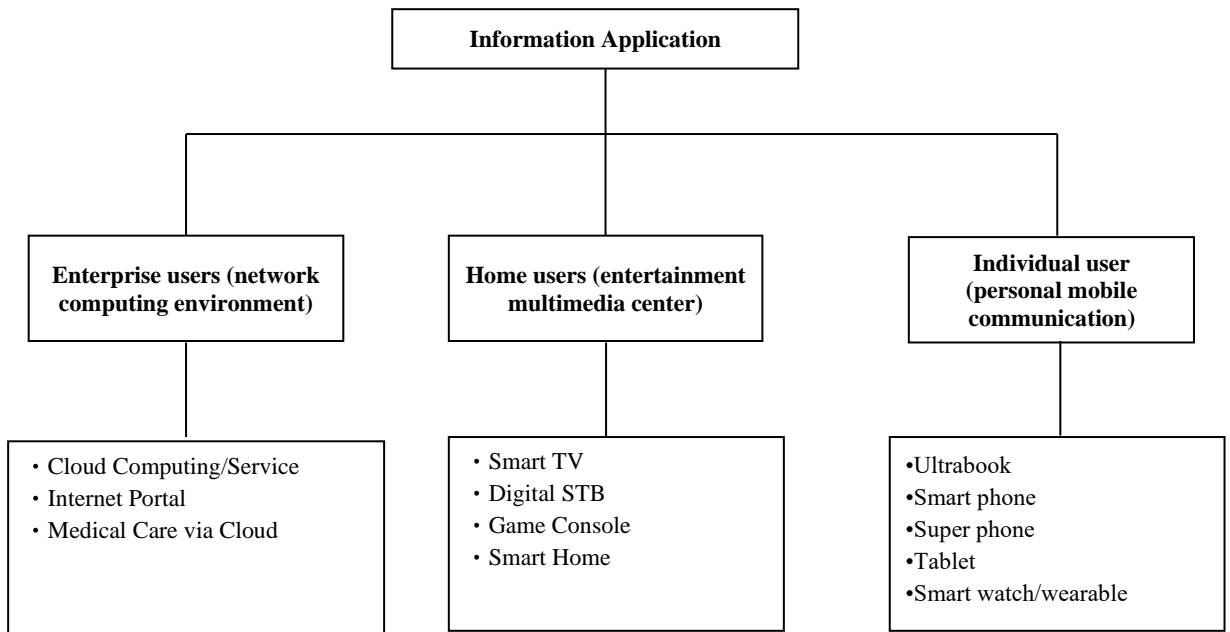
Aiming to meet the needs of customers, the new product business focuses on the rapidly developing voice recognition and control fields such as AI, IoT, and automobile fields, from hardware parts to software processing and integration, uses existing suppliers and related enterprises to give full play to the integration ability and provide customers with the most complete solutions.

#### (II) Industry Overview

##### 1. Current situation and development of the industry

The growth of Smart Phone is slowing down, but it has become an indispensable product for people's livelihood. Instead, the specification is

improved and new mobile applications are constantly being developed. The development of new technologies and leading product specifications are Samsung's strengths, and it also improves the competitiveness of production capacity and cost. The demand derived from emerging products and markets, such as wearable, AR / VR, Smart appliances, artificial intelligence, and industrial and commercial mobile applications, will also bring new growth.



## 2. Relevance of upstream, midstream, and downstream industries

In the mobile communication and consumer electronics industry, its industrial chain includes major components in the upstream, OEM / ODM manufacturers in the midstream, and downstream brand manufacturers (mobile communication: telecom operators and operating system operators). In recent years, derived from the different architectures of arm and Intel on the upstream chip side, to the operating systems of Microsoft Windows and Google, the vigorous development of Android and Apple's IOS have sparked different sparks in the battle over mobile communication products and then extended to network services. Taiwan has long had an extremely complete and professional industrial chain in the upper and middle reaches of the consumer electronics industry, while downstream brand manufacturers gradually have their market share and competitiveness in the international market. The relevance of upstream, midstream and downstream industries refer to the table below.



Upstream material	Key components: Processor, fundamental frequency chip, RF connectivity, power management chip, touch chip, sensing chip, G sensor memory, panel, touch module, passive component, functional element (antenna, battery, camera, etc.), mechanism element (PCB, soft board, casing, connector)	Provide hardware-related components
Midstream manufacturer	Equipment manufacturing: OEM / ODM manufacturer	
Downstream manufacturers	Brand operators (mobile communication: telecom operators, software suppliers)	Brand operators: operate brands and outsource manufacturing to OEM or self-made software suppliers: provide operating systems Telecom Operators: provide mobile communication services

### 3. Various development trends of products:

The panel specification of mainstream Smartphone models is now dominated by full HD + (2340x1080), while the resolution of the highest-level model dominates by WQ HD + (3040x1440). The improvement of AMOLED's production capacity and price competitiveness will also broaden the application scope of the market. Except for the existing mobile device market, It will also increase the future the proportion of applications in other fields, such as notebooks/TV. Samsung's flexible AMOLED technology and transparent AMOLED are leading the world. New product applications have been born with the development of new display technology.

Samsung CMOS sensor has evolving ISO cell pixels, which is unique in the world. PDAF & Dual photodiode, which leads the world trend, is comparable to the focusing speed of DSLR level. Tetra four in one pixel increases the lens brightness by four times. It can resist backlight situations with Smart WDR technology, active and passive synchronous multi-camera system, and an EIS image stabilization system to compensate for the jitter during hand shooting. The highest pixel 200mp photography orientation to 8K 30fps / 4K 120fps video orientation support across the board in the history of mobile phones and 0.64um extreme pixels miniaturize into a fully lightweight product design. More emphasis placed on the development of the high-end vehicle camera market with the rapid growth of automotive electronics in recent years, and HD and FHD CMOS sensors suitable for the vehicle launch. Furthermore, there are DVS, TOF, and other solutions that cooperate with face recognition, 3D modeling, UAV, vehicle, and mobile phone platforms.

Samsung is a major supplier in the memory field (DRAM and NAND). Samsung has continued to significantly boost its revenue thanks to the market demand for remote office and virtual learning, and the memory business has accounted for 29% of the overall semiconductor market revenue. The report stressed that the epidemic has caused structural changes in the global economy and promoted the steady development of the market. The memory market occupies by Samsung, Micron, and SK Hynix. Yonhap reported that Samsung Q4 The market

share of 21 has increased from 43.2% to 43.9%, and the market share remains in the lead; Samsung's memory applications are comprehensive, covering automobiles, 5g, AI, big data, consumer electronics, etc.

Artificial intelligence has become a trend. Large enterprises in various countries focus on relevant applications, from wearable products to home appliances, automobiles, robots, medical treatment, finance, and industry 4.0. It can be said that artificial intelligence will be applied in all fields related to our life. As our suppliers and related enterprises have system integration and capability, especially in the fields of loading, intelligent speakers, vehicle audio-visual navigation system, etc., CoAsia can provide more complete solutions and advantageous prices through up-down integration capability.

#### 4. Product competition

Chinese Mainland and South Korea have become the main driving regions of the global AMOLED industry from the perspective of global display industry development, and the Chinese Mainland has the most active investors in the AMOLED field. Although Samsung dominates the OLED small and medium-sized market at present, the production lines that have been put into operation or are under construction in the layout of OLED small and medium-sized production lines in the Chinese Mainland, which include BOE, cost, Vicino, Hehui optoelectronics, Shanghai Tianma, etc. On the whole, AMOLED still has the most advantages in Samsung's technology and yield rate.

The functions of the Smartphone's main lens mainly include a high-speed video camera, zoom-in magnification, focusing speed, resolution, and multi-lens. However, the front lens is no longer just the media of video with the rise of social software in the Internet economy, but also provides a more diversified functional orientation , including 3D face recognition and tetra large pixel/remote resolution switching to provide the needs of different customer groups. The parts of each size range from 1 / 1.3 "to 1 / 3" and provide various specifications and customization for different customer groups or mainstream markets. The popularity of high coverage panels such as 19:9 needs to effectively reduce the module area, while Samsung's CIS architecture supports bilateral gold lines and stacking, stacking vertically to reduce the sensor area, which can fully meet the needs of a large brand line manufacturer such as Samsung, Huawei, Xiaomi, Oppo, and Vivo. 0.64um miniaturized pixels have been applied to complete the lightweight product design.

South Korea has become the main manufacturer of the global memory industry in terms of the development of the global memory industry, while the Chinese Mainland has the most active investment in the memory field. Speed and technology are the most important core competencies of Samsung's semiconductor sector. Samsung defeated Japanese and European and American companies that made slow decisions and made negative investments during the recession in the past by boldly investing in the semiconductor industry the recession. Then it adopted the synchronous engineering strategy of new product development and mass production line construction, and successfully won the leading position in the market share. It is bound to rewrite the distribution of the global memory map in the future despite the rise of China's memory power, but the innovation and quality stability of products meet the needs of the rapid development of science and technology.

How to shorten the R&D time and quickly enter production has become a key due to the rapid development of the artificial intelligence market. Our experience in the integration of embedded systems can enable product developers to shorten

the development time, and the ability of software and hardware system integration can enable customers to achieve twice the result with half the effort in development.

(III) Technology and R&D overview

1. R&D expenses invested in the recent year and up to the printing date of the annual report:

Unit: NT \$1,000

Project \ year	2021	The first quarter of 2022
R&D expenses	17,927	0

2. Successfully developed technology or product

Date	Research and development achievements
March 2006	Wireless area network telephone -system hardware design verification (DVT)
March 2006	Wireless LAN telephony -Application Software ( $\beta$ Release)
October 2006	Mass production of photographic navigation reference design platform
November 2006	The size of the 15x23 satellite navigation chip module is not equal to that of the 15x13
December 2006	C340 development platform integrating sound effect chip and navigation chip
May 2007	The engineering prototype of the vehicle traffic monitoring system
May 2007	Mass production of photographic navigation reference design platform supporting multi-layer cell (MLC) flash memory
June 2007	Embedded system development platform c343 platform design v.1
August 2007	Application of GPS software to the c343 platform
October 2007	7"Design of digital picture frame reference platform
December 2007	Embedded system development platform c343 Linux BSP
January 2008	ARM11 level embedded system development platform C640 platform
April 2008	Development of auxiliary positioning software for vehicle navigation system - client E.E
February 2009	Specification development of CMO sensor and lens of ultra-thin NB cam module
June 2009	The standard module design of HD NB Cam with high pixel and ultra-high Frame Rate
August 2009	Cooperative development of CSP like packaging technology for CIS embedded IR glass -Design Verification and trial production of Tera Pak and NeonPak
September 2009	Integration of wafer-level CSP-like packaging and glass coating technology - NeoPAC cooperative design and trial production
October 2009	Packaging technology of a new generation CMOS sensor without Dam process - cooperative development of ELCC
December 2009	Embedded information navigation device with built-in capacitive touch panel
December 2009	4.3" 600*272 2D touch Window XP OS develop

Date	Research and development achievements
December 2009	7.0" 800*600 1D touch Linux OS develop
January 2010	10.1" 800*600 2D touch Window7 stand alone develop
February 2010	4.3" one single glass(non cutting stress) develop
March 2010	3.5" 2D touch standard develop
April 2010	4.8 "capacitive touch and WSVGATFT module
July 2010	7 "USB ultra-thin touch panel module
August 2010	10.1 "USB ultra-thin touch panel module
February 2011	2.4"one layer sensor
October 2011	MagicLEGO-4210 reference design, mobile communication product solution, using Android 2.3 and Samsung ARM Cortex A9 dual-core.
April 2012	MagicLEGO-4x12 physical machine specification, mobile communication product solution, with Android 4.0 and Samsung 32nm ARM Cortex A9 multi-core.
May 2013	MagicLEGO-5x50 physical machine specification, tablet computer product solution, using Android 4 X and Samsung 32nm ARM Cortex -A15 dual-core
October 2013	MagicLEGO-4412 physical machine specification, tablet computer product solution, software upgrade, Android version 4.2.2.
February 2015	AIR MENTOR temperament treasure six in one indoor air quality detector, a self-owned brand product, won Computex 2015 D&I iF design award and two patent applications.
April 2016	AIR MENTOR has accumulated four patent certificates.
May 2016	AIR Mentor temperament treasure's new product intelligent portable wine detector won the Computex 2016 D&I iF design award.

#### (IV) Long-term and short-term business development project

##### 1. Short-term development project

###### (1) Marketing strategy

- a. Deeply rooted in major customers and providing all-around key components and technical services.
- b. Integrating key components, providing system software and hardware solutions, and cultivating specific application fields. Such as Smart Phone, NB (notebook computer), Pad/Tablet (tablet computer), vehicle application and VR (virtual reality), store face recognition payment, UAV obstacle avoidance, and other products.
- c. Expanding the high-profit mobile communication product line of large international factories to provide customers with the service of a one-time purchase.

###### (2) Production strategy

- a. Systematically managing the supply chain system to ensure the requirements of quality, delivery time, and cost.
- b. Cooperating with manufacturers to develop production technology and

improve production efficiency.

(3) Product strategy

- a. Continuing to introduce high margin mobile communication key components; Provide customers with One-Stop Shopping solutions, shorten customer R&D time, and achieve win-win results with customers.
- b. Strengthening the import and sales of self-owned software and hardware systems and products, and focus on cooperation with well-known foreign manufacturers of existing distribution product lines.

(4) Operation strategy

- a. Providing customers with all-around solutions, cooperating with the Company to obtain resources, implementing the One-Stop Shopping strategy, and strengthening service efficiency to improve profitability.
- b. Integrating group resources and managing various business risks through risk control.
- c. Strengthening the respective competitive strength of component sales and system production and marketing business departments, and form a comprehensive effect of cooperation to stimulate growth momentum.
- d. Implementing target management, and improving strategic organization and operation process to improve execution.

(5) Financial strategy

- a. Actively developing low capital costs to enrich working capital.
- b. Managing exchange rate hedging through risk control.
- c. Implementing customer credit limit management to avoid bad creditors' rights.
- d. Improving the efficiency of ERP system to save labor cost and improve the efficiency of information analysis.

2. Long-term development project

(1) Marketing strategy

- a. Deepening the sales bases in the three places on both sides of the Strait, Southeast Asia, and India, and cooperating with the development strategies of suppliers and customers to improve market popularity and share.
- b. Developing advanced system solutions with leaders in various application fields to ensure their position in this field.
- c. Increasing the proportion of products with high gross profit and deeply cultivating key customers to ensure sustainable profits.

(2) Product strategy

- a. Pursuing high margin product standards and continuing to invest in the research and development of new-generation products.
  - b. Actively developing design development platforms for new application fields and moving towards more comprehensive system solution providers.
  - c. Actively providing high value-added and diversified system solutions to distinguish from competitors.
- (3) Operation strategy
- a. Establishing a complete design service supply chain to provide customers with all-around services.
  - b. Utilizing local and R & D talents to develop the ability of global on-site support.
- (4) Financial strategy
- a. Making full use of the financial instruments of the capital market to obtain low-cost funds for international development.
  - b. Making full use of the financial planning of affiliated companies at home and abroad to give full play to the comprehensive effect of financial leverage.

## II. Market and production and marketing overview

### (I) Market analysis

#### 1. Sales (provision) region of main goods (services)

Unit: NT \$/ thousand;%

Sales area		2020		2021	
		Amount	Proportion (%)	Amount	Proportion (%)
Domestic sales		2,033,264	7.57%	5,962,745	20.42%
Export sales	Asia	24,701,975	91.99%	23,107,426	79.12%
	America	117,334	0.44%	110,737	0.38%
	Europe	0	0.00%	22,805	0.08%
Total		26,852,573	100.00%	29,203,713	100.00%

#### 2. Market share

The net consolidated operating income of the group in 2021 was NT \$29.2 billion, an increase of 2.4 billion (8.96%) over NT \$26.8 billion in 2020. We will continue to expand the market of mobile communication in the future, information, communication, and consumer electronics industries in Taiwan, and actively develop the Southeast Asian market to maintain the sales market share.

#### 3. Future supply and demand situation and growth of the market

##### (1) Demand and growth of the memory

The rise of Smartphones, personal consumption computers, and tablets have driven the popularity of the mobile memory market. Mobile memory has the characteristics of high efficiency and low power consumption, which can greatly prolong the service time of handheld devices. It can be expected that under the development of handheld mobile devices and the needs of consumers, the capacity growth of mobile memory is still an inevitable trend in the future. Furthermore, there is a large demand for solid-state disk and cloud servers, driven by the overall demand for education space.

The Samsung mobile memory represented by the Company occupies a leading position in the market. It not only has an advanced process but also has better specifications than other brands. The combination of Flash Memory and DRAM can meet the requirements of mobile device specifications for various applications.

##### (2) Application of AMOLED

Samsung Display Corp. (SDC) of South Korea has developed AMOLED panel technology quite mature, and its application can meet the needs of large, medium, and small sizes, such as mobile phone panels, medium-sized

products such as Tablet and Notebook panels to large-sized product applications. It will increase day by day for the demand for entertainment content centered on video and audio with the improvement of wireless communication speed. AMOLED panels with excellent power-saving characteristics can meet the requirements of portable mobile products in the future. For example, the curly AMOLED display does not occupy space (Samsung “YOUM” -unbreakable OLED), the ultra-thin OLED panel is embedded in the passport and IC card, and the transparent OLED panel is installed in the front of the car for satellite navigation.

(3) Together with the mobile application processor (AP) and wafer OEM, the image sensor has become the key to entering the system chip market.

The camera module has become the main battlefield of specification war. The camera function is gradually valued by consumers with the rise of social networks and the change in user habits. As brand manufacturers gradually improve the camera module specification, and the homogenization of intelligent mobile phones is becoming more and more obvious, the hardware specification war has become the focus of differentiation among brand manufacturers, such as pixels from 5MP, 16mp to 200mp. It extends the front line to the camera module that consumers pay more and more attention to, which includes from a single camera module to the mainstream three cameras, the latest six cameras, and optical zoom from 2x to 100x.

#### 4. Competitive advantage

The Company started with IC design. In recent years, the Company has introduced the key components of mobile communication of small and medium-sized AMOLED from Samsung Electronics of South Korea, such as CPU, CIS and memory, and SDC. The Company can create a partnership for common growth with Samsung by consolidating the Company's competitive advantage, and can also improve the stability of Samsung's supply source, providing the integrated service of One-Stop Shopping for mobile communication system manufacturers. The competitive advantages of the Company are as follows:

##### A. Best mobile communication provider(Mobile Solution Provider)

The Company has complete embedded system solutions, including all-around business projects such as key components, multi-functional modules, and system integration services. It will undoubtedly be the best partner of various portable electronic product manufacturers with an experienced technical support team. Furthermore, the key components of mobile communication products in the market are the products of the world's largest manufacturers, such as small and medium-sized AMOLED, CPU, CIS, memory, etc. It also has a complete technical team to provide



customers with technical support in addition to providing major key components at a reasonable price. It is the best partner for customers to develop mobile communication products.

B. Keen market and industry analysis ability

The Company deeply understands that marketing is related to the success or failure of the operation. Business and R&D-related personnel always study the reports of professional media magazines and journals, actively participate in various electronic product publications, absorb new knowledge and technology, and master the market pulse, enhancing creativity and R&D skills. The most important thing is to be able to grasp the operation status at any time. It shall share market information through internal irregular business and R&D coordination meetings and new product promotion and release meetings, determine the target market through market analysis and opinion exchange, master the R&D schedule of new products, help customers launch emerging products required by the market and create a win-win situation with customers.

The Company can timely obtain the customer's demand and grasp the market pulse in time through the interaction with the selling customers. It will be able to quickly respond to the supplier's relevant market information and technology development trends, and respond to the demand of the client in time, obtaining the best customer satisfaction. As for the selling client-side, the Company can also provide the design resources of the Company and the supplier during the product design time through the long-term good cooperative relationship between the Company and the supplier, which will help sales customers launch products in time, seize market opportunities and create three wins.

C. The stable rate of customer source is high, and the customer orders are growing year by year

As the proportion of the products sold by the Company changes due to the industry to which the customers belong, the rise and fall of the products sold, and the industry and product competition faced by the customers, it is helpful for the turnover of AMOLED, CIS and mobile memory sold by the Company due to the hot demand of customers' industries, especially in smartphones, tablet computers, and NB.

D. Outstanding business and engineering support team

The Company has more than 20 years of experience in cooperation with Samsung products. The Company's business and technical team is the best backing for customers to shorten the listing of products. Most of the main Smartphone manufacturers around the world at present are the main customers of AMOLED, CIS, and memory of the Company. Due to the

strong competitiveness of products and the action force close to direct services, it can expect a stable growth of performance in the future.

5. Favorable and unfavorable factors and solutions to the development prospect

(1) Favorable factors

- a. The demand for key components required by mobile communication multimedia application products is increasing year by year. It is competitive for the relevant proxy communication components of Samsung by the Company.
- b. The Company's agent products have a major competitive advantage with the growing demand for consumer electronic products.
- c. Smartphones, tablet computers, and NB have a good growth prospect, creating more emerging application opportunities for IC components and a large demand for system products.

(2) Adverse factors

- a. The Taiwan market is gradually declining

The Taiwan market is gradually declining with China's huge market and the potential for sustained growth in the future, and it is normal for goods to be delivered to the mainland and Southeast Asia.

Solutions:

Integrating the resources of enterprises in Southeast Asia, Hong Kong, and Mainland China, providing system solutions in specific application fields, quickly and correctly meet the market demand, and actively expand and develop the international market. Meanwhile, the Company has established more complete companies and branches in South Korea, Mainland China, Taiwan, Southeast Asia, and even India to grasp real-time business opportunities and serve customers locally.

- b. Senior talents, difficult to obtain and rapidly rising costs.

Talent is the most important resource in the high-tech industry. The acquisition of professional manpower is becoming more and more competitive due to the vigorous development of the IC industry. The Company must pay a high human cost to condense the centripetal force of professionals to the Company.

Solutions:

Improving the Company's popularity to attract talents.

Improving the Company's profit and employee compensation policies to enable employees to obtain high remuneration.

(II) Important use and production process of main products: not applicable.

(III) Supply of main raw materials

As for the main components (including CPU, memory, AMOLED, and CIS) of various mobile communication multimedia applications, the main supplier is Samsung. The Company has signed an agency contract with Samsung Electronics, and there is no need to worry about the supply status.

(IV) The name of the customer who has accounted for more than 10% of the total purchase (Sales) in any of the past two years, the amount and proportion of the purchase (Sales), and the reasons for the change

(1) The name and amount and proportion of customers who have accounted for more than 10% of the total sales in any of the past two years

Unit: NT \$1,000

Project	2020				2021				As of the previous quarter of 2022(Note 2)			
	Name	Amount	The proportion of net sales for the whole year [%]	Relationship with the issuer	Name	Amount	The proportion of net sales for the whole year [%]	Relationship with the issuer	Name	Amount	Ratio to net sales of the current year as of the previous quarter [%]	Relationship with the issuer
1	MC company	8,574,667	31.93%	None	AS company	3,739,038	12.80%	None	TM company	956,888	11.75%	None
2	TM company	1,639,671	6.11%	None	TM company	2,303,903	7.89%	None	AA company	876,809	10.77%	None
3					MC company	2,206,979	7.56%	None	AS company	127,909	1.57%	None
4												
5												
6												
7												
8												
9												
10												
	Others	16,638,235	61.96%		Others	20,953,793	71.75%		Others	6,182,200	75.91%	
	Net sales	26,852,573	100.00%		Net sales	29,203,713	100.00%		Net sales	8,143,806	100.00%	

Note 1: it shall list the name of the customer with more than 10% of the total sales in the recent two years and the amount and proportion of the sales. However, it can be coded if the customer's name or the trading partner is an individual and not a related person due to the contract.

Note 2: as of the publication date of the annual report, it shall also disclose if a company listed or whose shares have traded on the over-the-counter market of a securities firm has financial information audited, certified, or reviewed by a CPA in the most recent period.

(2) The name of the supplier who has accounted for more than 10% of the total purchase amount and the purchase amount and proportion in any one of the past two years

Unit: NT \$1000

Project	2020				2021				As of the previous quarter of 2022(Note 2)			
	Name	Amount	Ratio [%]	Relationship with the issuer	Name	Amount	Net purchase ratio [%]	Relationship with the issuer	Name	Amount	Ratio to the net purchase of the current year as of the previous quarter [%]	Relationship with the issuer
1	Samsung Asia	9,297,002	35.46%	Substantially related person	Shanghai Samsung	16,349,807	54.38%	Substantially related person	Shanghai Samsung	4,476,708	58.88%	Substantially related person
2	Shanghai Samsung	9,078,152	34.63%	Substantially related person	Taiwan Samsung	5,634,487	18.74%	Substantially related person	SIEL	829,683	10.91%	Substantially related person
3	Xi'an Samsung	1,862,231	7.1%	Substantially related person	SIEL	3,082,236	10.25%	Substantially related person	Taiwan Samsung	505,226	6.65%	Substantially related person
4					Samsung Asia	2,880,852	9.58%	Substantially related person				
5												
6												
7												
8												
9												
10												
	Others	5,979,306	22.81%		Others	2,118,217	7.05%		Others	1,791,607	23.56%	
	Net purchase	26,216,691	100.00%		Net purchase	30,065,599	100.00%		Net purchase	7,603,224	100.00%	

Note 1: it shall list the name of the supplier with more than 10% of the total purchase amount in the recent two years and its purchase amount and proportion. However, it can be coded if the name of the supplier or the trading partner is an individual and not a related person due to the contract.

Note 2: as of the publication date of the annual report, it shall also disclose if a company listed or whose shares have traded on the over-the-counter market of a securities firm has financial information audited, certified, or reviewed by a CPA in the most recent period.

(V) Production value of the past two years

Unit: NT \$ 1000 / thousand pieces (piece)

Production value Main commodity (or department)	year	2020			2021		
		Capacity (note)	Volume	output value	Capacity (note)	Volume	output value
Mobile communication device components			741,134	23,596,209		478,043	25,457,645
Others			30,471	2,620,482		25,615	4,607,954
Total			771,605	26,216,691		503,658	30,065,599

Note: as the Company is an electronic channel industry and does not produce goods, there is no production capacity.

(VI) Sales volume in the past two years

Unit: NT \$ 1000 / thousand pieces (piece)

Sales value Main commodity (or department)	year	2020				2021			
		Domestic sales		Export sales		Domestic sales		Export sales	
		Sales volume	Value	Sales volume	Value	Sales volume	Value	Sales volume	Value
Mobile communication device components		8,798	1,395,229	705,512	22,683,241	12,626	4,915,926	351,598	19,595,019
Other products		61	638,035	32,189	2,031,575	80	1,046,679	25,255	3,645,949
Other operating income				1	104,493	1	140		
Service revenue					0				
Total		8,859	2,033,264	737,702	24,819,309	12,707	5,962,745	376,853	23,240,968

III. Number of employees in the past two years

Unit: person;%

year		2020	2021	Current year ended March 31, 2022
Number of employees	Manager	20	21	20
	R&D personnel	0	0	0
	Business marketing personnel	72	65	66
	Administrative staff	70	69	70
	Total	162	155	156
average age		37.80	39.05	39.04
Average Years of service		5.91	6.16	6.19
Academic distribution	doctor	0	0	0
	master	16	17	17
	junior college	144	136	137
	high school	2	2	2
	below high school	0	0	0

#### **IV. Environmental protection expenditure information**

As for the recent year and up to the printing date of the annual report, the losses caused by environmental pollution (including compensation and environmental protection inspection results) violate environmental protection regulations, it shall specify the date of the disposition, the name of the disposition, the provisions of the violation of regulations, the contents of the violation of regulations, and the contents of the disposition), and disclose the estimated amount and measures that may occur at present and in the future, it shall explain the fact that cannot be reasonably estimated if it cannot be reasonably estimated:

As of the printing date of the annual report, the Company has not suffered losses due to environmental pollution in recent years.

EU environmental protection directive (RoHS) -

The European Union began to implement the European Union Environmental Protection Directive (RoHS) in July 2005, aiming to ban six toxic chemicals such as Pb, Hg, Cd, Cr6+, PBB, and PBDC, avoiding the penetration of toxic substances into the soil with the improper treatment of waste electronic products, affecting the groundwater quality, causing serious pollution and endangering human health.

In response to the EU ROHS Directive:

- (1) The Company's main operation is the trading of electronic components, mainly including Samsung CPU, CIS, memory and OLED, and other key components, and main customers include domestic manufacturers of electronic information, network communication, and consumer electronic products.  
The design and materials of air mentor products developed by the Company are under ROHS directive.
- (2) The products sold by the Company are not directly exported to Europe but are mainly sold to manufacturers of electronic information products.
- (3) The Company's main supplier is Samsung of Korea, which has completed the development of new products and related processes in response to the EU environmental protection directive (RoHS), and provides products meeting environmental protection certification under the development schedule requirements of customers' new product models for production and use by system manufacturers. The Company also requires other suppliers that the materials they supply must comply with ROHS regulations. They shall also obtain the test report of qualified testing units (such as SGS) in addition to asking the suppliers to sign the guarantee. The investigation results can meet the requirements of RoHS.
- (4) The Company has planned relevant materials and warehousing operations to meet the different material production needs of customers with lead and lead-free materials and has completed all relevant operations.

## V. Labor relations

It shall list the Company's employee welfare measures, further education, training, retirement system, and its implementation, as well as the agreement between labor and capital and various employee rights and interests protection measures.

The Company adheres to the spirit that employees are the Company's strategic partners and the most important assets, and actively undertakes the responsibility of caring for employees, caring for employees, and giving back to employees. As for personal welfare, the Company provides various benefits such as marriage, childbirth, funeral, emergency relief, and community activities. Since June 3, 2002, the Company has established an "employee welfare committee" being responsible for employees' family games projects, domestic tourism, Party dinners, art and culture appreciation, etc.

### 1. The Company provides diversified employee welfare projects

#### (1) Generous welfare programs

The Company's welfare includes consolation benefits for Mid Autumn Festival, Dragon Boat Festival, and other festivals, birthday gifts, labor pensions, domestic employees' tourism activities, book purchase and further education subsidies, parking space subsidies, mobile phone expenses subsidies, public oil subsidies, and diversified health examination subsidies.

#### (2) Perfect insurance and guarantee

Except for taking out labor insurance and health insurance under government regulations, the Company also provides a perfect group insurance plan, including life insurance, major disease insurance, group hospitalization medical insurance, cancer insurance, accident insurance, etc.

#### (3) Wedding and funeral subsidies

### 2. Further education and training:

The Company attaches importance to the learning, development, education, and training of employees. Education and training are divided into internal and external education and training

#### (1) Internal training is divided into new training and professional function training

A. The Company conducts company profile, business philosophy, HR / general affairs/accounting rules and regulations, enterprise resource website, common information system operation instructions, etc. for new employees.

B. The Company holds professional education and training within the enterprise from time to time under business and professional needs

#### (2) External training

Employees of the Company can apply under their work and personal learning and growth needs, or participate in external professional training courses designated by their supervisor.

Course name, training expenditure, number of trainees, and training hours implemented in the current year

Project		Number of shifts	Total person-time	Total hours
Internal training	initial training	30	30	120
	Professional function training	14	276	30
External training		14	14	114

3. Retirement system of the Company

The pension system of the labor pension ordinance applicable to the Company is that the Company shall pay no less than 6% of the labor pension allocation rate on a monthly basis under the labor pension ordinance, and shall also deposit in the employee's special account for labor pension established by the labor insurance bureau under the monthly wage classification approved by the Executive Yuan.

4. Labor agreement

(1) The Company's internal portal.

Open the discussion area of the Company's internal portal website, life gags, and new person introduction to establishing a communication channel for employees

(2) The Company's website is equipped with a whistleblower line and e-mail to establish a communication channel between employees, shareholders and stakeholders, and the board of directors.

(3) Annual performance development project interview.

(4) Interview , education , and training of new employees.

(5) Operation and management meeting: the weekly operation and management meeting shall attend by the directors above the associate level of each department to regularly discuss the operation and management policies and relevant internal issues of the Company.

5. Protective measures for employees' working environment and personal safety

To fulfill the corporate social responsibility and protect the work safety of colleagues, the Company takes providing a safe, healthy and comfortable working environment as the primary goal, and enables colleagues to develop a correct concept of health and obtain high-quality services in line with human nature by promoting health and safety management. The Company is committed to:

(1) Office decoration shall use building materials, hardware, coatings, and construction methods based on national regulations.

(2) Setting up fire-fighting facilities and equipment that comply with fire-fighting regulations, cooperating with building management (Park) to regularly detect and maintain office fire-fighting facilities and functions, and preparing to escape route map.



- (3) Inspecting and maintaining the air conditioning system annually, cleaning, maintaining, and replacing the filter screen regularly, and controlling the air quality.
  - (4) Providing moderate lighting in offices and other workplaces to protect colleagues' eye health.
  - (5) Carrying out daily office inspections in the morning, afternoon, and evening, strengthening the monitoring of office operation environment, actively checking, timely reflect, and improving treatment.
  - (6) Providing a clean office environment. A specially assigned person shall be responsible for cleaning and regularly cleaning the carpet, making office disinfection, and advocating norms such as hot food, no odor in the office, and no garbage at night. . etc.
  - (7) Providing healthy drinking water services, building sterile drinking machines, and requiring regular water quality testing of drinking machines.
  - (8) The office area is equipped with an access control system and image monitoring system, and public accident liability insurance is insured. The park is equipped with professional security personnel to conduct regular patrol inspections inside and outside the park, in public areas, and around the office to ensure the safety of each employee's working environment.
  - (9) The office implemented the law on gender equality at work and measures related to the prevention and control of sexual harassment under the law.
6. As for the recent year and up to the printing date of the annual report and the losses suffered by the Company due to labor disputes (including the violation of the Labor Standards Law in the labor inspection results, the date of punishment, the name of punishment, the violation of regulations, the content of violation of regulations, and the content of punishment) and the disclosed estimated amount and measures that may occur at present and in the future, the facts that cannot be reasonably estimated shall be explained "none" if they cannot be reasonably estimated.
  7. Policies for linking the Company's business performance or results with employee compensation:
 

Article 20 of the articles of association stipulate: " it shall allocate not less than 10% as the remuneration of employees and not more than 5% as the remuneration of directors if the Company has the net profit before tax for the current period before deducting the remuneration of employees and directors and supervisors. However, it shall reserve the compensation amount in advance if the Company has accumulated losses. Employees may be paid in shares or cash. The objects of distribution may include employees of controlled or subordinate companies who meet the conditions set by the board of directors. Directors may only be remunerated in cash. The distribution of employee remuneration and directors' remuneration shall propose by the Remuneration Committee, submit to the board of directors for adoption by a resolution

attended by more than two-thirds of the directors and agreed upon by more than half of the directors, and report to the shareholders' meeting.

The term "profit for the year" as mentioned in the preceding paragraph refers to the profit before tax of the year minus the distribution of employee remuneration and director remuneration. Employees' remuneration shall pay to employees of subordinate companies who meet certain conditions.

The Company's governance and operation management policy shall not only aim at the achievement of substantive operating results, but also more carefully from the management direction, department work objectives, and personal performance, fully combined with sustainability indicators and takes the practice of corporate social responsibility as the mission. The more important thing is that the whole company shall make every step friendly to the environment except for striving to achieve profitable results, with nature as the main body and social interests as the purpose from top to bottom. Therefore, the incentive reward system designs to give back to colleagues who work hard.

※ performance bonus:

Evaluate the performance appraisal conducted by colleagues in the year's work performance. The appraisal content divides into quantitative work objectives and qualitative functional behavior. Meanwhile, it includes relevant indicators such as risk and sustainable control in the appraisal items, the appraisal results are fully combined with corporate governance, overall operation, and sustainable Development (such as industrial safety, environmental pollution, carbon reduction, quality, and asset safety indicators).

※ semi-annual bonus:

The Company introduced a semi-annual bonus system in 2020 to enable employees to share achievements and effectively motivate colleagues. The semi-annual bonus system also combines various indicator items (such as industrial safety indicators, environmental pollution, carbon reduction, quality indicators, etc.) to continuously integrate corporate social responsibility into the Company's operation to achieve sustainable operation except for measuring EPS and key measurement indicators in the first and second half of the year.

## VI. Important contract

Nature of contract	Party	Contract start and end date	Main content	Restrictive clause
Agency contract	SAMSUNG ELECTRONIC TAIWAN CO., LTD.	2022.03.01~2023.02.28	Acting semiconductor parts	<ol style="list-style-type: none"> <li>1. Samsung's trademark shall not apply for other purposes or be authorized to be used by others, and Samsung's rights shall be safeguarded at any time</li> <li>2. Obligation of confidentiality</li> <li>3. It shall not be transferred, pledged, or disposed of by the agency.</li> </ol>
Agency contract	SHANGHAI SAMSUNG SEMICONDUCTOR Co., Ltd.	2022.03.01~2023.02.28	Acting semiconductor parts	<ol style="list-style-type: none"> <li>1. Samsung's trademark shall not apply for other purposes or be authorized to be used by others, and Samsung's rights shall be safeguarded at any time</li> <li>2. Obligation of confidentiality</li> <li>3. It shall not be transferred, pledged, or disposed of by the agency.</li> </ol>
Agency contract	SAMSUNG SEMICONDUCTOR (Xi'an) Co., Ltd	2022.03.01~2023.02.28	Acting semiconductor parts	<ol style="list-style-type: none"> <li>1. Samsung's trademark shall not apply for other purposes or be authorized to be used by others, and Samsung's rights shall be safeguarded at any time</li> <li>2. Obligation of confidentiality</li> <li>3. It shall not be transferred, pledged, or disposed of by the agency.</li> </ol>
Joint credit deed	<ol style="list-style-type: none"> <li>1. Taiwan Shin Kong Commercial Bank Co., Ltd.</li> <li>2. Entie Bank</li> <li>3. Shanghai Commercial Bank</li> <li>4. Taichung Bank (TCB)</li> <li>5. Bank SinoPac</li> </ol>	<p>The effective date of the contract is March 21, 2022</p> <p>The credit period starts from the first use date of the credit case to the expiration of three years</p>	Applying for credit from the credit-granting bank group to enrich the needs of operation turnover	<ol style="list-style-type: none"> <li>1. Joint and several guarantors</li> <li>2. The credit-granting Bank Group has the right to claim acceleration terms to terminate the credit and offset in case of any event of default (including failure to pay under the contract, breach of obligations, misrepresentation, cross-default, major adverse changes and affecting the ability to repay principal and interest).</li> </ol>

## Chapter 6. Financial Information

I. Concise balance sheet, comprehensive income statement, name of a certified public accountant, and audit opinions for the past five years

(I) Condensed balance sheet

1. Independent condensed balance sheet -IFRS

Unit: NT \$1,000

Project	year	Financial data for the past five years (Note 1)					Financial information for the current year as of March 31, 2022
		2017	2018	2019	2020	2021	
Current assets		2,992,913	2,633,569	2,994,355	3,316,107	3,840,713	4,393,547
Property, plant and equipment		134,721	131,498	129,242	127,525	150,061	187,967
Right of use assets				4,992	3,409	5,233	4,521
Intangible assets		5,361	4,995	34,285	32,905	30,610	29,192
Other assets		946,628	880,583	1,146,700	1,282,506	1,322,207	1,414,209
Total assets		4,079,623	3,650,645	4,309,574	4,762,452	5,348,824	6,029,436
Current liabilities	Before allocation	1,672,420	1,347,682	1,931,780	2,344,548	2,856,311	3,427,917
	After allocation	1,672,420	1,347,682	1,931,780	2,373,031	(Note 2)	(Note 2)
Non current liabilities		7,375	5,745	13,176	14,166	8,712	8,851
Total liabilities	Before allocation	1,679,795	1,353,427	1,944,956	2,358,714	2,865,023	3,436,768
	After allocation	1,679,795	1,353,427	1,944,956	2,387,197	(Note 2)	(Note 2)
Attributable to the parent company		2,399,828	2,297,218	2,364,618	2,403,738	2,483,801	2,592,668
Interests of owners							
Equity		1,396,240	1,396,240	1,396,240	1,424,165	1,452,648	1,452,648
Capital reserve		804,688	836,817	836,817	836,817	837,054	837,064
Retained surplus	Before allocation	251,494	100,504	181,929	227,164	334,515	404,165
	After allocation	251,494	100,504	181,929	170,198	(Note 2)	(Note 2)
Other equity		(52,594)	(36,343)	(50,368)	(84,408)	(140,416)	(101,209)
Treasury stock		0	0	0	0	0	0
Non-controlling interest		0	0	0	0	0	0
Total equity	Before allocation	2,399,828	2,297,218	2,364,618	2,403,738	2,483,801	2,592,668
	After allocation	2,399,828	2,297,218	2,364,618	2,375,255	(Note 2)	(Note 2)

Note 1: the financial data of the above years have been audited and certified by accountants.

Note 2: the 2021 earnings distribution project is listed at the shareholders' meeting.

2. Independent condensed consolidated income statement -International Financial Reporting Standards

Unit: NT \$1,000

Project \ year	Financial data for the past five years (Note 1)					Financial information for the current year as of March 31, 2022
	2017	2018	2019	2020	2021	
Operation income	13,190,376	8,298,577	7,905,296	9,855,383	14,564,375	2,999,189
Gross operating profit	256,145	187,256	172,965	216,879	341,839	93,438
Operating income/(loss)	82,729	(12,036)	(24,919)	13,246	92,716	31,161
Non operating income and expenditure	5,506	(125,343)	106,833	75,270	92,171	89,167
Net profit before tax	88,235	(137,379)	81,914	88,516	184,887	120,328
Continuing operation unit Current net profit	70,184	(123,741)	81,425	101,085	164,317	105,966
Loss of discontinued unit	0	0	0	0	0	0
Current net profit (loss)	70,184	(123,741)	81,425	101,085	164,317	105,966
Other comprehensive income/(loss) of the current period (net of	(44,728)	16,251	(14,025)	(34,040)	(56,008)	39,207
Total comprehensive income/(loss) for the current period	25,456	(107,490)	67,400	67,045	108,309	145,173
The net profit belongs to the owner of the parent company	70,184	(123,741)	81,425	101,085	164,317	105,966
Net profit attributable to non-controlling interests	0	0	0	0	0	0
Total comprehensive income/(loss) attributable to the owner	25,456	(107,490)	67,400	67,045	108,309	145,173
Total comprehensive income/(loss) attributable to non-	0	0	0	0	0	0
Earnings per share	0.50	(0.89)	0.58	0.71	1.13	0.73

Note 1: the financial data of the above years have been audited and certified by accountants.

### 3. Consolidated condensed balance sheet - IFRS

Unit: NT \$1,000

Project		Financial data for the past five years (Note 1)					Financial information for the current year as of March 31, 2022 (Note 3)
		2017	2018	2019	2020	2021	
Current assets		6,095,901	5,470,750	5,769,889	6,038,220	8,010,264	8,885,433
Property, plant and equipment		147,969	138,579	132,110	130,745	152,035	189,842
Right of use assets		0	0	33,240	16,543	20,264	17,479
Intangible assets		103,928	71,594	91,106	33,537	30,977	29,506
Other assets		98,538	97,325	62,690	100,305	69,602	72,602
Total assets		6,446,336	5,778,248	6,089,035	6,319,350	8,283,142	9,194,862
Current liabilities	Before allocation	4,035,397	3,465,534	3,697,954	3,895,154	5,787,581	6,589,626
	After allocation	4,035,397	3,465,534	3,697,954	3,923,637	(Note 2)	(Note 2)
Non current liabilities		10,678	13,039	26,245	25,205	16,445	17,227
Total liabilities	Before allocation	4,046,075	3,478,573	3,724,199	3,920,359	5,804,026	6,606,853
	After allocation	4,046,075	3,478,573	3,724,199	3,948,842	(Note 2)	(Note 2)
Equity attributable to owners of the parent company		2,399,828	2,297,218	2,364,618	2,403,738	2,483,801	2,592,668
Equity		1,396,240	1,396,240	1,396,240	1,424,165	1,452,648	1,452,648
Capital reserve		804,688	836,817	836,817	836,817	837,054	837,064
Retained surplus	Before allocation	251,494	100,504	181,929	227,164	334,515	404,165
	After allocation	251,494	100,504	181,929	170,198	(Note 2)	(Note 2)
Other equity		(52,594)	(36,343)	(50,368)	(84,408)	(140,416)	(101,209)
Treasury stock		0	0	0	0	0	0
Non-controlling interest		433	2,457	218	(4,747)	(4,685)	(4,659)
Total equity	Before allocation	2,400,261	2,299,675	2,364,836	2,398,991	2,479,116	2,588,009
	After allocation	2,400,261	2,299,675	2,364,836	2,370,508	(Note 2)	(Note 2)

Note 1: the financial data of the above years have been audited and certified by accountants.

Note 2: the 2021 earnings distribution project is listed at the shareholders' meeting.

Note 3: This is the financial data for the first quarter of 2022 reviewed by the CPA.

#### 4. Consolidated condensed statement of comprehensive income -IFRS

Unit: NT \$1,000

Project	Financial data for the past five years (Note 1)					Financial information for the year as of March 31, 2022 (Note 2)
	2017	2018	2019	2020	2021	
Operation income	30,654,870	26,262,030	22,771,188	26,852,573	26,203,713	8,143,806
Gross operating profit	933,925	626,996	739,743	840,293	959,305	267,961
Operating income/(loss)	292,420	(18,115)	156,937	271,296	279,266	102,991
Non operating income and expenditure	(158,332)	(120,530)	(55,975)	(142,580)	(64,196)	25,609
Net profit before tax	134,088	(138,645)	100,962	128,716	215,070	128,600
Current net profit of continuing business unit	53,702	(139,544)	79,186	96,120	164,379	105,992
Loss of discontinued unit	0	0	0	0	0	0
Current net profit (loss)	53,702	(139,544)	79,186	96,120	164,379	105,992
Other comprehensive income/(loss) in the current period (net of tax)	(44,728)	16,251	(14,025)	(34,040)	(56,008)	39,207
Total comprehensive income/(loss) for the current period	8,974	(123,293)	65,161	62,080	108,371	145,199
The net profit belongs to the owner of the parent company	70,184	(123,741)	81,425	101,085	164,317	105,966
Net profit attributable to non-controlling interests	(16,482)	(15,803)	(2,239)	(4,965)	62	26
Total comprehensive income/(loss) attributable to the owner of the parent company	25,456	(107,490)	67,400	67,045	108,309	145,173
Total comprehensive income/(loss) attributable to non-controlling interests	(16,482)	(15,803)	(2,239)	(4,965)	62	26
Earnings per share	0.50	(0.89)	0.58	0.71	1.13	0.73

Note 1: the financial data of the above years have been audited and certified by accountants.

Note 2: it refers to the financial data of the first quarter of 2022 reviewed by the accountant.

#### (II) Names and audit opinions of Certified Public Accountants in the past five years

Certified year	Name of accounting firm	Name of accountant	Audit opinion
2017	PwC Taiwan	Hsu Yung-Chien, Hsu Sheng-Chung	Unqualified opinion
2018	PwC Taiwan	Hsu Yung-Chien, Hsu Sheng-Chung	Unqualified opinion
2019	PwC Taiwan	Hsu Yung-Chien, Hsu Sheng-Chung	Unqualified opinion
2020	PwC Taiwan	Hsu Yung-Chien, Hsu Sheng-Chung	Unqualified opinion
2021	PwC Taiwan	Hsu Yung-Chien, Wu-Han Chi	Unqualified opinion

## II. Financial analysis data for the past five years

### 1. Independent financial analysis -International Financial Reporting Standards

Analysis items		Financial data for the past five years (Note 1)					Year ended March 31, 2022 (Note 2)	
		2017	2018	2019	2020	2021		
Financial structure (%)	The ratio of liabilities to assets	41.18	37.07	45.13	49.53	53.56	57.00	
	The ratio of long-term capital to property, plant, and equipment	1,786.81	1,751.33	1,839.80	1,896.02	1,661.00	1,384.03	
Solvency%	Current ratio	178.96	195.41	155.00	141.44	134.46	128.17	
	Quick ratio	161.53	168.14	136.23	116.86	120.60	109.93	
	Interest cover	1.8	(1.08)	2.46	3.34	6.00	14.07	
Operating capacity	The turnover rate of accounts receivable (Times)	5.05	4.51	4.31	4.18	5.56	4.38	
	Average cash collection days	72.28	80.93	84.68	87.32	65.65	83.33	
	Inventory turnover rate (Times)	21.32	25.1	28.97	34.62	38.00	24.21	
	The turnover rate of accounts payable (Times)	300.67	186.93	147.91	94.11	78.12	52.42	
	Average sales days	17.12	14.54	12.60	10.54	9.61	15.08	
	The turnover rate of property, plant, and equipment (Times)	95.72	62.34	60.64	76.77	104.94	70.98	
	Total asset turnover rate (Times)	2.77	2.15	1.99	2.17	2.88	2.11	
Profitability	Return on assets (%)	3.11	(1.69)	3.46	3.18	3.90	2.01	
	Return on equity (%)	2.91	(5.27)	3.49	4.24	6.72	4.17	
	Ratio to paid-in capital (%)	Operation interests	5.93	(0.86)	(1.78)	0.93	6.38	2.15
		Net profit before tax	6.32	(9.84)	5.87	6.22	12.73	8.28
	Net profit rate (%)	0.53	(1.49)	1.03	1.03	1.13	3.53	
	Earnings per share (yuan)	0.5	(0.89)	0.58	0.71	1.13	0.73	
Cash flow	Cash flow ratio (%)	97.33	(6.38)	(13.58)	(20.36)	(10.42)	-	
	Cash flow allowance ratio (%)	56.31	7.49	(74.63)	(46.82)	66.28	-	
	Cash reinvestment ratio (%)	66.43	(3.70)	(11.22)	(21.43)	(13.28)	-	
Leverage	Operating leverage	2.35	(8.66)	(4.24)	9.59	2.53	2.13	
	Financial leverage	4.61	0.19	0.31	(0.54)	1.66	1.42	

Please explain the reasons for the changes in various financial ratios in the past two years:

- Current ratio; interest coverage multiplier:  
The current ratio decreased from the previous period, mainly due to the increase in short-term borrowings taken out to meet the increased needs for working capital in 2021; the interest coverage multiplier increased from the previous year, mainly due to operating growth and increase in operating profits.
- Receivables turnover rate; average collection days; property, plant, and equipment turnover rate; and total asset turnover rate:  
All operating performance indicators increased due to the increase in operating revenue in 2021.
- Return on asset; return on equity; ratio of operating profits (pre-tax profits) to paid-in capital; net profit margin; and earnings per share:  
Profitability increased over the previous period due to the changes in customer structure in 2021.
- Cash flow ratio; cash flow adequacy ratio; and cash flow reinvestment ratio:  
The net cash outflow from operating activities decreased in 2021, causing the cash flow ratio, cash flow adequacy ratio, and cash flow reinvestment ratio to increase over the previous year.
- Operating leverage: The operating profits in 2021 increased, causing the operating leverage to decrease from the previous period.
- Financial leverage: The operating profits increased and interest expense decreased in 2021, causing the financial leverage to increase from the previous period.

Note 1: the financial statements of each year are audited and certified by accountants.

Note 2: it refers to the financial data of the first quarter of 2022 reviewed by the accountant.



## 2. Consolidated financial analysis -International Financial Reporting Standards

Analysis items (Note 2)		Financial data for the past five years (Note 1)					Year ended March 31, 2022 (Note 2)	
		2017	2018	2019	2020	2021		
Financial structure (%)	The ratio of liabilities to assets	62.77	60.20	61.16	62.04	70.07	71.85	
	The ratio of long-term capital to property, plant, and equipment	1,629.35	1,668.88	1,809.75	1,857.77	1,644.52	1,374.77	
Solvency%	Current ratio	151.06	157.86	156.03	155.02	138.40	134.84	
	Quick ratio	97.35	94.05	113.17	106.88	96.27	99.95	
	Interest cover	0.79	-0.05	1.88	2.71	4.11	6.60	
Operating capacity	The turnover rate of accounts receivable (Times)	9.36	9.68	8.27	9.15	8.30	7.33	
	Average cash collection days	38.99	37.70	44.13	39.89	43.97	49.79	
	Inventory turnover rate (Times)	13.00	12.65	12.54	18.50	14.81	14.48	
	The turnover rate of accounts payable (Times)	259.26	121.82	132.91	223.72	162.00	179.89	
	Average sales days	28.07	28.85	29.10	19.72	24.64	25.20	
	The turnover rate of property, plant, and equipment (Times)	199.33	183.3	168.25	204.31	206.55	190.57	
	Total asset turnover rate (Times)	4.24	4.30	3.84	4.33	4.00	3.73	
Profitability	Return on assets (%)	3.5	-0.10	3.68	2.46	3.42	1.43	
	Return on equity (%)	2.22	-5.94	3.40	4.03	6.73	4.18	
	Ratio to paid-in capital (%)	Operation interests	20.94	-1.30	11.24	19.05	19.22	7.09
		Net profit before tax	9.60	-9.93	7.23	9.04	14.81	8.85
	Net profit rate (%)	0.18	-0.53	0.35	0.36	0.56	1.30	
Earnings per share (yuan)	0.50	-0.89	0.58	0.71	1.13	0.73		
Cash flow	Cash flow ratio (%)	48.40	1.35	6.78	-2.49	-16.78	-11.95	
	Cash flow allowance ratio (%)	-214.67	-175.68	-167.1	-55.78	76.93	-103.14	
	Cash reinvestment ratio (%)	83.46	2.06	11.64	-5.34	-41.17	-30.85	
Leverage	Operating leverage	2.26	-18.11	3.33	2.28	2.59	2.11	
	Financial leverage	1.74	0.12	3.70	1.38	1.33	1.29	

Please explain the reasons for the changes in various financial ratios in the past two years:

- Current ratio; quick ratio; interest coverage multiplier:  
The current ratio and quick ratio decreased, mainly due to the increase in working capital to meet the increased purchase needs as a result of the increase in Group's operating revenue; the operating profits increased and non-operating impairment loss decreased, causing the interest coverage multiplier to increase from the previous year.
- Inventory turnover rate; payables turnover rate; average inventory turnover days: The Company stocked up with goods for sale to meet the increased customer demands in the fourth quarter of 2021, causing the inventory turnover rate to decrease from the previous period and the payables turnover rate and the average inventory turnover days to increase from the previous year.
- Return on assets; return on equity; ratio of operating profits (pre-tax profits) to paid-in capital; net profit margin; and earnings per share:  
All profitability indicators increased, mainly due to the operating growth and the decrease in non-operating impairment loss in 2021.
- Cash flow ratio; cash flow adequacy ratio; and cash reinvestment ratio:  
The net cash outflow from the Group's operating activities increased in 2021, causing the cash flow ratio and cash flow reinvestment ratio to decrease from the previous period; the net cash flow from operating activities in the last five years increased, causing the cash flow adequacy ratio to increase from the previous period.

Note 1: the financial statements of each year are audited and certified by accountants.

Note 2: it refers to the financial data of the first quarter of 2022 reviewed by the accountant.

Note 2:

1. Financial structure

- (1) Ratio of total assets to total liabilities.
- (2) Ratio of long-term capital to property, plant, and equipment =  $(\text{total equity} + \text{non-current liabilities}) / \text{net amount of property, plant and equipment}$ .

2. Solvency

- (1) Current ratio =  $\text{current assets} / \text{current liabilities}$ .
- (2) Quick ratio =  $(\text{current assets} - \text{inventory} - \text{prepaid expenses}) / \text{current liabilities}$ .
- (3) Interest coverage ratio =  $\text{net profit before income tax and interest expense} / \text{interest expense of the period}$ .

3. Operating capacity

- (1) Turnover rate of accounts receivable (including accounts receivable and notes receivable arising from the operation) =  $\text{net sales} / \text{average balance of accounts receivable (including accounts receivable and notes receivable arising from the operation) in each period}$ .
- (2) Average cash collection days =  $365 / \text{turnover rate of accounts receivable}$ .
- (3) Inventory turnover rate =  $\text{cost of goods sold} / \text{average inventory amount}$ .
- (4) Turnover rate of accounts payable (including accounts payable and notes payable arising from the operation) =  $\text{cost of goods sold} / \text{average balance of accounts payable (including accounts payable and notes payable arising from the operation) in each period}$ .
- (5) Average sales days =  $365 / \text{inventory turnover rate}$ .
- (6) Turnover rate of property, plant, and equipment =  $\text{net sales} / \text{average net property, plant, and equipment}$ .
- (7) Total asset turnover =  $\text{net sales} / \text{average total assets}$ .

4. Profitability

- (1) Return on assets =  $[\text{after tax income}/(\text{loss}) + \text{interest expense} \times (1 - \text{tax rate})] / \text{average total assets}$ .
- (2) Return on equity =  $\text{income}/(\text{loss}) \text{ after tax} / \text{total average equity}$ .
- (3) Net profit rate =  $\text{after-tax income}/(\text{loss}) / \text{net sales}$ .
- (4) Earnings per share =  $(\text{income}/(\text{loss}) \text{ attributable to the owner of the parent company} - \text{special stock dividend}) / \text{weighted average number of issued shares. (Note A)}$

5. Cash flow

- (1) Cash flow ratio =  $\text{net cash flow from operating activities} / \text{current liabilities}$ .
- (2) Fair ratio of net cash flow =  $\text{net cash flow from operating activities in the last five years} / \text{the last five years (capital expenditure} + \text{inventory increase} + \text{cash dividend})$ .
- (3) Cash reinvestment ratio =  $(\text{net cash flow from operating activities} - \text{cash dividends}) / (\text{gross amount of property, plant and equipment} + \text{long-term investment} + \text{other non-current assets} + \text{working capital})$ . (Note 5)

6. Leverage:

- (1) Operating leverage =  $(\text{net operating income} - \text{variable operating costs and expenses}) / \text{operating profit (Note B)}$ .
- (2) Financial leverage =  $\text{operating profit} / (\text{operating profit} - \text{interest expense})$ .

Note A: when measuring the above calculation formula of earnings per share, it shall pay special attention to the following matters:

1. Based on the weighted average number of ordinary shares rather than the number of shares issued at the end of the year.
2. If there is a cash capital increase or trading of treasury shares, the weighted average number of shares shall be calculated considering the circulation period.
3. If there is a conversion of surplus to capital increase or capital reserve to capital increase when calculating the earnings per share of previous years and half a year, it shall be adjusted retroactively under the proportion of capital increase, regardless of the issuance period of the capital increase.
4. The dividend of the year (whether paid or not) shall be deducted from the net profit after tax or increase the net loss after tax if the preference shares are non-convertible cumulative preference shares. The dividend of the preferred stock shall be deducted from the net profit after tax in the case of net profit after tax if the preferred stock is non-cumulative. It does not need to be adjusted if it is a loss.

Note B: the following items shall be paid special attention to in the measurement of cash use analysis:

1. Net cash flow from operating activities refers to the net cash inflow from operating activities in the cash flow statement.
2. Capital expenditure refers to the cash outflow of capital investment every year.
3. The increase in inventory is only included when the ending balance is greater than the opening balance. It is calculated as zero if the inventory decreases at the end of the year.
4. Cash dividends include cash dividends of ordinary shares and special shares.
5. the Gross amount of property, plant and equipment refers to the total amount of property, plant, and equipment before deducting accumulated depreciation.

III. Audit committee review report of the latest annual financial report

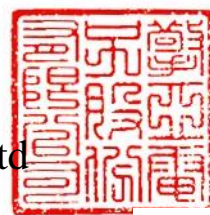
**CoAsia Electronics Co., Ltd  
Audit Committee Review Report**

The board of directors prepared and submitted the Company's business report, financial report (including merger and independent), and earnings distribution statements and books for the year 2021, which were reviewed by the audit committee and found to conform with Article 14-4 of the securities and exchange law and Article 219 of the Company Act.

Sincerely

The ordinary meeting of shareholders of the company in 2022

CoAsia Electronics Co., Ltd



Convener of Audit Committee:

Chen, Jian-Li



March 8, 2022

- IV. Financial statements of the recent year (see #page143# to #page229# for details).**
- V. Consolidated financial statements of the parent and subsidiary companies audited and certified by a CPA for the recent year (see #page230# to #page325# for details).**
- VI. Difficulties in financial turnover of the Company and its affiliated enterprises:  
none.**

## Chapter 7. Review and Analysis of Financial Status, Operating Results and Risk Matters

### I. Financial position:

#### Comparative analysis of financial status

Unit: NT \$1000

Project	year	2021	2020	Difference	
				Amount	%
Current assets		8,010,264	6,038,220	1,972,044	32.66%
Funds and long-term investments		0	0	0	0.00%
Fixed assets		152,035	130,745	21,290	16.28%
Other assets		120,843	150,385	-29,542	-19.64%
<b>Total assets</b>		<b>8,283,142</b>	<b>6,319,350</b>	<b>1,963,792</b>	<b>31.08%</b>
Current liabilities		5,787,581	3,895,154	1,892,427	48.58%
Long-term liabilities		0	0	0	0.00%
Other liabilities		16,445	25,205	-8,760	-34.76%
<b>Total liabilities</b>		<b>5,804,026</b>	<b>3,920,359</b>	<b>1,883,667</b>	<b>48.05%</b>
Equity		1,452,648	1,424,165	28,483	2.00%
Capital reserve		837,054	836,817	237	0.03%
Retained surplus		334,515	227,164	107,351	47.26%
Other equity		-140,416	-84,408	-56,008	66.35%
Non-controlling interest		-4,685	-4,747	62	-1.31%
<b>Total equity</b>		<b>2,479,116</b>	<b>2,398,991</b>	<b>80,125</b>	<b>3.34%</b>
<p>Analysis and explanation of the change in the proportion of increase or decrease of 20% and the amount of change of more than NT\$10 million in the recent two years:</p> <ol style="list-style-type: none"> <li>1. Current assets and total assets: it is mainly due to the growth of turnover this year and the increase in inventory preparation amount required for operation sales.</li> <li>2. Current liabilities and total liabilities: it is mainly due to the growth of turnover in the year and the increase of accounts payable arising from purchases.</li> <li>3. Retained earnings: it is due to the net profit after tax in the period.</li> <li>4. Other equity: other equity decreased compared with the previous period because the financial statements of foreign operating institutions suffered losses during conversion due to exchange rate fluctuations in this period.</li> </ol>					

## II. Review and analysis of financial performance in recent two years:

### (I) Review and analysis of financial performance in recent two years

Unit: NT \$1,000

Project	year	2021	2020	Increase (decrease) amount	Change proportion%
Net operating income		29,203,713	26,852,573	2,351,140	8.76%
Operating costs		(28,244,408)	(26,012,280)	(2,232,128)	8.58%
Gross operating profit		959,305	840,293	119,012	14.16%
Operating expenses		(680,039)	(568,997)	(111,042)	19.52%
Operating (loss) interest		279,266	271,296	7,970	2.94%
Non-operating income and expenditure		(64,196)	(142,580)	78,384	-54.98%
Net income before tax		215,070	128,716	86,354	67.09%
Income tax expense		(50,691)	(32,596)	(18,095)	55.51%
Net income (loss)		164,379	96,120	68,259	71.01%

Analysis and explanation of the change in the proportion of increase or decrease of 20% and the amount of change of more than NT\$10 million in the recent two years:

1. Non-operating income and expenditure: it is mainly due to the decrease of foreign currency exchange rate evaluation loss caused by exchange rate changes compared with the previous period and the impairment loss of intangible assets evaluation in the previous period.
2. Net profit before tax (net loss): it is mainly due to the increase in operating gross profit in the current period.
3. Income tax expense: the income tax expense calculated under the tax law due to the profit before tax in the period being higher than that in the previous period.
4. Current (net loss) net profit: profit generated in the current period due to the increase of operating gross profit in the period.

(II) Major changes have taken place or are expected to take place in operating policies, market conditions, economic environment, or other internal and external factors. The facts and impact of the changes and the possible impact on the Company's future financial business and the response project: none.

(III) Estimated sales volume in the next year and its basis:

The mobile communication and consumer electronics industry is expected to continue to grow steadily in 2022. The Company will expand its service base to be close to customers in line with the policy of product diversity and creating high gross profit, strengthen customers' trust, continue to maintain the orders of original main customers, and develop new application fields and new customers of products, to improve the sales revenue and profit in 2022.

### III. Cash flow

#### (I). Liquidity analysis for the past two years:

Unit: NT \$1,000

Project	December 31, 2021	December 31, 2020	Increase (decrease) ratio (%)
Cash flow ratio (%)	(16.78)	(2.49)	573.9%
Cash flow allowance ratio (%)	76.93	(55.78)	(237.39%)
Cash reinvestment ratio (%)	(41.17)	(5.34)	670.97%
Description of changes in terms of percentage: Both cash flow ratio and cash flow reinvestment ratio increased, mainly due to the increase in net cash outflow from operating activities in 2021; the cash flow adequacy ratio decreased, mainly due to the increase in net cash flow from operating activities in the last five years.			

#### (II). Cash liquidity analysis in the next year:

Unit: NT \$1,000

Initial cash balance	Estimated annual net cash flow from operating activities	Estimated annual cash outflow	Estimated cash surplus (shortfall)	Remedial measures for expected insufficient cash	
				investment project	Financial project
519,580	(145,445)	315,479	689,614	-	-
Analysis of cash flow changes this year: 1. Operating activities: the net cash outflow from operating activities is about NT\$ 100 million, mainly resulting from the increase in the number of accounts receivable due to the growth of revenue. 2. Financing activities: the net cash inflow of financing activities is about NT\$ 300 million, which is mainly due to the capital demand generated by performance growth. The Company will increase bank borrowing.					

### IV. The impact of capital expenditure on financial business in the recent year:

The Company has no major capital expenditure in 2021.

### V. The reinvestment policy for the recent year, the main reasons for its profits or losses, the improvement project, and the investment project for the next year:

December 31, 2021 unit: NT \$1000

Project	Instruction	Policy	Investment amount	Current (loss) profit of the invested company	Main reasons for profit or loss	Improvement project	Next year Investment project
Studybank Co., Ltd		Electronic equipment, data processing operations, online learning courses, etc	358,000	567	The operation and operation online education platform and arts and science tutorial class were sold in February 2021	Liquidation of Studybank and its subsidiary Taiwan interactive education to achieve effective tax project.	None
CoAsia International Corp.		International Trade and transit trade	432,977	81,719	Operating profit from business growth	-	None
CoAsia Electronics (US) Corp.		International Trade and transit trade	1,400	(61)	At the initial stage of market development in the United States, it has not yet reached the scale of operating economy, resulting in losses	Actively develop customers to improve revenue	None

CoAsia Electronics Corp. (Singapore) Pte. Ltd.	International Trade and transit trade	30,202	66,254	Operating profit from business growth in Southeast Asia	-	None
CoAsia Korea Co.,Ltd.	International Trade and transit trade	171,902	(28,896)	In the early stage of Korean market development, it has not reached the scale of operating economy, resulting in losses	Actively develop customers to improve revenue	None



## **VI. Analysis and evaluation of risk management**

(I). The impact of interest rate, exchange rate changes, and inflation on the Company's income/(loss) and future measures.

(1) Interest rate change

Part of the company's short-term borrowings are debts with floating interest rates. Therefore, the change in the market interest rate will cause the effective interest rate of short-term borrowings to fluctuate and its future cash flow to fluctuate. The cash outflow of the group will increase by NT\$ 42,077 thousand when the market interest rate increases by 1%.

(2) Exchange rate changes

The main purchase and sales of the Company are denominated in US dollars, and the fair value will change with the fluctuation of the market exchange rate. However, the foreign currency assets and liabilities held by the Company and the period of receipt and payment are approximately appropriate, which can offset the market risks and produce a natural hedging effect. It will engage in options trading or avoid possible risks if there is a short-term position gap, so it is expected that there will be no significant market risk.

(3) Inflation

Inflation has no significant impact on the Company's past income/(loss). The main suppliers are long-term partners and have the advantage of quantity. In the future, we should still pay close attention to the increase in purchase costs caused by inflation, and the Company will adjust the sales price in time. Therefore, the impact of inflation pressure on the Company's income/(loss) is limited.

(II) Policies, main reasons for profits or losses, and future measures for engaging in high-risk, highly leveraged investment, capital lending to others, endorsement and guarantee, and derivative trading.

1. The Company has not engaged in high-risk and highly leveraged investments.
2. The Company's capital loans to others and endorsements and guarantees are reviewed and evaluated under the Company's "operating procedures for capital loans to others" and "operating procedures for endorsements and guarantees", and are approved by the board of directors.
3. The equity commodities invested by the Company are affected by changes in market prices, but the positions held by the Company are not significant and stop-loss points have been set, which shall be handled under the policies and corresponding measures set out in the "process for the acquisition or disposal of assets" of the Company.

(III) Future R & D projects and estimated R & D expenses.

Over the years, the Company and its subsidiaries have invested considerable human resources and costs and continuously launched new application engineering services to meet customers' needs for electronic component assembly. The Company entrusts manufacturers to develop electronic cigarette products. After the completion of the development, the relevant patent rights belong to the Company. As of the first quarter of 2021, NT \$45,940 has been invested, and it is expected to be NT\$ 0 for the R & D cost of the future investment.

- (IV) Effect on the Company's financial operations of important policies adopted and changes in the legal environment at home and abroad, and measures to be taken in response

The daily operations of the Company are handled under relevant regulations at home and abroad, and pay attention to the development trend of policies and changes in regulations at home and abroad at any time, to fully grasp the changes in the market environment and timely take the initiative to put forward response measures. As of the date of publication of the prospectus, the Company has not been affected by major changes in policies and laws at home and abroad that affect its financial business.

- (V) Effect on the Company's financial operations of developments in science and technology as well as industrial change, and measures to be taken in response

The Company learns about the latest changes in scientific and technological knowledge through various exhibitions, seminars, and publications. The Company strengthens its R&D capacity, pays attention to the development direction of technology and market at home and abroad, and maintains flexible and stable financial management to respond to changes in science, technology, and industry.

- (VI) Effect on the Company's crisis management of changes in the Company's corporate image, and measures to be taken in response

Since its establishment in November 1997, the Company has been aiming to become a Total Solution Provider. The Company's major information is uniformly released by the spokesperson. As for the reports or news that are sufficient to affect the Company's image, the Company will explain it at an appropriate time and through channels, to maintain the Company's corporate image.

- (VII) Expected benefits and possible risks associated with any merger and acquisitions, and mitigation measures being or to be taken

As the Company has no merger and acquisition project at present, there is no such risk.

- (VIII) Expected benefits and possible risks associated with any plant expansion, and mitigation measures being or to be taken

As the Company has no plan to expand its plant at present, there is no such risk.

- (IX) Risks associated with any consolidation of sales or purchasing operations, and mitigation measures being or to be taken

The Company's purchase concentrate on Samsung, which is a long-term partner. The supply is abundant, but there is no shortage. As for the customers whose sales amount accounted for more than 10% of net sales in 2021, the total sales amount accounted for 12.80% of the Company's overall revenue. The Company regularly tracked it's business and financial status. These companies are not in danger of major risks to the Company at present.

- (X) Directors, supervisors, or major shareholders holding more than 10% of the shares, the impact, and risk of much equity transfer or replacements on the Company

As for the information on the equity transfer or replacement of directors, supervisors, and shareholders holding more than 10% of the Company's shares in the recent year and as of the date of printing of the prospectus, please refer to "item 7 of the corporate governance report: equity transfer and equity pledge changes of directors, supervisors, managers, and shareholders holding more than 10% of the shares in the recent year and as of the date of printing of the annual report". The transfer did not affect the Company's operations.

- (XI) The impact of the change of management right on the Company, possible risks, and measures.

The same as point X.

- (XII) Litigation or non-litigation events: none.

- (XIII) Other important risks and measures:

The Company's information security risk management structure, information security policy, and specific management scheme:

1. Purpose and scope of information security:

Target: including all employees, customers, suppliers, and shareholders, as well as operation-related information software and hardware equipment.

Scope: To ensure the information security of the Company, it shall formulate relevant rules and regulations, formulate application technology and data security standards, and incorporate them into the management and operation system, to protect the privacy and information security of employees, suppliers, and customers during business contact.

2. Information security risk architecture:

- (1) The general manager of the Company shall convene and establish an inter-departmental information security management team. The information department and the administrative department shall be responsible for leading and planning, and all business-related units shall cooperate in the implementation to confirm the effectiveness of the Company's information security management operation.

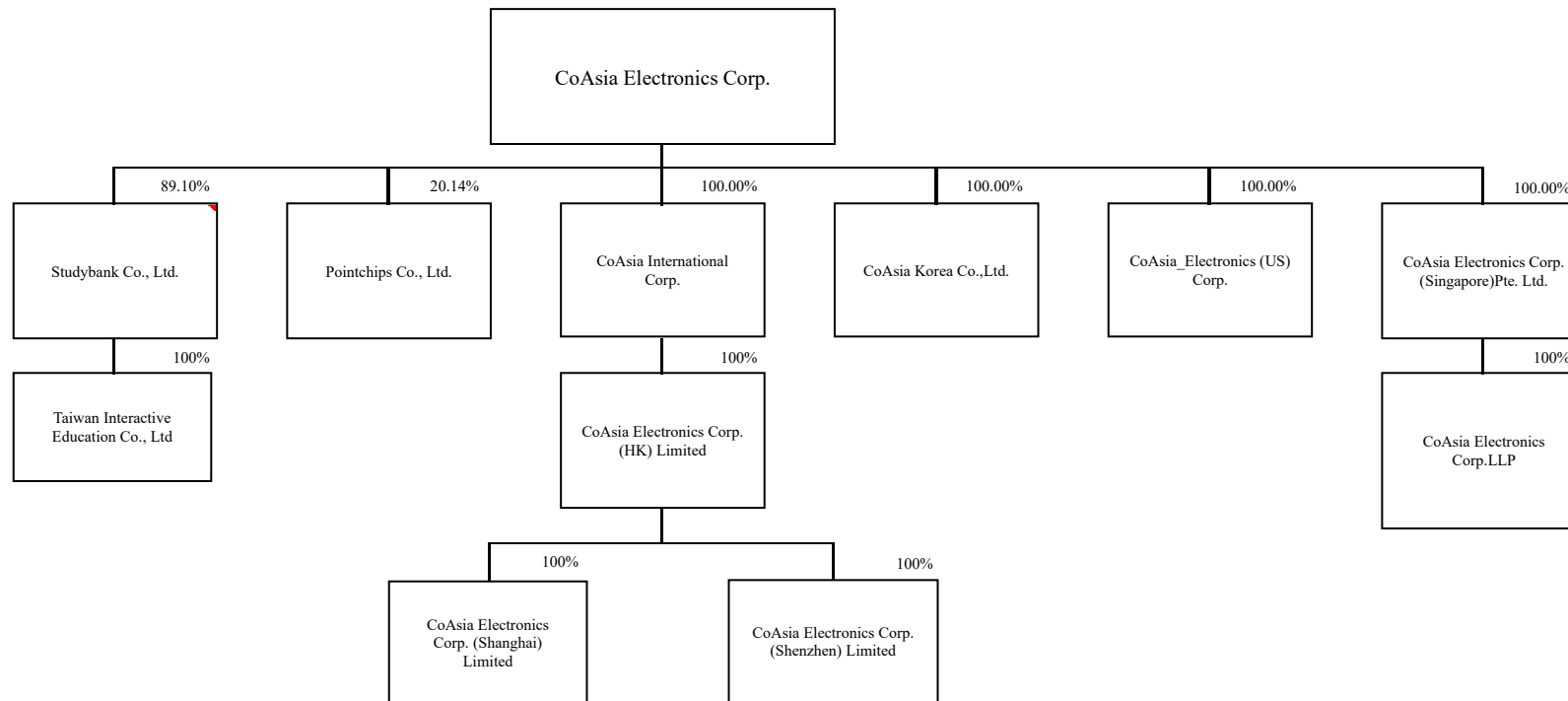
- (2) The information security management team is responsible for formulating information security management policies and regularly reviewing and revising them.
- (3) The information security management team shall hold regular meetings to review the implementation.
3. Information security policy objectives:
  - (1) To ensure the continuous operation of the Company's business and the stable use of the information services provided by the Company.
  - (2) To ensure the confidentiality, integrity, and availability of the information assets kept by the Company, and protect the privacy of personnel data.
  - (3) To establish a sustainable operation project for information business and implement the operation of information business activities that meet the requirements of relevant regulations.
4. Information security control measures:
  - (1) To establish and formulate a list of periodic inventory information assets, carry out risk management under asset safety risk assessment, and implement various control measures.
  - (2) The Company regularly carries out information security advocacy, conducts information security education and training every year, and new employees must sign information confidentiality agreements.
  - (3) All employees of the Company, outsourcing manufacturers, and their third parties must sign a confidentiality statement to ensure that those who use the information services provided by the Company or perform relevant information business have the responsibility and obligation to protect the information assets obtained or used by them, to prevent unauthorized storage, unauthorized modification, destruction or improper disclosure.
  - (4) An appropriate backup or monitoring mechanism shall be established for important information systems or equipment, and regular drills shall be conducted to maintain their availability.
  - (5) The personal computer shall be installed with anti-virus software, the update of virus characteristics shall be confirmed regularly, and the use of unauthorized software is prohibited.
  - (6) All colleagues' account numbers, passwords, and permissions should be kept and used properly and changed regularly.
  - (7) To formulate standard procedures for response and notification of information security incidents to properly deal with information security incidents in real-time and avoid the expansion of harm.
  - (8) All colleagues shall comply with the legal norms and information security policy requirements, and the supervisor shall supervise the implementation of compliance with the asset security system, and strengthen their asset security awareness and legal concept.
5. The board of directors approved the guidelines on the security control of capital channels on March 8, 2022.
6. Major asset safety events: none.

**VII. Other important matters: none.**

# Chapter 8. Special Disclosure

## I. Related information of affiliated enterprises:

(I) Enterprise relationship chart: (December 31, 2021)



※ The Group's structure was adjusted and reorganized, and CoAsia Hong Kong absorbed and merged CoAsia technology in May 2021

※ CoAsia\_Electronics (US) Corp. Established in June 2021

## (II) Basic information on related enterprises

As of December 31, 2021

Enterprise name	Date of establishment	Address	Currency	Paid in capital	Main operation or production items
CoAsia International Corp.	2001.06	Suite 802,, ,St James Court St Denis StreetPort LouisMauritius	USD	13,296,120	Professional investment company
CoAsia Electronics Corp. (Singapore) Pte. Ltd	2014.05	7 Straits View #12-00 Marina One East Tower Singapore (018936)	SGD	1,251,800	International trade industry, international trade, and transit trade
CoAsia Electronics Corp. (HK) Limited	2001.08	5 / F , Far East Consortium Building, 121 Des Voeux Road, Central , Hong Kong	HKD	102,932,000	Wholesale, design, and manufacturing of electronic components
CoAsia Electronics Corp. (Shanghai) Limited	2004.11	A12, 4th floor, No. 231, Fute North Road, China (Shanghai) Free Trade Zone	RMB	34,716,412	International trade, transit trade, and simple commercial processing in the bonded area
CoAsia Korea Co., Ltd.	2012.07	193, Namdongseo-ro, Namdong-Gu, Incheon, Republic of Korea	KRW	6,600,000,000	Semiconductor peripheral commodity manufacturing, trading, and software, hardware technology development, etc
Studybank Co., Ltd	2012.11	B1, No. 163, section 4, Chenggong Road, Neihu district, Taipei City	NTD	89,900,000	Electronic equipment, data processing operations, online learning courses, etc
CoAsia Electronics (US) Corp.	2021.06	160 E. Tasman Dr., Suite 206 San Jose, California 95134 United States of America	USD	50,000	International trade industry, international trade, and transit trade
CoAsia Electronics Corp. (Shenzhen) Limited	2011.01	13-A, building 3, China scientific research development park, No. 009, Gaoxin South 1st Road, high tech Zone, Yuehai Street, Nanshan District, Shenzhen	RMB	6,312,160	International trade industry, international trade, and transit trade
Taiwan Interactive Education Co., Ltd	2017.04	1st floor, No. 50, Dongyi Road, Houzhuangli, East District, Jiayi City	NTD	16,000,000	Schoolwork guidance, tutorial teaching, other sound recordings, and music publishing
CoAsia Electronics Corp. LLP	2019.06	7th Floor, B Block, Vatika Mindscapes,,12/3, Mathura Road, NH-2, Sector 27D, Faridabad, Faridabad, Haryana, 121013, India	INR	11,306,451	International trade industry, international trade, and transit trade

(III) Description of business coverage of overall relations enterprise

Enterprise name	Main operation or production items	Transactions and division of
CoAsia International Corp.	Professional investment company	Not applicable
CoAsia Electronics Corp. (Singapore) Pte. Ltd	International trade industry, international trade, and transit trade	Not applicable
CoAsia Electronics Corp. (HK) Limited	Wholesale, design, and manufacturing of electronic components	Not applicable
CoAsia Electronics Corp. (Shanghai) Limited	International trade industry, international trade, transit trade, and simple	Not applicable
CoAsia Korea Co., Ltd.	Semiconductor peripheral commodity manufacturing, trading, and	Not applicable
Studybank Co., Ltd	Electronic equipment, data processing operations, online learning	Not applicable
CoAsia Electronics (US) Corp.	International trade industry, international trade, and transit trade	Not applicable
CoAsia Electronics Corp. (Shenzhen) Limited	International trade industry, international trade, and transit trade	Not applicable
Taiwan Interactive Education Co., Ltd	Schoolwork guidance, tutorial teaching, other sound recordings, and	Not applicable
CoAsia Electronics Corp. LLP	International trade industry, international trade, and transit trade	Not applicable

(IV) As for those presumed to have control and subordination, the same shareholder Data Description: none.

## (V) Information on directors, supervisors, and general managers of affiliated enterprises

As of March 31, 2022

Enterprise name	Title	Name or representative	Holding shares	
			Number of shares	Shareholding ratio
CoAsia International Corp.	Chairman	CoAsia Electronics Co., Ltd. Representative: Lee Hee-Jun	1,329,612	100%
CoAsia Electronics Corp. (Singapore) Pte. Ltd	Director	CoAsia Electronics Co., Ltd. Representative: Shin Dong-Soo	1,000,000	100%
	Director	CoAsia Electronics Co., Ltd. Representative: Moon Kyung-Mo		
	Director	CoAsia Electronics Co., Ltd. Representative: Tay Zhan-Siang		
CoAsia Electronics Corp. (HK) Limited	Chairman	CoAsia International Corp. Representative: Lee Hee-Jun	10,293,200	100%
	Director	CoAsia International Corp. Representative: Wang Peng-Cheng		
CoAsia Electronics Corp. (Shanghai) Limited	Representative	CoAsia Electronics Corp. (HK) Limited, Representative: Cui Ming-Gang	Capital contribution certificate (US\$5,000 thousand)	100%
	Supervisor	CoAsia Electronics Corp. (HK) Limited, Representative: Shin Dong-Soo		
CoAsia Korea Co.,Ltd.	Chairman	CoAsia Electronics Co., Ltd. Representative: Shin Dong-Soo	1,320,000	100%
	Director	CoAsia Electronics Co., Ltd. Representative: Jun Hung-Sik		
	Director	CoAsia Electronics Co., Ltd. Representative: Lu Keng-Hsien		
	Supervisor	CoAsia Electronics Co., Ltd. Representative: Chin Chang-Wan		
Studybank Co., Ltd	Chairman	CoAsia Electronics Co., Ltd. Representative: Lee Hee-Jun	9,204,851	89.1%
	Director	CoAsia Electronics Co., Ltd. Representative: Liu Tsai-Hsuan		
	Director	Wang Chong-Xu		
	Supervisor	Representative legal person of Maiya Co., Ltd.: Chou Pei-Ni		
CoAsia Electronics Corp. (Shenzhen) Limited	Chairman	CoAsia Electronics Corp. (HK) Limited, Representative: Wu Chi-Chang	Capital contribution certificate (US\$1,000 thousand)	100%
CoAsia Electronics (US) Corp.	Director	CoAsia Electronics Co., Ltd. Representative: Shin Dong-Soo	250,000	100%
Taiwan Interactive Education Co., Ltd	Chairman	Studybank Co., Ltd. Representative: Lee Hee-Jun	1,600,000	100%
	Director	Studybank Co., Ltd. Representative: Wang Chong-Xu		
	Director	Studybank Co., Ltd. Representative: Liu Tsai-Hsuan		
	Supervisor	Studybank Co., Ltd. Representative: Chou Pei-Ni		
CoAsia Electronics Corp. LLP	Director	CoAsia Electronics Corp. (Singapore) Pte. Ltd Representative: Lu Keng-Hsien	Capital contribution certificate (US\$198,700)	100%
	Director	RAJAT SINGH		



(VI) Financial status and operating results of affiliated enterprises

December 31, 2021

Unit: NT \$1,000

Enterprise name	Capital amount	Total assets	Total liabilities	Net value	Operation income	Operation interests	Income/(loss) of the current	Earnings per share
CoAsia International Corp.	432,977	640,053	104	639,949	0	-312	81,719	61.46
CoAsia Electronics Corp. (HK) Limited	435,837	4,923,486	4,283,783	639,702	16,227,301	110,692	82,030	7.97
CoAsia Electronics Corp. (Shanghai) Limited	155,520	52,103	19,339	32,764	93,072	952	1,026	NA
CoAsia Electronics Corp. (Singapore) Pte. Ltd	30,202	1,367,997	811,772	556,225	6,386,606	102,909	66,254	66.25
CoAsia Electronics Corp. LLP	4,623	3,875	5,624	-1,749	5,566	-2,010	-2,048	NA
CoAsia Korea Co. Ltd.	171,902	367,465	305,954	61,511	1,152,087	-31,437	-28,896	-21.89
CoAsia Electronics (US) Corp.	1,400	29,004	27,680	1,324	0	-61	-61	-0.24
CoAsia Electronics Corp. (Shenzhen) Limited	31,291	36,395	29,739	6,656	130,319	1,476	1,234	NA
Studybank Co., Ltd	89,900	10,321	1,933	8,388	243	-943	567	0.05
Taiwan Interactive Education Co., Ltd	16,000	1,347	270	1,077	81	-636	-459	-0.29

(VII) Statement of consolidated financial statements of affiliated enterprises (see next page for details)

(VIII) Related enterprise report: not applicable

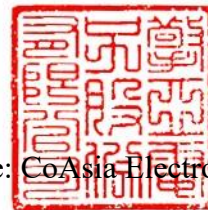


CoAsia Electronics Co., Ltd

Statement of consolidated financial statements of related enterprises

For the year 2021 (from January 1, 2021, to December 31, 2021), the companies that shall include in the preparation of the consolidated financial statements of related enterprises under the business report on the merger of related enterprises and the preparation standards of the relationship report are the same as the companies that shall include in the preparation of the consolidated financial statements of parent and subsidiary companies under IFRS 10, And the relevant information that shall disclose in the consolidated financial statements of related enterprises has disclosed in the previous consolidated financial reports of parent and subsidiary companies, so the consolidated financial statements of related enterprises will not be prepared separately.

It is hereby declared.



Company name: CoAsia Electronics Co., Ltd.

Person in charge: Lee Hee-Jun



March 8, 2022

**II. Handling of the private placement of securities in the recent year and up to the printing date of the annual report: none.**

**III. Shares held or disposed of by subsidiaries in the recent year and up to the printing date of the annual report: none.**

**IV. Other necessary supplementary notes: none.**

## **Chapter 9. Events with Significant Impact**

- I. In the recent fiscal year and up to the date of printing of the annual report, events that have a significant impact on shareholders' equity or securities prices are specified in subparagraph II, paragraph II, Article XXXVI of the securities and Exchange Act:**

None.

## Independent Auditors' Report

(111) C.S.B.Z. No. 21004380

To: CoAsia Electronics Corp.,

### **Opinions**

The Balance Sheets of CoAsia Electronics Corp. (hereinafter “CoAsia Electronics”) as of December 31, 2021 and 2020, in addition to the Composite Income Sheets, Statements of Changes in Equity, Statements of Cash Flows, and Notes to the Financial Statements (including a summary of significant accounting policies) from January 1 to December 31, 2021 and 2020, have been audited by the CPAs.

In the opinion of the CPAs, the above financial statements have been prepared in all material respects in accordance with the Financial Reporting Standards for Securities Issuers, and are sufficient to give a fair representation of the financial position of CoAsia Electronics as at December 31, 2021 and 2020, and the financial performance and cash flow from January 1 to December 31, 2021 and 2020.

### **Basis for Opinions**

We conducted our audits in accordance with the Regulations Governing the Auditing and Attestation of Financial Statements by Certified Public Accountants and Generally Accepted Auditing Standards (GAAS) of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of Financial Statements section of our report. We are independent of CoAsia Electronics in accordance with the Norm of Professional Ethics for Certified Public Accountant, and 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 refer to those which, in accordance with the professional judgment of the CPAs, are most important for the audit of the financial statements of CoAsia Electronics for the year 2021. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matters of the financial statements of CoAsia Electronics for the year 2021 are listed as follows:

## **Inventory Evaluation**

### Description

Please refer to Note IV (XI) of the financial report for the accounting policy of inventory evaluation; please refer to Note V(II) of the financial report for the uncertainty of accounting estimates and assumptions of inventory evaluation; and refer to Note VI(IV) to the financial report for the description of allowance for inventory impairment loss. The inventory balance of CoAsia Electronics on December 31, 2021 was NT\$348,297 thousand (including NT\$16,269 thousand after deducting allowance for inventory impairment loss).

CoAsia Electronics operates the wholesale sales of electronic components and materials. Due to the short life cycle of its related products and the fierce market competition, there is a high risk of inventory impairment loss or obsolescence. CoAsia Electronics's inventories are measured at the lower of cost and net realizable value; for inventories that are outdated and obsolete beyond a certain period of time, the net realizable value is calculated based on historical information on the extent of inventory depletion and discount rate.

Due to the rapid technological changes in the industry in which CoAsia Electronics operates, and because the net realizable value used in evaluating outdated and obsolete inventories often involves subjective judgments and therefore has a high degree of estimation uncertainty, considering that the inventory of CoAsia Electronics and its allowance for inventory impairment loss have a significant impact on the financial statements, the CPAs believe that the assessment of the inventory of CoAsia Electronics and its allowance for inventory impairment loss is one of the most important matters in this year's audit.

### Response audit procedures

The CPAs' response procedures for the above-mentioned aspects are summarized as follows:

1. In accordance with the requirements of accounting principles and the understanding of CoAsia Electronics's operation and industry nature, assess the rationality of the policies and procedures adopted in assessing the provision for impairment losses on inventories, including the classification of inventories based on the net realizable value, and the degree of expiry of inventories Sources of historical information and discount margins and the rationality of judging obsolete and obsolete inventory items.
2. Identify the warehouse management process of CoAsia Electronics, review its annual inventory plan and participate in the annual inventory checking to evaluate the effectiveness of management in distinguishing and controlling obsolete inventory.

3. Verify the properness of the inventory age report used by CoAsia Electronics for evaluation, and estimate the net realizable value of the inventory that exceeds a certain period of time, estimate its net reliable value based on the historical information on the extent of inventory depletion and discount rate, so as to evaluate the rationality of the allowance for inventory impairment loss determined by CoAsia Electronics.
4. Execute the verification of the calculation logic of the net realizable value of inventories, and then evaluate the rationality of the allowance for impairment loss determined by CoAsia Electronics.

### **Evaluation on the Allowance for Losses of Accounts Receivable**

#### Description

Please refer to Note IV (IX) of the financial report for the evaluation on the allowance for losses of accounts receivable; please refer to Note V(II) of the financial report for the uncertainty of accounting estimates and assumptions of the allowance for losses of accounts receivable; and refer to Note VI(II) to the financial report for the description of the allowance for losses of accounts receivable. The balance of accounts receivable of CoAsia Electronics as at December 31, 2021 was NT\$1,230,807 thousand (including the deducted allowance for loss of NT\$304 thousand).

The accounts receivable of CoAsia Electronics are based on historical experience, forward-looking information and other known reasons or existing objective evidence to estimate the expected credit impairment losses that may occur, and are listed as deduction from accounts receivable in the current period when the accounts receivable may not be recovered, and CoAsia Electronics regularly reviews the rationality of its loss estimates. Because the evaluation of allowance losses often involves the subjective judgment of the management, various industrial prosperity indicators or the possibility of account recovery after the period, and the amount to be set aside is estimated accordingly, considering that the accounts receivable of CoAsia Electronics and its allowance for loss have a significant impact on the financial statements, the CPAs believe that the assessment of the allowance for loss of accounts receivable of CoAsia Electronics is one of the most important matters in this year's audit.

#### Response audit procedures

The CPAs' response procedures for the above-mentioned aspects are summarized as follows:

1. In accordance with the requirements of accounting principles and the understanding of the operation of CoAsia Electronics and the credit quality of customer credit standards, assess the rationality of the policies and procedures for the provision of allowance losses of accounts receivable, including the rationality of group classification and aging analysis to determine the credit quality of customer credit standards.
2. Obtain the overdue aging data sheet used by the management to evaluate the expected credit loss rate of accounts receivable, confirm that the logic of the data source is consistent, and test the relevant forms to confirm the correctness of the aging data.
3. Evaluate the rationality of the estimates used by management to estimate the expected credit losses of accounts receivable and obtain relevant supporting documents, including: Long overdue accounts, collections after the period, and signs that customers are unable to repay on time, etc.
4. Post-period collection test to support the adequacy of the provision of allowance losses.

### **Authenticity of Revenue Recognition**

#### Description

Please refer to Note IV (XXVI) to the financial report for the accounting policy for revenue recognition.

CoAsia Electronics is mainly engaged in the wholesale sales of electronic components and is an agent of Samsung Electronics. The sales revenue in 2021 was NT\$14,564,375 thousand. CoAsia Electronics's sales targets include consumer electronics manufacturers and distributors at home and abroad, and due to changes in the consumer electronics product end market and changes in Samsung Electronics' sales strategy, as well as the huge amount and volume of sales revenue, which have an impact on the financial statements. Therefore, the CPAs considers that the authenticity of CoAsia Electronics's revenue recognition is one of the most important matters in this year's audit.

#### Response audit procedures

The CPAs' response procedures for the above-mentioned aspects are summarized as follows:

1. In accordance with the requirements of accounting principles and the understanding of the internal control of CoAsia Electronics to obtain significant sales targets, including the relevant credit investigation procedures and accounting policies for revenue recognition.
2. Identify the rationality of the credit investigation and related approval procedures carried out by CoAsia Electronics for important transaction partners.
3. Perform spot checks on sales revenue transactions, including checking the date and amount of sales invoices and the delivery orders which have been properly approved and signed to confirm that the transactions have indeed occurred and belonged to the appropriate period.



4. For a certain period before and after the balance sheet date, identify the reasons for the significant return of sales and evaluate the rationality of the vesting period.

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

To ensure that the financial statements do not contain material misstatements caused by fraud or errors, the management is responsible for preparing prudent financial statements in accordance with the Financial Reporting Standards for Securities Issuers and for preparing and maintaining necessary internal control procedures pertaining to the financial statements.

In preparing the accompanying financial statements, the management is responsible for assessing CoAsia Electronics'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 the management either intends to liquidate CoAsia Electronics or to cease operations, or has no realistic alternative but to do so.

Those in charge with CoAsia Electronics's governance (including the Audit Committee) are responsible for overseeing its financial reporting process.

## **Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, 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 when it exists. Misstatements can arise from error or fraud 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 financial statements.

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

1. Identify and evaluate the risk of material misstatements due to fraud or error in the financial statements; design and carry out appropriate countermeasures for the evaluated risk; and obtain sufficient and appropriate evidence as the basis for audit 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 CoAsia Electronics's internal control.
3. Assess the appropriateness of the accounting policies adopted by the management, as well as the reasonableness of their accounting estimates and relevant disclosures.
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 CoAsia Electronics'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 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 CoAsia Electronics to cease to continue as a going concern.
5. Evaluate the overall expression, structure and contents of the financial statements (including relevant Notes), and whether the financial statements fairly present relevant transactions and items.

6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within CoAsia Electronics to express an opinion on the financial statements. We are responsible for the direction, supervision, and performance of the audit and for expressing an opinion on the financial statements.

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 of the Republic of China, 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 communication with the management unit, the accountant decided on the key audit matters for the financial statements of CoAsia Electronics for 2021. 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.

PwC Taiwan

Hsu, Yung-Chien



CPA

Wu, Han-Chi



Former Securities Regulatory Commission of the Ministry of Finance

Approval File No.: (84) T.C.Z. (L) No. 13377

Former Securities and Futures Commission of the Ministry of Finance

Approval File No.: (90) T.C.Z. (L.) Z. No. 157088

March 8, 2022



CoAsia Electronics Corp.  
Parent Company Only Balance Sheets  
December 31, 2021 and 2020

Unit: NT\$ thousand

Assets	Note	December 31, 2021		December 31, 2020		
		Amount	%	Amount	%	
<b>Current Assets</b>						
1100	Cash and Cash Equivalents	VI(I)	\$ 82,947	2	\$ 90,169	2
1110	Financial assets at fair value through profit or loss - current	VI(V)	4,734	-	4,880	-
1136	Financial assets at amortized cost - current	VI(I) and VIII	122,003	2	79,651	2
1170	Accounts receivable, net	VI(II)(III) and VIII	1,230,807	23	868,469	18
1180	Accounts receivable - related parties, net	VII	1,509,061	28	1,627,617	34
1200	Other receivables	VI(III)	28,509	1	12,870	-
1210	Other receivables - related parties	VII	5,972	-	55,328	1
130X	Inventories	VI(IV)	348,297	6	360,653	8
1410	Prepayments	VII	47,600	1	215,568	5
1470	Other Current Assets	VI(VII)	460,783	9	902	-
11XX	<b>Total current assets</b>		<u>3,840,713</u>	<u>72</u>	<u>3,316,107</u>	<u>70</u>
<b>Non-current assets</b>						
1510	Financial assets at fair value through profit or loss - non-current	VI(V)	21,685	-	25,481	-
1550	Investments Accounted for Using the Equity Method	VI(VI) and VII	1,259,846	23	1,195,438	25
1600	Property, Plant, and Equipment	VI(VIII) and VIII	150,061	3	127,525	3
1755	Right-of-use assets	VI(IX)	5,233	-	3,409	-
1780	Intangible Assets	VI(X)	30,610	1	32,905	1
1840	Deferred income tax assets	VI(XXII)	36,288	1	57,525	1
1900	Other non-current assets		4,388	-	4,062	-
15XX	<b>Total non-current assets</b>		<u>1,508,111</u>	<u>28</u>	<u>1,446,345</u>	<u>30</u>
1XXX	<b>Total assets</b>		<u>\$ 5,348,824</u>	<u>100</u>	<u>\$ 4,762,452</u>	<u>100</u>

(Continued on the next page)



CoAsia Electronics Corp.  
Parent Company Only Balance Sheets  
December 31, 2021 and 2020

Unit: NT\$ thousand

Liabilities and Equity	Note	December 31, 2021		December 31, 2020		
		Amount	%	Amount	%	
<b>Current Liabilities</b>						
2100	Short-term Loans	VI(XII) and VIII	\$ 2,350,465	44	\$ 1,993,751	42
2110	Short-term notes and bills payable		100,000	2	-	-
2130	Contract liabilities - current	VI(XVIII)	51,859	1	35	-
2170	Accounts Payable		132,661	2	74,985	2
2180	Accounts payable - related parties	VII	83,738	2	72,751	1
2200	Other payables	VI(XIII)	133,067	3	88,559	2
2220	Other payables - related parties	VI(XIII) and VII	174	-	109,462	2
2230	Current income tax liabilities	VI(XXII)	30	-	852	-
2280	Lease liabilities - current		2,657	-	2,288	-
2300	Other current liabilities		1,660	-	1,865	-
21XX	<b>Total current liabilities</b>		<u>2,856,311</u>	<u>54</u>	<u>2,344,548</u>	<u>49</u>
<b>Non-current liabilities</b>						
2570	Deferred income tax liabilities	VI(XXII)	632	-	1,421	-
2580	Lease liabilities - non-current		2,685	-	1,217	-
2600	Other non-current liabilities	VI(VI)	5,395	-	11,528	1
25XX	<b>Total non-current liabilities</b>		<u>8,712</u>	<u>-</u>	<u>14,166</u>	<u>1</u>
2XXX	<b>Total liabilities</b>		<u>2,865,023</u>	<u>54</u>	<u>2,358,714</u>	<u>50</u>
<b>Equity</b>						
Capital Stock						
3110	Capital stock - common shares	VI(XV)	1,452,648	27	1,424,165	30
Capital Surplus						
3200	Capital Surplus	VI(XVI)	837,054	16	836,817	18

(Continued on the next page)



CoAsia Electronics Corp.  
Parent Company Only Balance Sheets  
December 31, 2021 and 2020

	Retained Earnings	VI(XVII)				
3310	Legal reserve		66,161	1	56,053	1
3320	Special reserve		84,408	2	52,594	1
3350	Unappropriated earnings		183,946	3	118,517	2
	Other equity					
3400	Other equity		( 140,416 )	( 3 )	( 84,408 )	( 2 )
3XXX	<b>Total equity</b>		<u>2,483,801</u>	46	<u>2,403,738</u>	50
	Significant Contingent	IX				
	Liabilities and Unrecognized					
	Contract Commitments					
	Significant Events after the	XI				
	Balance Sheet Date					
3X2X	<b>Total liabilities and equity</b>		<u>\$ 5,348,824</u>	<u>100</u>	<u>\$ 4,762,452</u>	<u>100</u>

Please refer to also the accompanying notes to the financial statements, which are an integral part of the financial statements.

Chairman:  
Lee Hee-Jun



Managerial officer:  
Shin Dong-Soo



Accounting Manager:  
Wang Peng-Cheng





CoAsia Electronics Corp.  
Parent Company Only Statements of Comprehensive Income  
For the Years Ended December 31, 2021 and 2020

Unit: NT\$ thousand  
(Except earnings per share in NT\$)

Item	Note	2021		2020	
		Amount	%	Amount	%
4000 Operating Revenue	VI(XVIII) and VII	\$ 14,564,375	100	\$ 9,855,383	100
5000 Operating Costs	VI(IV) and VII	( 14,222,536)	( 97)	( 9,638,504)	( 98)
5900 Gross profit		341,839	3	216,879	2
5910 Unrealized sales profits	VI(VI)	( 14,289)	-	( 11,151)	-
5920 Realized gains from sales	VI(VI)	11,151	-	8,520	-
5950 Gross profit, net		338,701	3	214,248	2
Operating expenses	VI(XX) (XXI) and VII				
6100 Selling and Marketing Expenses		( 111,422)	( 1)	( 72,801)	( 1)
6200 General and Administrative Expenses		( 116,660)	( 1)	( 99,860)	( 1)
6300 Research and development expenses		( 17,927)	-	( 28,013)	-
6450 Expected credit impairment gains (losses)	XII(II)	24	-	( 328)	-
6000 Total operating expenses		( 245,985)	( 2)	( 201,002)	( 2)
6900 Operating gains		92,716	1	13,246	-
Non-operating income and expenses					
7100 Interest income		1,176	-	732	-
7010 Other income	VII	37,698	-	24,394	-
7020 Other gains or losses	VI(XIX)	( 38,994)	( 1)	( 51,816)	-
7050 Finance costs	VII	( 36,960)	-	( 37,821)	-
7070 Share of profit or loss of subsidiaries, associates, and joint ventures recognized using the equity method	VI(VI)	129,251	1	139,781	1
7000 Total non-operating income and expenses		92,171	-	75,270	1
7900 <b>Net income before tax</b>		184,887	1	88,516	1
7950 Income tax (expenses) incomes	VI(XXII)	( 20,570)	-	( 12,569)	-
8200 <b>Net profit for the period</b>		\$ 164,317	1	\$ 101,085	1
<b>Other comprehensive income (net)</b>					
<b>Components that may be reclassified to profit or loss</b>					
8361 Exchange differences on translation of financial statements of foreign operations		(\$ 56,008)	-	(\$ 34,040)	-
8300 <b>Other comprehensive income (net)</b>		(\$ 56,008)	-	(\$ 34,040)	-
8500 <b>Total comprehensive income (loss) for the period</b>		\$ 108,309	1	\$ 67,045	1
Basic earnings per share					
9750 Net profit for the period	VI(XXIII)	\$	1.13	\$	0.70
Diluted earnings per share					
9850 Net profit for the period	VI(XXIII)	\$	1.12	\$	0.69

Please refer to also the accompanying notes to the financial statements, which are an integral part of the financial statements.

Chairman:

Lee Hee-Jun



Managerial officer:

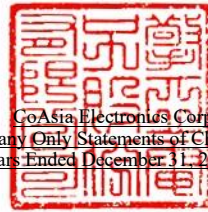
Shin Dong-Soo



Accounting Manager:

Wang Peng-Cheng





GoAsia Electronics Corp.  
Parent Company Only Statements of Changes in Equity  
For the Years Ended December 31, 2021 and 2020

Unit: NT\$ thousand

	Capital Surplus					Retained Earnings			Other equity	Total Equity	
	Note	Capital stock - common shares	Capital surplus - share premium	Capital surplus - treasury share transactions	Capital surplus - recognized value of changes in equity of ownership of subsidiaries	Capital surplus - others	Legal reserve	Special reserve	Unappropriated earnings		Exchange differences on translation of financial statements of foreign operations
<u>2020</u>											
Balance as of January 1, 2020		\$ 1,396,240	\$ 744,222	\$ 60,466	\$ 32,129	\$ -	\$ 47,910	\$ 52,594	\$ 81,425	(\$ 50,368 )	\$ 2,364,618
Net income in 2020		-	-	-	-	-	-	-	101,085	-	101,085
Other comprehensive income in 2020		-	-	-	-	-	-	-	-	( 34,040 )	( 34,040 )
Total comprehensive income (loss) for the period		-	-	-	-	-	-	-	101,085	( 34,040 )	67,045
Distribution of earnings in 2019	VI(XVII)										
Legal reserve		-	-	-	-	-	8,143	-	( 8,143 )	-	-
Cash dividends		-	-	-	-	-	-	-	( 27,925 )	-	( 27,925 )
Stock dividends		27,925	-	-	-	-	-	( 27,925 )	-	-	-
Balance as of December 31, 2020		\$ 1,424,165	\$ 744,222	\$ 60,466	\$ 32,129	\$ -	\$ 56,053	\$ 52,594	\$ 118,517	(\$ 84,408 )	\$ 2,403,738
<u>2021</u>											
Balance as of January 1, 2021		\$ 1,424,165	\$ 744,222	\$ 60,466	\$ 32,129	\$ -	\$ 56,053	\$ 52,594	\$ 118,517	(\$ 84,408 )	\$ 2,403,738
Net income in 2021		-	-	-	-	-	-	-	164,317	-	164,317
Other comprehensive income in 2021		-	-	-	-	-	-	-	-	( 56,008 )	( 56,008 )
Total comprehensive income (loss) for the period		-	-	-	-	-	-	-	164,317	( 56,008 )	108,309
Distribution of earnings in 2020	VI(XVII)										
Legal reserve		-	-	-	-	-	10,108	-	( 10,108 )	-	-
Provision of special reserve		-	-	-	-	-	-	31,814	( 31,814 )	-	-
Cash dividends		-	-	-	-	-	-	-	( 28,483 )	-	( 28,483 )
Stock dividends		28,483	-	-	-	-	-	-	( 28,483 )	-	-
Dividends not received by shareholders beyond the time limit converted to capital surplus		-	-	-	-	237	-	-	-	-	237
Balance as of December 31, 2021		\$ 1,452,648	\$ 744,222	\$ 60,466	\$ 32,129	\$ 237	\$ 66,161	\$ 84,408	\$ 183,946	(\$ 140,416 )	\$ 2,483,801

Please refer to also the accompanying notes to the financial statements, which are an integral part of the financial statements.

Chairman:  
Lee Hee-Jun




Managerial officer:  
Shin Dong-Soo



Accounting Manager:  
Wang Peng-Cheng





  
CoAsia Electronics Corp.  
Parent Company Only Statements of Cash Flows  
For the Years Ended December 31, 2021 and 2020

Unit: NT\$ thousand

	Note	From January 1 to December 31, 2021	From January 1 to December 31, 2020
<u>Cash flows from operating activities</u>			
Net profit before tax of the period		\$ 184,887	\$ 88,516
Adjustment item			
Income (expense) items			
Depreciation expenses (including right-of-use assets)	VI(VIII)(IX) (XX)	7,551	5,304
Amortization expenses	VI(X)(XX)	5,810	4,516
Expected credit impairment (gains) losses	XII(II)	( 24 )	328
Interest expenses		36,960	37,821
Interest income		( 1,176 )	( 732 )
Net loss (gain) on financial assets at fair value through profit or loss	VI(XIX)	3,942	( 18,423 )
Share of gains of subsidiaries, affiliates, and joint ventures recognized using the equity method	VI(VI)	( 129,251 )	( 139,781 )
Losses (gains) on disposal of property, plant, and equipment	VI(XIX)	173	( 37 )
Loss from disposal of non-current assets to be sold	VI(XI)(XIX)	-	435
Unrealized sales profits	VI(VI)	14,289	11,151
Realized gains from sales	VI(VI)	( 11,151 )	( 8,520 )
Changes in operating assets and liabilities			
Net change in assets related to operating activities			
Notes receivable		-	4,910
Accounts Receivable		( 362,314 )	( 262,823 )
Accounts receivable - related parties		118,556	( 41,830 )
Other receivables		( 15,640 )	( 46 )
Other receivables - related parties		2,397	2,296
Inventories		12,356	( 226,187 )
Prepayments		167,968	12,252
Other Current Assets		( 459,881 )	( 837 )
Net change in liabilities related to operating activities			
Contract Liabilities		( 35 )	( 454 )
Accounts Payable		57,676	35,949
Accounts payable - related parties		10,987	54,681
Other payables		95,908	3,650
Other payables - related parties		( 1,064 )	( 688 )
Other current liabilities		( 205 )	( 83 )
Cash outflow generated from operations		( 261,281 )	( 438,632 )
Interest received		1,177	776
Interest paid		( 36,501 )	( 39,648 )
Income tax (paid) returned		( 944 )	81
Net cash flows use in operating activities		( 297,549 )	( 477,423 )




(Continued on the next page)

  
CoAsia Electronics Corp.  
Parent Company Only Statements of Cash Flows  
For the Years Ended December 31, 2021 and 2020

Unit: NT\$ thousand

	Note	<u>From January 1 to</u> <u>December 31, 2021</u>	<u>From January 1 to</u> <u>December 31, 2020</u>
<u>Cash flows from investing activities</u>			
Decrease (increase) in other receivables - related parties		\$ 31,328	(\$ 31,328)
(Increase) decrease in financial assets at amortized cost		( 42,352 )	5,895
Acquisition of investments accounted for using the equity method	VI(VI)	( 1,400 )	-
Acquisition of property, plant, and equipment	VI(VIII)	( 27,146 )	( 556 )
Acquisition of financial assets at fair value through profit or loss		-	( 5,000 )
Price of asset disposal		15,631	47,294
Price of disposal of non-current assets to be sold	VI(XI)	-	5,238
Proceeds from disposal of property, plant, and equipment		2	58
Acquisition of intangible assets	VI(X)	( 3,524 )	( 3,136 )
Increase in prepayments for equipment		( 326 )	-
Decrease in refundable deposits		-	965
Net cash (outflows) inflows from investing activities		<u>( 27,787 )</u>	<u>19,430</u>
<u>Cash flows from financing activities</u>			
Increase in short-term loans	VI(XXIV)	356,714	221,400
Increase in short-term notes and bills payable	VI(XXIV)	100,000	-
Repayment of the principal portion of leases	VI(XXIV)	( 3,103 )	( 3,170 )
(Decrease) increase in other payables - related parties		( 108,224 )	108,224
Cash dividends paid	VI(XVII)	( 28,483 )	( 27,925 )
Dividends not received by shareholders beyond the time limit converted to capital surplus		237	-
Net cash flows generated from financing activities		<u>317,141</u>	<u>298,529</u>
Effect of exchange rate		973	1,014
Decrease in cash and cash equivalent in the period		( 7,222 )	( 158,450 )
Beginning balance of cash and cash equivalents	VI(I)	90,169	248,619
Ending balance of cash and cash equivalents	VI(I)	<u>\$ 82,947</u>	<u>\$ 90,169</u>

Please refer to also the accompanying notes to the financial statements, which are an integral part of the financial statements.

Chairman: Lee Hee-Jun		Managerial officer: Shin Dong-Soo		Accounting Manager: Wang Peng-Cheng	
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CoAsia Electronics Corp.  
Notes to Financial Statements  
For the Years Ended December 31, 2021 and 2020

Unit: NT\$ thousand  
(Unless Stated Otherwise)

I. Company History

CoAsia Electronics Corp. (hereinafter referred to as "CoAsia Electronics") was established in November 1997. The main business activities of CoAsia Electronics are research, development and design of integrated circuits, international trade, electronic component manufacturing, product design, electronic material wholesale and intellectual property rights, etc. CoAsia Electronics' stock has been listed for trading on the Taipei Exchange (TPEX) since July 15, 2004.

II. Date of Authorization for Issuance of the Financial Statements and Procedures for Authorization

The financial statements were reported to and issued by CoAsia Electronics' Board of Directors on March 8, 2022.

III. Application of New and Amended Standards and Interpretations

(I) The impact of adopting new and revised IFRSs recognized by the Financial Supervisory Commission ("FSC")

The following table summarizes the new, amended and revised standards and interpretations of the applicable IRFSs for 2021 recognized by the FSC:

<u>New/Revised/Amended Standards and Interpretations</u>	<u>Effective Date of Issuance by the IASB</u>
Amendments to IFRS 4 "Extension of the Temporary Exemption from Applying IFRS 9"	January 1, 2021
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16, Phase 2 "Interest Rate Benchmark Reform"	January 1, 2021
Amendments to IFRS 16 "Covid-19-Related Rent Concessions beyond 30 June 2021"	April 1, 2021 (Note)

Note: FSC allows earlier application on January 1, 2021.

Note: FSC allows earlier application on January 1, 2021.

CoAsia Electronics found through assessment that the above standards and interpretations have no material impact on CoAsia Electronics' financial condition and financial performance.

(II) The impact of not adopting new and revised IFRSs recognized by the FSC

The following table summarizes the new, amended and revised standards and interpretations of the applicable IFRSs for 2022 recognized by the FSC:

<u>New/Revised/Amended Standards and Interpretations</u>	<u>Effective Date of Issuance by the IASB</u>
Amendments to IFRS 3 "Reference to the Conceptual Framework"	January 1, 2022
Amendments to IAS 16 "Property, Plant, and Equipment: Proceeds before Intended Use"	January 1, 2022
Amendments to IAS 37 "Onerous Contracts - Cost of Fulfilling a Contract"	January 1, 2022
Annual Improvements to IFRSs 2018-2020 Cycle	January 1, 2022

CoAsia Electronics found through assessment that the above standards and interpretations have no material impact on CoAsia Electronics' financial condition and financial performance.

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

The following table summarizes the new, amended and revised standards and interpretations that have been issued by the IASB but have not yet been incorporated into the FSC-approved IFRS standards and interpretations:

<u>New/Revised/Amended Standards and Interpretations</u>	<u>Effective Date of Issuance by IASB</u>
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
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17 "Insurance Contracts"	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, 2023
Amendments to IAS 1 "Disclosure of Accounting Policies"	January 1, 2023
Amendments to IAS 8 "Definition of Accounting Estimates"	January 1, 2023
Amendments to IAS 12 "Deferred Tax related to Assets and Liabilities arising from a Single Transaction"	January 1, 2023

CoAsia Electronics found through assessment that the above standards and interpretations have no material impact on CoAsia Electronics' financial condition and financial performance.

#### IV. Summary of Significant Accounting Policies

The principal accounting policies adopted in the preparation of these financial standards are described below. Unless otherwise stated, these policies apply consistently throughout all reporting periods.

##### (I) Compliance declaration

The financial statements have been prepared in accordance with the Financial Reporting Standards for Securities Issuers.

##### (II) Preparation basis

1. Except for financial assets at fair value through profit or loss, these financial statements have been prepared at historical cost.
2. The preparation of financial statements in compliance with the International Financial Reporting Standards, International Accounting Standards, Interpretations and Interpretations (hereinafter referred to as IFRSs) recognized by the FSC requires the use of certain critical accounting estimates and the use of management's judgment in the process of applying CoAsia Electronics' accounting policies. For items involving a high degree of judgment or complexity, or involving significant assumptions and estimates in the financial statements, please refer to Note V for details.

##### (III) Foreign currency conversion

Items included in the financial statements of CoAsia Electronics are measured in the currency of the primary economic environment in which CoAsia Electronics operates (i.e., the functional currency). The financial statements are presented in the New Taiwan dollar, CoAsia Electronics' functional currency.

1. Foreign currency transactions and balances
  - (1) Foreign currency transactions are translated into the functional currency using the spot exchange rate on the transaction date or measurement date, and translation differences arising from the translation of these transactions are recognized as current gains or losses.
  - (2) The balance of monetary assets and liabilities denominated in foreign currencies shall be evaluated and adjusted according to the spot exchange rate on the balance sheet date, and the translation difference arising from the adjustment shall be recognized as the current profit and loss.
  - (3) The balance of foreign currency non-monetary assets and liabilities, which are measured at fair value through gains or losses, is adjusted according to the spot exchange rate on the balance sheet date, and the exchange difference arising from the adjustment is recognized as the current gains or losses; for those measured at fair value through other

composite gains or losses, the adjustment is evaluated at the spot exchange rate on the balance sheet date, and the exchange difference arising from the adjustment is recognized in other composite gains or losses; those not measured at fair value are measured at the historical exchange rate on the initial transaction date.

- (4) All exchange gains or losses are reported under “Other gains or losses” of the statement of gains or losses.

## 2. Translation of foreign operating entities

- (1) For all entities and affiliates of CoAsia Electronics whose functional currency is different from the expression currency, the operating results and financial position are converted into the expression currency in the following manner:
  - A. Assets and liabilities expressed on each balance sheet are translated at the closing exchange rate on that balance sheet date;
  - B. The gains or losses expressed in each consolidated statement of gains or losses are translated at the average exchange rate for the period; and
  - C. All exchange differences arising from translation are recognized in other composite gains or losses.
- (2) When the foreign operating institution that is partially disposed of or sold is an affiliate, the exchange difference under other composite gains or losses will be reclassified as the current gains or losses proportionally as part of the sale gain or loss. However, if CoAsia Electronics still retains part of the rights and interests in the former affiliate, but has lost its significant influence on the foreign operating organization that is an affiliate, it will be dealt with as a punishment for all the rights and interests of the foreign operating organization.
- (3) When a partially disposed or sold foreign operating institution is a subsidiary, the accumulated exchange differences recognized as other composite gains or losses shall be re-attributed to the non-controlling interests of the foreign operating institution on a pro rata basis. However, if CoAsia Electronics still retains part of the rights and interests in the former subsidiary, but has lost its control over the foreign operating organization that is a subsidiary, it will be dealt with as a punishment for all the rights and interests of the foreign operating organization.

## (IV) Classification criteria for distinguishing current and non-current assets and liabilities

1. Assets that meet one of the following conditions are classified as current assets:
  - (1) Those expected to be realized in the normal operating cycle, or intended to be sold or consumed.
  - (2) Those held primarily for trading purposes;
  - (3) Those expected to be realized within 12 months after the balance sheet date.
  - (4) Cash or cash equivalents, unless exchanged at least twelve months after the balance

sheet date or restricted from being used to settle liabilities.

CoAsia Electronics classifies all assets that do not meet the above criteria as non-current.

2. Liabilities that meet one of the following conditions are classified as current liabilities:
  - (1) Those expected to be settled in the normal business cycle.
  - (2) Those held primarily for trading purposes;
  - (3) Those expected to be due and repaid within 12 months after the balance sheet date.
  - (4) Those with a repayment schedule that cannot be unconditionally deferred till at least 12 months after the publication of the balance sheet. The terms of liabilities, which may be settled by issuing equity instruments according to the counterparty's choice, do not affect their classification.

CoAsia Electronics classifies all liabilities that do not meet the above criteria as non-current.

#### (V) Cash Equivalents

Cash equivalents are short-term, highly liquid investments that can be converted into fixed amounts of cash at any time with minimal risk of changes in value. Time deposits that meet the above definition and are held for the purpose of meeting short-term cash commitments for operations are classified as cash equivalents.

#### (VI) Financial Assets at Fair Value through Profit or Loss

1. Financial assets that are not measured at amortized cost or at fair value through other composite gains or losses.
2. CoAsia Electronics uses trade-date accounting for financial assets at fair value through gains or losses in customary transactions.
3. CoAsia Electronics measures them at fair value at the time of initial recognition, with the relevant transaction costs recognized in gains or losses, and subsequently measured at fair value, with its profits or losses recognized in gains or losses.
4. CoAsia Electronics recognizes dividend income in gains or losses when the right to receive the dividend is established, it is probable that the economic benefits associated with the dividend will flow in and the amount of the dividend can be measured reliably.

#### (VII) Financial Assets at Amortized Cost

1. Refer to those which meet the following conditions at the same time:
  - (1) The financial asset is held under an operating model whose purpose is to collect contractual cash flows.
  - (2) The cash flow generated by the terms of the contract of the financial asset on a specified date is solely for the payment of principal and interest on the principal amount outstanding.

2. CoAsia Electronics uses trade date accounting for financial assets measured at amortized cost in accordance with trading conventions.
3. CoAsia Electronics measure it at its fair value plus transaction costs at the time of original recognition, and subsequently uses the effective interest method to recognize interest income and impairment losses during the circulation period using the effective interest method and amortization procedure, and recognizes the profits or losses as gains or losses at de-recognition.
4. CoAsia Electronics holds time deposits that do not qualify as cash equivalents. Due to the short holding period, the impact of discounting is not significant and is measured by the investment amount.

(VIII) Accounts Receivable

1. Refer to the account that has the right to unconditionally receive the consideration amount in exchange for the transfer of goods or services according to the contract.
2. Short-term accounts receivable with no interest paid are measured by CoAsia Electronics at the original invoice amount as the effect of discounting is insignificant.

(IX) Impairment of Financial Assets

With respect to financial assets at fair value through gains or losses which have not significantly increased in credit risk since original recognition, CoAsia Electronics measures the allowance loss according to the 12-month expected credit loss amount on each balance sheet date after considering all reasonable and corroborative information (including forward-looking ones); for those whose credit risk has increased significantly since the original recognition, CoAsia Electronics measures the allowance loss according to the expected credit loss amount during the duration; for accounts receivable that do not include significant financial components, the allowance losses are measured according to the expected credit loss amount during the duration.

(X) De-recognition of Financial Assets

CoAsia Electronics will de-recognize financial assets when one of the following conditions is met:

1. The contractual right to receive cash flows from the financial asset lapses.
2. The contractual right to receive cash flows from a financial asset has been transferred and substantially all the risks and rewards of ownership of the financial asset have been transferred.
3. The contractual right to receive cash flows from a financial asset has been transferred, but the control over the financial asset does not retain.



(XI) Inventories

Inventories are measured at the lower of cost and net realizable value, and cost carry-forward is calculated using the weighted average method. When comparing the lower of the cost and the net realizable value, the item-by-item comparison method is adopted. The net realizable value refers to the balance after deducting the estimated selling price in the normal course of business to the estimated cost to be invested in completion and related variable selling expenses.

(XII) Non-current Assets for Sale

When the carrying amount of a non-current asset is mainly recovered through a sale transaction rather than continued use, and the sale is highly probable, they are classified as assets for sale and measured at the lower of the book value and the fair value less cost of selling.

(XIII) Investments Accounted for Using the Equity Method - Subsidiaries and Affiliates

1. Subsidiary means an entity (including structured entity) that is controlled by CoAsia Electronics when CoAsia Electronics is exposed to or entitled to variable remuneration arising from participation in such entity and is able to influence such remuneration through its power over such entity.
2. All unrealized gains or losses arising from transactions between CoAsia Electronics and its subsidiaries have been written off. The accounting policies of the subsidiaries have been adjusted as necessary to be consistent with those adopted by CoAsia Electronics.
3. CoAsia Electronics recognizes the share of gains or losses of the subsidiaries as current gains or losses, and recognizes the share of other composite gains or losses as other composite gains or losses. When the shares of losses of a subsidiary recognized by CoAsia Electronics equal or exceed its equity in that subsidiary, CoAsia Electronics continues recognizing its losses according to the ownership proportion.
4. Affiliates refer to all entities over which CoAsia Electronics has significant influence and no control, generally by directly or indirectly holding more than 20% of their voting shares. CoAsia Electronics' investment in affiliates is dealt with by equity method and is recognized according to cost at the time of acquisition.
5. CoAsia Electronics recognizes the share of gains or losses of the affiliates as current gains or losses, and recognizes the share of other composite gains or losses as other composite gains or losses. If CoAsia Electronics' share of loss to any affiliate equals or exceeds its equity in that affiliate (including any other unsecured receivables), CoAsia Electronics does not recognize further losses unless CoAsia Electronics has a statutory obligation, a

- constructive obligation or has made payments on behalf of the affiliate.
6. When there is a change in the equity of an affiliate that is not gains or losses or other composite gains or losses, which does not affect the shareholding ratio of the affiliate, CoAsia Electronics recognizes the change in equity attributable to CoAsia Electronics' share of the affiliate as "capital surplus" according to the shareholding ratio.
  7. Unrealized gains or losses arising from transactions between CoAsia Electronics and its affiliates are eliminated in proportion to its equity in the affiliates; unrealized losses are also eliminated unless evidence shows that the assets transferred by the transaction have been impaired. The accounting policies of affiliates have been adjusted as necessary to be consistent with those adopted by CoAsia Electronics.
  8. According to the Financial Reporting Standards for Securities Issuers, the current gains or losses and other composite gains or losses of the financial statements shall be the same as the share of the current gains or losses and other composite gains or losses attributable to the owners of the parent company in the financial statements prepared on a consolidated basis. Equity attributable to the owners of financial statements should be the same as the equity attributable to the owners of the parent company in the financial statements prepared on a consolidated basis.

(XIV) Property, Plant, and Equipment

1. Property, plant and equipment are recorded on the basis of acquisition cost, and the relevant interest during the period of acquisition and construction is capitalized.
2. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset only when it is probable that future economic benefits associated with the item will flow to CoAsia Electronics and the cost of the item can be measured reliably. The carrying amount of the part being reset should be de-recognized. All other maintenance costs are recognized as gains or losses for the period when incurred.
3. Subsequent measurement of property, plant and equipment adopts the cost model, except for land, other depreciation is provided on a straight-line basis over the estimated useful life. The depreciation of each component of property, plant and equipment is provided separately if it is significant.
4. CoAsia Electronics reviews the residual value, useful life and depreciation method of each asset at the end of each financial year. If the expected value of residual value and useful life is different from previous estimates, or if there is a material change in the expected consumption pattern of future economic benefits contained in the asset, the change in accounting estimates will be treated as per the provisions of IAS No. 8 "Changes in Accounting Policies, Estimates and Errors" from the date of change. The useful life of each

major asset are as follows:

Housing and Construction	50 years
Computer and Communication Equipment	3-9 years
Office Equipment	2-12 years
Testing Equipment	3-10 years
Other Equipment	2-5 years

(XV) Lessee's Lease Transaction - Right-of-Use Asset/Lease Liability

1. Lease assets are recognized as right-of-use assets and lease liabilities when they become available for use by CoAsia Electronics. When the lease contract is for a short-term lease or a lease of a low-value underlying asset, lease payments are recognized as an expense on a straight-line basis over the lease term.
2. On the commencement date of the lease, the outstanding lease payments shall be recognized as the present value after discounting at the interest rate of CoAsia Electronics' increased loan. The lease payments include fixed payments minus any lease inducements that may be collected.  
Subsequently, the interest method is adopted to measure by the amortized cost method, and the interest expenses is provided during the lease period. The lease liabilities will be reassessed and the right-of-use asset will be remeasured when there is a change in the lease term or lease payments due to non-contractual modification.
3. Right-of-use assets are recognized at costs on the lease commencement date. Costs include:
  - (1) The original measure of the lease liability.
  - (2) Any lease payments paid on or before the commencement date.Subsequently, cost model is adopted to measure. The depreciation of right-of-use assets is provided on a straight-line basis from lease commencement date to the end of the useful life or the end of the lease term. When the lease liability is reassessed, the right-of-use asset will adjust any remeasurement of the lease liability.
4. For lease modifications that reduce the scope of lease, the lessee will reduce the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease and will recognize the difference between it and the remeasured amount of the lease liability in gains or losses.

(XVI) Intangible Assets

Computer software is recognized at cost of acquisition and amortized on a straight-line basis over an estimated useful life of 3 to 8 years.

(XVII) Impairment of Non-Financial Assets

CoAsia Electronics estimates the recoverable amount of assets with signs of impairment on the balance sheet date, and recognizes impairment losses when the recoverable amount is lower than its book value. The recoverable amount is the fair value of an asset less the cost of disposal or its use value, whichever is higher.

(XVIII) Loans

Short-term loans from banks. They are measured by CoAsia Electronics at their fair value less transaction costs at the time of initial recognition, and with respect to any difference between the price after deducting transaction costs and the redemption value, the interest expenses are subsequently recognized as gains or Losses during the circulation period using the effective interest method and amortization procedures.

(XIX) Accounts Payable

1. The debts incurred for purchasing raw materials, commodities or services on credit.
2. Short-term accounts payable with no interest paid are measured by CoAsia Electronics at the original invoice amount as the effect of discounting is insignificant.

(XX) De-recognition of Financial Liabilities

CoAsia Electronics de-recognizes financial liabilities when its contractual obligations are fulfilled, cancelled or expired.

(XXI) Offset of Financial Assets and Liabilities

Financial assets and financial liabilities may be offset against each other and expressed as net in the balance sheet only when there is a legally enforceable right to offset the recognized amount of financial assets and liabilities and there is an intention to settle the assets on a net basis or to realize both assets and liabilities simultaneously.

(XXII) Employee Benefits

1. Short-term employee benefits  
Short-term employee benefits are measured at the undiscounted amount expected to be paid and are recognized as an expense when the related services are rendered.
2. Pensions  
Defined contribution plans  
The amount of the retirement fund to be contributed is recognized as the current pension cost on an accrual basis for determining the contribution plan. Advance contribution is recognized as asset to the extent of refundable cash or reduced future

payments.

3. Termination benefits

Termination benefits are benefits provided when the employment of an employee is terminated before the normal retirement date or when the employee decides to accept CoAsia Electronics' offer of benefits in exchange for termination of employment. CoAsia Electronics recognizes expenses when the offer of termination benefits can no longer be withdrawn or when the associated restructuring costs are recognized, whichever is earlier. Benefits that are not expected to be fully settled within 12 months after the balance sheet date should be discounted.

4. Remunerations of employees and directors

Remunerations of employees and directors are recognized as expenses and liabilities when there is a legal or constructive obligation and the amount can be reasonably estimated. If there is a discrepancy between the actual distribution amount and the estimated amount in subsequent resolutions, it shall be treated as a change in accounting estimate.

(XXIII) Income Tax

1. Income tax expense includes current and deferred income taxes. Income tax is recognized as gains or losses, except for income tax relating to items included in other composite gains or losses or directly included in equity, respectively.
2. CoAsia Electronics calculates current income tax based on the tax rates enacted or substantively enacted on the balance sheet date in the countries in which it operates and generates its chargeable income. Management periodically evaluates the status of income tax returns in respect of applicable income tax regulations and, where applicable, estimates income tax liabilities based on the taxes expected to be paid to tax authorities. The income tax imposed on undistributed earnings under the Income Tax Act shall not be recognized for the distribution of undistributed earnings until the year next to the year in which the surplus is generated after the shareholders' meeting has approved the distribution of surplus.
3. Deferred income tax is recognized using the balance sheet method on temporary differences arising from the tax bases of assets and liabilities and their carrying amounts in the balance sheet. Deferred income tax is not recognized if it arises from the original recognition of an asset or liability in a transaction (other than a business combination) that does not affect accounting profit or taxable income (taxable loss) at the time of transaction. Temporary differences arising from investments in subsidiaries and affiliates are not recognized if it is probable that the temporary differences will not reverse in the foreseeable future. Deferred income tax is subject to the tax rates (and tax

laws) that are enacted or substantively enacted at the balance sheet date and that are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

4. Deferred income tax assets are recognized to the extent that temporary differences are likely to be used to offset future taxable income, and unrecognized and recognized deferred income tax assets are reassessed on each balance sheet date.
5. The current income tax assets and current income tax liabilities can be offset only when there is a legal enforcement right to offset the recognized amount of current income tax assets and liabilities, and there is an intention to realize the assets and pay off the liabilities on a net basis; Only when the current income tax assets and current income tax liabilities can be offset against each other by a statutory enforcement right, and the deferred income tax assets and liabilities are generated by the same taxpayer subject to taxation by the same tax authority, or by different taxpayers but each entity intends to pay off the liabilities on a net basis or simultaneously realize the assets and pay off the liabilities, can the deferred income tax assets and liabilities be offset against each other.

#### (XXIV) Capital Stock

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or stock options, net of income tax, are recognized as a deduction in equity.

#### (XXV) Dividend Distribution

Dividends distributed to shareholders of CoAsia Electronics are recognized in the financial statements when CoAsia Electronics' shareholders' meeting resolves to distribute dividends, when cash dividends are recognized as liabilities, and stock dividends are recognized as undistributed stock dividends, and are converted to ordinary shares on the base date of issuance.

#### (XXVI) Revenue Recognition

1. CoAsia Electronics is mainly engaged in the wholesale of electronic components related to mobile communications. Its sales revenue is recognized when the control of product is transferred to customer, that is, when the product is delivered to the customer, the customer has the discretion on the product sales channel and the price, and CoAsia Electronics has no outstanding performance obligations that may affect the customer's acceptance of the product. Product delivery occurs only when the product has been shipped to the designated location and the risk of obsolescence and loss has passed to the customer and the customer has accepted the products pursuant to the sales contract or there is objective evidence that all acceptance criteria have been met.
2. Revenue from the sale of electronic components is recognized at the contract price net

of estimated sales tax, returns of sales, quantity discounts and allowances. Quantity discounts and sales discounts given to customers are estimated by CoAsia Electronics based on historical experience and relevant agreements with customers. The recognized amount of revenue is limited to the portion that is highly probable that there will not be a significant reversal in the future, and the estimate is updated on each balance sheet date. Estimated discounts payable to customers in relation to sales up to the balance sheet date are recognized as a liability for refunds (other payables listed in the statements).

3. Accounts receivable are recognized when the goods are delivered to the customer, as CoAsia Electronics has an unconditional right to the contract price from that point on, and it only takes time for the consideration to be received from the customer.

#### (XXVII) Government subsidy

Government subsidies are recognized only when it is reasonably certain that CoAsia Electronics will comply with the conditions attached to the government subsidies and such subsidies will be received. If the nature of the government subsidy is to indemnify expenses incurred by CoAsia Electronics, the government subsidy will be recognized as current gains or losses on a systematic basis during the period in which the relevant expenses are incurred.

#### V. Primary Sources of Uncertainties in Material Accounting Judgments, Estimates, and Assumptions

In preparing the financial statements of CoAsia Electronics, the management has used its judgment to determine the accounting policies to be adopted and has made accounting estimates and assumptions based on reasonable expectations of future events based on the conditions prevailing at the balance sheet date. Significant accounting estimates and assumptions made may differ from actual results and will be continuously evaluated and adjusted taking into account historical experience and other factors. Such estimates and assumptions carry risks that will result in a material adjustment to the carrying amounts of assets and liabilities in the next financial year. Please refer to the following explanations on the uncertainty of significant accounting judgments, estimates and assumptions:

##### (I) Important Judgments on Accounting Policies

###### Recognition of gross or net incomes

Based on the transaction type and its economic substance, CoAsia Electronics determines that the nature of its commitment to customers is its own performance obligation to provide specific goods (that is, CoAsia Electronics as the principal), or it is a performance obligation to arrange for the supply of such goods for another party (i.e., CoAsia Electronics as the agent). When CoAsia Electronics controls specific goods before it transfers it to a customer, CoAsia Electronics is the principal and revenue is recognized for the total consideration to which it is

expected to be entitled to transfer the specific goods. If CoAsia Electronics does not have control over the specific goods prior to their transfer to the customer, CoAsia Electronics is the agent, making arrangements for the other party to supply the specific goods to the customer, and any charges or commissions to which the arrangement is entitled are recognized as incomes.

CoAsia Electronics controls specific goods prior to its transfer to the customer based on the following criteria:

- (1) Assume primary responsibility for fulfilling commitments to provide specific goods.
- (2) Bear the inventory risk before the specific goods are transferred to the customer or after the transfer of control.
- (3) Has the discretion to set prices for specific goods.

(II) Significant Accounting Estimates and Assumptions

1. Inventory Evaluation

Since inventories are to be valued at the lower of cost and net realizable value, CoAsia Electronics must use judgment and estimates to determine the net realizable value of inventories at the balance sheet date. Due to the rapid changes in technology, CoAsia Electronics assesses the amount of inventories at the balance sheet date due to normal wear and tear, obsolescence or no market value, and writes down the cost of inventories to net realizable value. Such inventory evaluation is made primarily based on product demand for specific periods in the future and is therefore subject to material change.

The carrying amount of CoAsia Electronics' inventory on December 31, 2021 was \$348,297.

2. Impairment loss estimates of accounts receivable

The amount of impairment loss is the expected credit impairment loss evaluated after considering various indicators such as forward-looking information. If the indicators such as forward-looking information slow down or decline in the future, there may be significant impairment losses.

The carrying amount of CoAsia Electronics' accounts receivable on December 31, 2021 was \$1,230,807.

VI. Details of Significant Accounts

(I) Cash and Cash Equivalents

	December 31, 2021	December 31, 2020
Cash on Hand and Petty Cash	\$ 685	\$ 773
Time Deposits	19,653	20,221
Demand Deposits	184,612	148,826
	<u>204,950</u>	<u>169,820</u>
Transfer to Financial Assets at Amortized Cost	( 122,003 )	( 79,651 )
	<u>\$ 82,947</u>	<u>\$ 90,169</u>



1. The financial institutions with which CoAsia Electronics is engaged with are of good credit standing, and CoAsia Electronics has contacts with a number of financial institutions to diversify credit risks, so the possibility of default is expected to be low.
2. As at December 31, 2021 and 2020, the time deposits (with annual interest rates of 0.10% and 0.15%, respectively) and demand deposits of CoAsia Electronics, which are provided as guarantee margin for short-term borrowing facilities, had been transferred to financial assets measured at costs after amortization according to their natures.
3. Please refer to Note VIII for the details of the cash and cash equivalents provided by CoAsia Electronics as pledged security.

(II) Accounts Receivable

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Accounts Receivable	\$ 1,231,111	\$ 868,797
Less: Loss allowances	( 304 )	( 328 )
	<u>\$ 1,230,807</u>	<u>\$ 868,469</u>

1. Please refer to Note XII(II) for the aging analysis of CoAsia Electronics' accounts receivable and related credit risk information.
2. The balances of accounts receivable as at December 31, 2021 and 2020 all arose from customer contracts, and the balances of accounts receivable (including notes receivable) under customer contracts as at January 1, 2020 was \$623,520.
3. Please refer to Note VIII for information on guarantees provided by accounts receivable.

(III) Transfer of Financial Assets

1. Transferred financial assets de-recognized as a whole

CoAsia Electronics has signed accounts receivable sales contracts with domestic financial institutions. According to the contracts, CoAsia Electronics does not have to bear the risk that the transferred accounts receivable cannot be recovered, but only needs to bear the losses caused by commercial disputes. In addition, CoAsia Electronics has not engaged in such transferred receivables in any way, so CoAsia Electronics de-recognizes such accounts receivable for sale and the relevant information about them not yet due is as follows:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Factored accounts receivable (derecognized amount)	\$ 142,498	\$ 63,179
Advanced price	\$ 113,998	\$ 50,543
Unadvanced price ("Other receivables" listed in the statement)	<u>\$ 28,500</u>	<u>\$ 12,636</u>

- (1) The financial institutions with which CoAsia Electronics is engaged with are of good credit standing, and CoAsia Electronics has contacts with a number of financial institutions to diversify credit risks, so the possibility of default is expected to be low.
  - (2) As of December 31, 2021 and 2020, the amounts of accounts receivable sales contracts signed by CoAsia Electronics and banks were \$3,321,600 and \$341,760, respectively.
  - (3) As of December 31, 2021 and 2020, CoAsia Electronics had issued promissory notes of \$3,321,600 and \$341,760 respectively in accordance with the agreements with banks as a guarantee for the inability to perform the contracts due to commercial disputes.
2. Transferred financial assets not de-recognized as a whole
- (1) CoAsia Electronics has signed accounts receivable sales contracts with domestic financial institutions. According to the contracts, each bank still has recourse rights for these financial assets. Therefore, CoAsia Electronics does not de-recognize the accounts receivable for sale as a whole. The relevant advance payments are recognized under short-term borrowings.
  - (2) As at December 31, 2021 and 2020, CoAsia Electronics continued to recognize the related information and fair value of the transferred factored accounts receivable as follows, and within the scope of CoAsia Electronics' continued participation, the total carrying amount of the transferred factored receivables and the carrying amount of the related liabilities before the transfer of the original assets (i.e., the carrying amount of the continuously recognized assets) are the same as the fair value of the factored receivables and the fair value of the advanced price.

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Book value of factored accounts receivable (fair value)	\$ 360,503	\$ 78,449
Book value of advanced price (fair value)	( 324,437 )	( 70,573 )
Net position	<u>\$ 36,066</u>	<u>\$ 7,876</u>

3. As at December 31, 2021 and 2020, the accounts receivable of \$162,083 and \$39,670 CoAsia Electronics had entered into and is expected to execute in the future are financial assets measured at fair value through other composite gains or losses.

#### (IV) Inventories

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Work in process	\$ -	\$ -
Inventory	<u>364,566</u>	<u>383,238</u>
Allowance for inventory impairment loss	( 16,269 )	( 23,318 )
	<u>\$ 348,297</u>	<u>\$ 360,653</u>

Cost of inventories recognized by CoAsia Electronics as expense or loss:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Cost of inventories sold	\$ 14,220,246	\$ 9,548,01,
Slow moving inventories and recovery benefit from write-down	( 7,026 )	( 15,137 )
Loss on retirement of inventories	1,914	-
Others	7,402	105,631
	<u>\$ 14,222,536</u>	<u>\$ 9,638,504</u>

Note: In 2021 and 2020, the net realizable value rebounded due to the inventory depletion, resulting in a recovery benefit.

(V) Financial Assets at Fair Value through Profit or Loss

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Current:		
Financial assets mandatorily measured at fair value through profit or loss		
Trust fund beneficiary certificates	\$ 5,000	\$ 5,000
Assessment adjustment	( 266 )	( 120 )
	<u>\$ 4,734</u>	<u>\$ 4,880</u>
Non-current:		
Financial assets mandatorily measured at fair value through profit or loss		
Unlisted stocks	\$ 18,259	\$ 18,259
Assessment adjustment	3,426	7,222
	<u>\$ 21,685</u>	<u>\$ 25,481</u>

Please refer to Note VI (XIX) for details of financial assets at fair value through gains or losses recognized in gains or losses.

(VI) Investments Accounted for Using the Equity Method

	<u>December 31, 2021</u>	<u>December 31, 2021</u>
CoAsia International Corp.	\$ 625,660	\$ 565,562
CoAsia Electronics Corp. (Singapore) Pte. Ltd.	558,279	517,324
CoAsia Korea Co., Ltd.	61,511	99,985
Studybank Co., Ltd.	13,072	12,567
CoAsia International Corp. (CoAsia US)	1,324	-

CoAsia Technology Co., Ltd. (CoAsia Technology)	-	( 6,133 )
Pointchips Co., Ltd	( 5,395 )	( 5,395 )
	1,254,451	1,183,910
Credit balance of investments accounted for using equity method (Recognized as other non-current liabilities)	<u>5,395</u>	<u>11,528</u>
	<u>\$ 1,259,849</u>	<u>\$ 1,195,438</u>

1. For information about the subsidiaries of CoAsia Electronics, please refer to Note IV (III) to the consolidated financial statements of CoAsia Electronics for 2021.
2. CoAsia Electronics established CoAsia US in the year 2021 with \$1,400 in cash.
3. On May 31, 2021, CoAsia Electronics donated 100% equity of CoAsia Technology, a subsidiary directly held by CoAsia Electronics with 100% shares, to CoAsia Electronics Corp. (Hong Kong) Limited (hereinafter "CoAsia Hong Kong"), a subsidiary in which CoAsia Electronics indirectly held 100% of the shares, CoAsia Hong Kong and CoAsia Technology merged and took CoAsia Hong Kong as the surviving company. The merger base date was May 31, 2021, and the accounting treatment was carried out according to the reorganization.
4. In 2021 and 2020, CoAsia Electronics' shares of gains or losses of subsidiaries, affiliates and joint ventures recognized using the equity method were \$129,251 and \$139,781 respectively.
5. In 2021 and 2020, the investee companies in which CoAsia Electronics held 50% or more of the shares and had control ability have been included in the preparation of the consolidated financial statements.
6. On December 31, 2021 and 2020, the unrealized gross sales profit of \$14,289 and \$11,151 generated from downstream transactions were written off in accordance with regulations, which were written off and recorded as a deduction in the item "Investment using the equity method".
7. Associate

The book amounts of CoAsia Electronics' insignificant affiliates and their share of operating results are summarized as follows:

The book amounts of CoAsia Electronics' insignificant affiliates as of December 31, 2021 and 2020 were (\$5,395) (recognized as other non-current liabilities).

	<u>2021</u>	<u>2020</u>
Net loss for the current period from continuing operations (Total comprehensive income (loss) for the period)	( \$ 2,218 )	\$ 1,242
<u>(VII) Other Current Assets</u>		
<u>Item</u>	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Asset not attributable to the principal	\$ 460,711	\$ -
Others	72	902
	<u>\$ 460,783</u>	<u>\$ 902</u>

Note: In the purchase transaction model between CoAsia Electronics and some suppliers, it is determined to be an agent, mainly because CoAsia Electronics only holds these assets for a short time before the transfer of specific goods to customers, and does not bear the inventory risk of these goods, and is not entitled to such goods. Therefore, CoAsia Electronics has no control over these goods, which are therefore accounted for under other current assets until the goods are transferred to customers.

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(VIII) Property, Plant, and Equipment

	2021						
	Land	Housing and Construction	Computer and Communication Equipment	Office Equipment	Testing Equipment	Other Equipment	Total
January 1							
Cost	\$ 52,744	\$ 99,026	\$ 3,283	\$ 1,902	\$ 2,384	\$ 1,996	\$ 161,335
Accumulated depreciation	-	( 25,080 )	( 2,824 )	( 1,670 )	( 2,359 )	( 1,877 )	( 33,810 )
	\$ 52,744	\$ 73,946	\$ 459	\$ 232	\$ 25	\$ 119	\$ 127,525
January 1	52,744	\$ 73,946	\$ 459	\$ 232	\$ 25	\$ 119	\$ 127,525
Addition	-	-	228	4,129	-	22,789	27,146
Net disposal	-	-	-	( 97 )	-	78	175
Depreciation expenses	-	( 1,941 )	( 146 )	( 392 )	( 17 )	( 1,939 )	( 4,435 )
December 31	\$ 52,744	\$ 72,005	\$ 541	\$ 3,872	\$ 8	\$ 20,891	\$ 150,061
December 31	\$ 52,744	\$ 99,026	\$ 3,321	\$ 5,432	\$ 2,349	\$ 22,789	\$ 185,661
Cost	-	( 27,021 )	( 2,780 )	( 1,560 )	( 2,341 )	( 1,898 )	( 35,600 )
Accumulated depreciation	\$ 52,744	\$ 72,005	\$ 541	\$ 3,872	\$ 8	\$ 20,891	\$ 150,061

	2020						
	Land	Housing and Construction	Computer and Communication Equipment	Office Equipment	Testing Equipment	Other Equipment	Total
January 1							
Cost	\$ 52,744	\$ 99,026	\$ 3,596	\$ 2,742	\$ 11,511	\$ 2,113	\$ 171,732
Accumulated depreciation	0	( 23,139 )	( 3,446 )	( 2,571 )	( 11,462 )	( 1,872 )	( 42,490 )
	<u>\$ 52,744</u>	<u>\$ 75,887</u>	<u>\$ 150</u>	<u>\$ 171</u>	<u>\$ 49</u>	<u>\$ 241</u>	<u>\$ 129,242</u>
January 1	52,744	\$ 75,887	\$ 150	\$ 171	\$ 49	\$ 241	\$ 129,242
Addition	0	0	447	109	0	0	556
Net disposal	0	0	( 21 )	( 0 )	0	0	( 21 )
Depreciation expenses	0	( 1,941 )	( 117 )	( 48 )	( 24 )	( 122 )	( 2,252 )
December 31	<u>\$ 52,744</u>	<u>\$ 73,946</u>	<u>\$ 459</u>	<u>\$ 232</u>	<u>\$ 25</u>	<u>\$ 119</u>	<u>\$ 127,525</u>
December 31	\$ 52,744	\$ 99,026	\$ 3,283	\$ 1,902	\$ 2,384	\$ 1,996	\$ 161,335
Cost	0	( 25,080 )	( 2,824 )	( 1,670 )	( 2,359 )	( 1,877 )	( 33,810 )
Accumulated depreciation	<u>\$ 52,744</u>	<u>\$ 73,946</u>	<u>\$ 459</u>	<u>\$ 232</u>	<u>\$ 25</u>	<u>\$ 119</u>	<u>\$ 127,525</u>

1. The significant components of the property, plant and equipment of CoAsia Electronics and their useful lives are as follows:

Item	Significant components	Useful life
Housing and Construction	Office	50 years
Computer and Communication Equipment	Computer Equipment	3-9 years
Office Equipment	Equipment for Conference, Office and Access Control Systems	2-12 years
Testing Equipment	Oscilloscopes and test fixtures	3-10 years
Other Equipment	Leasehold improvements	2-5 years

2. Please refer to Note VIII for information on guarantees provided with property, plant and equipment.

(IX) Lease Transactions - Lessee

1. The underlying assets leased by CoAsia Electronics include buildings and official vehicles, etc. The terms of the lease contracts usually range from 2 to 5 years. The lease contracts are negotiated individually and contain different terms and conditions, and no other restrictions are imposed except that the leased assets shall not be used as loan guarantees.
2. The lease terms of some offices leased by CoAsia Electronics do not exceed 12 months.
3. The information on the book value of the right-of-use assets and the recognized depreciation expense is as follows:

	December 31, 2021	December 31, 2020
	Carrying amount	Carrying amount
Transportation Equipment (Official Vehicle)	\$ 4,234	\$ 2,760
Buildings	528	119
	417	530
Production Equipment (Photocopier)	\$ 5,233	\$ 3,409
	2021	2020
	Depreciation expenses	Depreciation expenses
Transportation Equipment (Official Vehicle)	\$ 2,754	\$ 2,588
Buildings	248	314
Production Equipment (Photocopier)	114	150
	\$ 3,116	\$ 3,052

4. The increases in CoAsia Electronics' right-of-use assets in 2021 and 2020 were \$4,940 and \$1,470, respectively.



5. Information on the items of gains or losses related to the lease contracts is as follows:

	2021	2020
Items affecting profit or loss for the period		
Interest expense on lease liabilities	\$ 82	\$ 129
Expense relating to short-term leases	1,372	1,822
Expense relating to leases of low-value assets	736	-
Expense relating to variable lease payment	7,942	1,566

6. CoAsia Electronics' total lease cash outflows in 2021 and 2020 were \$13,235 and \$6,687, respectively.

7. Impacts of variable lease payments on lease liabilities

The subject matters of CoAsia Electronics' lease contracts with variable lease payment terms are linked to the usage of housings and buildings. This type of lease object is based on the variably priced payment terms, and is mainly related to the land use for housings and buildings. The variable lease payments related to changes in land use for housings and buildings are recognized as an expense in the period in which these related payment terms are triggered.

8. Option to extend lease

- (1) CoAsia Electronics' lease agreements for premises and construction and transport equipment, including an option for CoAsia Electronics to exercise for extension, which are entered into in the lease agreements to enhance the flexible management of CoAsia Electronics' operations.
- (2) In determining the lease term, CoAsia Electronics takes into account all facts and circumstances that would give rise to economic incentives to exercise the extension option or not exercise the termination option. The lease term is re-estimated when a significant event occurs that assesses the exercise of the extension option or the non-exercise of the termination option.

(X) Intangible Assets

	2021		
January 1	Computer Software	Others	Total
Cost	\$ 44,251	\$ 4,800	\$ 49,051
Accumulated amortization	( 16,146 )	( )	( 16,146 )
	<u>\$ 28,105</u>	<u>\$ 4,800</u>	<u>\$ 32,905</u>
January 1	\$ 28,105	\$ 4,800	\$ 32,905
Addition	3,234	290	3,524
Amortization expenses	( 5,724 )	( 86 )	( 5,810 )
Net Exchange Differences (Note)		( 9 )	9
December 31	<u>\$ 25,615</u>	<u>\$ 4,995</u>	<u>\$ 30,610</u>
December 31			
Cost	\$ 47,485	\$ 5,081	\$ 52,566
Accumulated amortization	( 21,870 )	( 86 )	( 21,956 )
	<u>\$ 25,615</u>	<u>\$ 4,995</u>	<u>\$ 30,610</u>

Note: The exchange difference arising from the merger of overseas branches.

	2020		
January 1	Computer Software	Others	Total
Cost	\$ 42,425	\$ 4,800	\$ 47,225
Accumulated amortization	( 12,940 )	-	( 12,940 )
	<u>\$ 29,485</u>	<u>\$ 4,800</u>	<u>\$ 34,285</u>
January 1	\$ 29,485	\$ 4,800	\$ 34,285
Addition	3,136	-	3,136
Amortization expenses	( 4,516 )	-	( 4,516 )
December 31	<u>\$ 28,105</u>	<u>\$ 4,800</u>	<u>\$ 32,905</u>
December 31			
Cost	\$ 44,251	\$ 4,800	\$ 49,051
Accumulated amortization	( 16,146 )	-	( 16,146 )
	<u>\$ 28,105</u>	<u>\$ 4,800</u>	<u>\$ 32,905</u>

The details of amortization of intangible assets are as follows:

	2021	2020
Selling and Marketing Expenses	\$ 3,085	\$ 1,962
General and Administrative Expenses	2,725	2,554
	<u>\$ 5,810</u>	<u>\$ 4,516</u>

(XI) Non-current Assets/Liabilities for Sale

CoAsia Electronics planned to adjust the functions of its investee companies on December 13, 2019, to make the positioning of each business unit more clear and consider the overall resources as a whole. The Board of Directors approved the sale of the original R&D unit of CoAsia Electronics to CoAsia SEMI Ltd. In the future, CoAsia Electronics will be specialized in the wholesale, manufacture and trading of various electronic components. The transaction was implemented in two stages. As of December 31, 2019, some non-current assets had been sold, and the remaining assets and liabilities had been disposed of in 2020. The relevant instructions are as follows:

Non-current assets sold:

CoAsia Electronics had disposed of part of its assets in accordance with the business transfer agreement in December 2019 to CoAsia SEMI Ltd. The main objects of its transfer were customer relationship, operation rights, wafer product design technology and employees of various units. The difference between the appraisal amount and the book value of the operating value of the R&D unit as a whole was \$62,958 (recognized as other profits or losses in 2019).

The assets and liabilities of the remaining disposal group for sold had been disposed of in 2020, and the transaction object was CoAsia SEMI (Taiwan) Co., Ltd. The transaction amount was \$5,238. The profits from disposition was \$435 (recognized as other gains or losses).

(XII) Short-term Loans

	<u>December 31, 2021</u>	<u>December 31, 2021</u>
Loans for material purchase (Note 1)	\$ 1,793,028	\$ 1,665,585
Secured loans (Note 2)	324,437	70,573
Credit loans	233,000	257,593
	<u>\$ 2,350,465</u>	<u>\$ 1,993,751</u>
Interest Rate	1.13%~1.56%	1.16%~1.75%

Note 1: Part of the loan is secured by land and housing.

Note 2: Loans secured by accounts receivable.

As of December 31, 2021 and 2020, the collaterals provided by CoAsia Electronics were referred to in Note VIII. In addition, CoAsia Electronics' endorsement and guarantee information for the subsidiaries as of December 31, 2021 can be found in the attached Table 2.

(XIII) Other Payables (Including Related Parties)

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Sales discounts and allowances payable	\$ 65,895	\$ 37,751
Salaries payable	33,317	24,682
Remunerations of employees and directors	23,083	14,271
Interest payable	2,036	1,577
Borrowings from related parties (Note)	-	108,224
Others	8,910	11,516
	<u>\$ 133,241</u>	<u>\$ 198,021</u>

Note: Please refer to Note VII for the transactions with related parties.

(XIV) Pensions

Since July 1, 2005, CoAsia Electronics has formulated a retirement method with certain contributions in accordance with the "Labor Pension Regulations", which is applicable to employees of their own nationalities. Where CoAsia Electronics chooses to apply the labor pension system for their employees stipulated in the "Labor Pension Regulations", the labor pension shall be paid at 6% of the salary to the employee's personal account at the Labor Insurance Bureau. The employee's pension shall be paid on a monthly pension basis or on a lump sum basis according to the dedicated pension account and the amount of accumulated incomes.

In 2021 and 2020, CoAsia Electronics' pension costs recognized by the above-mentioned

pension methods were \$3,086 and \$3,092, respectively.

#### (XV) Capital Stock

On June 19, 2020, the shareholders' meeting passed the resolution to convert the surplus into capital to issue 2,792,000 new shares. The base date for capital increase was August 31, 2020. On July 27, 2021, the shareholders' meeting approved the conversion of surplus to capital to issue 2,848,000 new shares. The capital increase base date was September 28, 2021.

As of December 31, 2021, the nominal and paid-in share capitals under CoAsia Electronics' Articles of Incorporation were \$2,000,000 and \$1,452,648, respectively, with a par value of NT\$10 per share, divided into 145,265,000 shares, and all the issued shares of CoAsia Electronics have been paid up.

#### (XVI) Capital Surplus

In accordance with the provisions of the Company Act, in addition to being used to make up for losses, the surplus from the issuance of shares in excess of the par value and the capital reserves received from them can be issued with new shares or cash in proportion to the shareholders' existing shares when CoAsia Electronics has no accumulated losses. In addition, in accordance with the relevant regulations of the Securities Exchange Act, when the above-mentioned capital reserve is allocated to increase the capital, the total increased amount shall not exceed 10% of the paid-in capital each year. CoAsia Electronics may not supplement its capital reserve unless surplus reserve is insufficient to cover its capital loss.

#### (XVII) Retained Earnings

1. According to the Articles of Incorporation amended by the resolution of the shareholders' meeting on June 19, 2020, if there is any pre-tax net profit for the current period before deducting the remunerations of employees and directors, no less than 10% shall be contributed as employee remuneration and no more than 5% as director remuneration; however, if CoAsia Electronics still has accumulated losses, it should reserve the amount in advance to make up for them.

Employee compensation can be paid in stock or in cash. The recipients include employees of controlled or affiliated companies meeting the conditions set by the Board of Directors. Director remuneration can only be paid in cash.

2. If there is a surplus in the annual final accounts of CoAsia Electronics, after paying taxes in accordance with the law and making up for previous losses, 10% shall be contributed as statutory surplus reserve, except when the statutory surplus reserve has reached the total capital of CoAsia Electronics. The special surplus reserve is contributed or reversed in accordance with the regulations of the competent authority. If there is still surplus and

accumulated undistributed surplus at the beginning of the same period, the Board of Directors shall formulate a distribution proposal; when it is done by issuing new shares, it shall be submitted to the shareholders' meeting for resolution and distribution; in the case of cash, it shall be subject to a resolution of the Board of Directors.

3. CoAsia Electronics' dividend policy is determined by the Board of Directors based on CoAsia Electronics' capital and financial structure, operating conditions, capital budget and changes in internal and external environments. CoAsia Electronics is currently in the stage of operating growth, and must use the surplus to meet the needs of operating growth and investment funds. At this stage, a residual dividend policy is adopted. The principles of surplus distribution are as follows: Allocate no less than 20% of the distributable surplus of the year, determine the ratios of stock dividend and cash dividend according to CoAsia Electronics' capital needs, provided that the ratio of cash dividend shall not be less than 50%.
4. The legal reserve shall be exclusively used to cover accumulated deficit, to issue new stocks or distribute cash to shareholders in proportion to their share ownership. The use of legal reserve for the issuance of stocks or cash dividends to shareholders in proportion to their share ownership is permitted provided that the balance of such reserve exceeds 25% of CoAsia Electronics' paid-in capital.
5. In accordance with the regulations, the Group shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.
6.
  - (1) On June 19, 2020, CoAsia Electronics passed the resolution of the shareholders' meeting to approve the surplus distribution plan. The surplus distribution plan for the year 2019 was as follows:

	2019	
	Amount	Dividends Per Share (NT\$)
Legal reserve	\$ 8,143	
Stock dividends	27,925	\$ 0.20
Cash dividends	27,925	0.20
	\$ 63,993	

- (2) On July 27, 2021, CoAsia Electronics passed the resolution of the shareholders' meeting to approve the surplus distribution plan. The surplus distribution plan for the year 2020 was as follows:

2020

	Amount	Dividends Per Share (NT\$)
Legal reserve	\$ 10,108	
Special reserve	31,814	
Stock dividends	28,483	0.20
Cash dividends	<u>28,483</u>	\$ 0.20
	<u>\$ 98,888</u>	

- (3) On March 8, 2022, CoAsia Electronics passed the resolution of the Board of Directors to approve the surplus distribution plan for the year 2021 as follows:

	2021	
	Amount	Dividends Per Share (NT\$)
Legal reserve	\$ 16,432	
Special reserve	56,008	
Stock dividends	36,316	0.25
Cash dividends	<u>36,316</u>	\$ 0.25
	<u>\$ 145,072</u>	

As of March 8, 2022, the above-mentioned proposal for distribution of surplus in 2021 has not been resolved by the shareholders' meeting.

(XVIII) Operating Revenue

	2021	2020
Net sales revenue	<u>\$ 14,564,375</u>	<u>\$ 9,855,383</u>

1. CoAsia Electronics' revenue is derived from goods transferred at a certain point in time, and its main product lines are key components for mobile communication products, wafers and thin film liquid crystal displays.

	2021	2020
Key components for mobile communication products (Mobile)	\$ 9,132,584	\$ 7,820,369
Thin film liquid crystal displays (SDC)	4,056,390	928,161
Wafers (Foundry)	1,172,018	638,035
Others	<u>203,383</u>	<u>468,818</u>
	<u>\$ 14,564,375</u>	<u>\$ 9,855,383</u>

2. Contract Liabilities

The contract liabilities in relation to revenue from contracts with customers recognized by CoAsia Electronics are as follows:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>	<u>January 1, 2020</u>
Contract Liabilities			

Contract Liabilities - Advance Payment	\$	51,859	\$	35	\$	489
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3. The recognized income for the current period of the contract liabilities:

	2021	2020
Net sales revenue	\$ 35	\$ 489

(XIX) Other gains or losses

	2021	2020
Foreign exchange losses	(\$ 34,879 )	(\$ 70,514 )
Net gain (loss) on financial assets at fair value through profit or loss	( 3,942 )	18,423
Gains (losses) on disposal of property, plant, and equipment	( 173 )	37
Disposal losses of non-current assets for sale (Note)	-	( 435 )
Others	-	673
	<u>(\$ 38,994 )</u>	<u>(\$ 51,816 )</u>

Note: Please refer to Note VI (XI) for details of the disposal losses of non-current assets for sale.

(XX) Additional Information on the Nature of Fees

	2021	2020
Employee Benefits Expenses	\$ 135,457	\$ 108,929
Amortization Expenses for Intangible Assets	5,810	4,516
Depreciation Expenses for Property, Plant, and Equipment	4,435	2,252
Depreciation Expenses for Right-of-use Assets	3,116	3,052
	<u>\$ 148,818</u>	<u>\$ 118,749</u>

(XXI) Employee Benefits Expenses

	2021	2020
Salary Expenses	\$ 116,155	\$ 92,653
Expenses for Labor and Health Insurance	6,417	5,555
Pension Expenses	3,086	3,092
Personnel Service Expenses	9,799	7,629
	<u>\$ 135,457</u>	<u>\$ 108,929</u>

1. According to CoAsia Electronics' Articles of Incorporation, CoAsia Electronics shall contribute no less than 10% as the remuneration of employees and no more than 5% as the remuneration of directors if there is any balance after deducting the accumulated losses according to the profit status of the current year.
2. The estimated amounts of employee remuneration of CoAsia Electronics in 2021 and 2020



were \$20,797 and \$11,045, respectively. The estimated amounts of director remuneration were \$2,286 and \$1,104, respectively, and the aforementioned amounts were charged to the remuneration expenses.

The estimation in 2021 was done according to the profit status as of the year based on the percentage stipulated in the Articles of Incorporation. The remunerations of employees and directors for 2021 as resolved by the Board of Directors were \$20,797 and \$2,286 respectively, of which the employee remuneration will be paid in cash.

The Board of Directors of CoAsia Electronics decided on March 5, 2021 to pay the actual remunerations of employees and directors for 2020 in cash at \$11,045 and \$1,104, respectively, which were consistent with the amounts recognized in the 2020 Financial Statements.

- Information on employee remuneration and director remuneration approved by the Board of Directors of CoAsia Electronics can be found at the Market Observation Post System.

#### (XXII) Income Tax

- Income tax expenses (gains)

Components of income tax expenses (gains):

	<u>2021</u>	<u>2020</u>
Current income tax:		
Refundable Income Tax on Current Income	( \$ 80 )	( \$ 20 )
Surtax on Unappropriated Earnings	110	872
Withholding Tax	80	20
Prior Years' Income Tax Adjustments	12 )	54
Total Current Income Tax	( 122 )	926
Deferred Income Tax:		
Relating to Origination and Reversal of Temporary Differences	20,448	( 13,495 )
Income Tax Expenses (Benefits)	<u>\$ 20,570</u>	<u>( \$ 12,569 )</u>

- The relationship between income tax expenses (gains) and accounting profits

	<u>2021</u>	<u>2020</u>
Income Tax Calculated at Statutory Rate	\$ 36,977	17,703
Impact of Items Not Recognized by Statutory Regulations	( 26,229 )	( \$ 27,956 )
Change in Realizability Assessment of Deferred Income Tax Assets	26,914	( 3,242 )

Prior Years' Income Tax Adjustments		12	54
Surtax on Unappropriated Earnings		110	872
Income Tax Effect of Loss Carryforwards	(	17,214)	-
Income Tax Expenses (Benefits)	\$	<u>20,570</u>	( \$ <u>12,569</u> )

3. The amount of each deferred tax asset or liability arising from the temporary difference is as follows:

	2021		
	January 1	Recognized in profit or loss	December 31
Deferred Income Tax Assets:			
- Temporary Differences:			
Unrealized slow moving inventories and write-down	\$ 4,664	( \$ 1,405 )	\$ 3,259
Future Depreciation Impact of Fixed Assets Lease-to-purchase	2,690	( 73 )	2,617
Unrealized Losses on Exchange	7,301	3,759	11,060
Loss Carryforwards	40,007	( 26,881 )	13,126
Others	2,863	3,363	6,226
	<u>57,525</u>	<u>21,237</u>	<u>36,288</u>
Deferred Income Tax Liabilities:			
Unrealized Gains on Financial Assets	( 1,421 )	( 789 )	( 632 )
	<u>\$ 56,104</u>	<u>\$ 20,448</u>	<u>\$ 35,656</u>
	2020		
	January 1	Recognized in profit or loss	December 31
Deferred Income Tax Assets:			
- Temporary Differences:			
Unrealized slow moving inventories and write-down	\$ 7,691	( \$ 3,027 )	\$ 4,664
Future Depreciation Impact of Fixed Assets Lease-to-purchase	2,763	( 73 )	2,690
Unrealized Losses on Exchange	3,409	3,892	7,301
Unrealized Losses on Financial Assets	2,265	( 2,265 )	-
Loss Carryforwards	24,309	15,698	40,007
Others	2,172	691	2,863
	<u>42,609</u>	<u>14,916</u>	<u>57,525</u>
Deferred Income Tax Liabilities:			
Unrealized Gains on Financial Assets	-	( 1,421 )	( 1,421 )
	<u>\$ 42,609</u>	<u>\$ 13,495</u>	<u>\$ 56,104</u>

4. The effective periods of CoAsia Electronics' unused tax losses and the relevant amounts of unrecognized deferred tax assets are as follows:

December 31, 2021				
Year	Amount Filed/Assessed	Unused Amount	Unrecognized Deferred Tax Assets	Usable until Year
2017	Amount Assessed	\$ 150,139	\$ 150,139	2027
2018	Amount Assessed	320,121	252,899	2028
2020	Amount Estimated	68,321	53,618	2030
		<u>\$ 538,581</u>	<u>\$ 456,656</u>	

December 31, 2020				
Year	Amount Filed/Assessed	Unused Amount	Unrecognized Deferred Tax Assets	Usable until Year
2017	Amount Assessed	\$ 236,964	\$ 166,431	2027
2018	Amount Assessed	320,121	252,899	2028
2020	Amount Estimated	62,278	-	2030
		<u>\$ 619,363</u>	<u>\$ 419,330</u>	

5. Deductible temporary differences not recognized as deferred tax assets:

	December 31, 2021	December 31, 2020
Deductible Temporary Difference	<u>\$ 179,609</u>	<u>\$ 222,131</u>

6. CoAsia Electronics' profit-seeking business income tax settlement declaration was audited by the tax authority until 2019.

(XXIII) Earnings per Share

Basic and diluted earnings per share

	2021		
	After-tax Amount	Number of Outstanding Shares (in Thousands)	Earnings per Share (NT\$)
<u>Basic Earnings per Share</u>			
Net Profit For the Period Attributable to Common Shareholders of the Parent	\$ 164,317	145,265	\$ 1.13
<u>Diluted earnings per share</u>			
Net Profit For the Period Attributable to Common Shareholders of the Parent	\$ 164,317	145,265	
Effect of Potentially Dilutive Common Shares			
Employee Compensation Profit Attributable to Common Shareholders of the Parent Plus Effect of All Potentially Dilutive Common Shares		1,486	
Net Profit Plus Effect of Potentially Dilutive Common Shares	\$ 164,317	146,751	\$ 1.12
	2020		
	After-tax Amount	Number of Outstanding Shares (in Thousands)	Earnings per Share (NT\$)
<u>Basic Earnings per Share</u>			
Net Profit For the Period Attributable to Common Shareholders of the Parent	\$ 101,085	145,265	\$ 0.70
<u>Diluted earnings per share</u>			
Net Profit For the Period Attributable to Common Shareholders of the Parent	\$ 101,085	145,265	
Effect of Potentially Dilutive Common Shares			
Employee Compensation Profit Attributable to Common Shareholders of the Parent Plus Effect of All Potentially Dilutive Common Shares		1,034	
Net Profit Plus Effect of Potentially Dilutive Common Shares	\$ 101,085	146,299	\$ 0.69

The above-mentioned retrospective adjustment of the number of outstanding shares in 2020 had been retrospectively adjusted in accordance with the ratio of surplus to capital increase in 2020.

(XXIV) Changes in liabilities arising from financing activities

Fund-raising activities that affect cash flow

2021

	Short-term Loans	Short-term notes and bills payable	Lease liabilities	Liabilities Arising from Financing Activities
January 1	\$ 1,993,751	\$ -	\$ 3,505	\$ 1,997,256
Change in Cash Flows from Financing Activities	356,714	100,000	( 3,103 )	453,611
Other Non-cash Changes	-	-	4,940	4,940
December 31	<u>\$ 2,350,465</u>	<u>\$ 100,000</u>	<u>\$ 5,342</u>	<u>\$ 2,455,807</u>

2020

	Short-term Loans	Short-term notes and bills payable	Lease liabilities	Liabilities Arising from Financing Activities
January 1	\$ 1,772,351	\$ -	\$ 5,077	\$ 1,777,428
Change in Cash Flows from Financing Activities	221,400	-	( 3,170 )	218,230
Other Non-cash Changes	-	-	1,598	1,598
December 31	<u>\$ 1,993,751</u>	<u>\$ -</u>	<u>\$ 3,505</u>	<u>\$ 1,997,256</u>

VII. Related Party Transactions

(II) Names and relations of related parties

<u>Related Party</u>	<u>Relationship with the Company</u>
Lee Hee-Jun	Chairman of the Company
CoAsia Corporation	Individuals with Significant Influence on the Company
CoAsia International Corp.	Subsidiary
CoAsia Technology Co., Ltd. (CoAsia Technology) (Note 1)	Subsidiary
CoAsia Korea Co.,Ltd.(CoAsia Korea)	Subsidiary
Studybank Co., Ltd.	Subsidiary
CoAsia Electronics Corp. (Singapore) Pte. Ltd. (CoAsia Singapore)	Subsidiary
CoAsia Electronics (US) Corp. (CoAsia US)(Note 2)	Subsidiary
CoAsia Electronics Corporation (Hong Kong) Limited (CoAsia Hong Kong)	Second-tier Subsidiary
CoAsia Electronics Corp. LLP	Second-tier Subsidiary
Taiwan Interactive Education Co., Ltd.	Second-tier Subsidiary
CoAsia Electronics (Shanghai) Co., Ltd.	Third-tier Subsidiary
Coasia Electronics Corporation (Shenzhen) Limited (Note 1)	Third-tier Subsidiary
Samsung Electronics Taiwan Co., Ltd. (Samsung Taiwan)	Other related party
Samsung Semiconductor (Xi'an) Co., Ltd.	Other related party
Shanghai Samsung Semiconductor Co., Ltd. (Shanghai Samsung)	Other related party
Samsung Semiconductor Inc.	Other related party

Related Party	Relationship with the Company
CoAsia SEMI Ltd. (CoAsia SEMI)	Other related party
Samsung Electronics Co., Ltd.	Other related party
CoAsia SEMI (Taiwan) Co., Ltd. (CoAsia SEMI Taiwan)	Other related party
CoAsia SEMI (Shanghai) Co., Ltd.	Other related party
CoAsia Nexell Co., Ltd.	Other related party

Note 1: Please refer to Note VI (VI)3 for merger of CoAsia Technology and CoAsia Hong Kong.

Note 2: CoAsia US was approved to be established on June 16, 2021.

(XXV) Significant transactions with related party

1. Operating Revenue

	2021	2020
—Subsidiary		
CoAsia Hong Kong	\$ 6,237,530	\$ 5,972,503
Others	1,989	507
—Other related party	409	101,289
	<u>\$ 6,239,928</u>	<u>\$ 6,074,299</u>

CoAsia Electronics' collection conditions for the related parties are by monthly settlement 60 days, OA 1~30 days, and advance payment, which are not significantly different from those of ordinary customers.

2. Purchase of goods

	2021	2020
—Other related party		
Shanghai Samsung	\$ 7,866,222	\$ 5,836,598
Samsung Taiwan	5,634,487	2,171,942
Others	889	874,270
—Subsidiary	234,131	221,700
	<u>\$ 13,735,729</u>	<u>\$ 9,104,510</u>

The purchase price is based on the regional agency price of affiliates, and the payment is made in prepayment, monthly settlement 60 days, and OA1~OA30 days.

3. Receivables from related parties, net

	December 31, 2021	December 31, 2020
Receivables from related parties:		
—Subsidiary		
CoAsia Hong Kong	\$ 1,509,061	\$ 1,627,617

Receivables from related parties are mainly from sales transactions, and their payments are mainly due 60 days after the monthly settlement. The accounts receivable are free of mortgage and interest.

#### 4. Other receivables, net

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Other receivables from related parties:		
– Subsidiary		
CoAsia Korea	\$ -	\$ 7,974
Others	5,874	8124
Less: Allowance for doubtful accounts	-	( 8,705 )
– Other related party		
CoAsia SEMI	-	15,664
Others	98	943
	<u>\$ 5,972</u>	<u>\$ 24,000</u>

Mainly the purchase allowances to be collected from other related parties and subsidiaries, as well as the subsidiaries' interest receivables of capital lending and endorsement guarantees. In addition, it was mainly the receivables for the sale of our R&D unit to CoAsia SEMI in the year of 2020 (please refer to Note VI (XI)).

#### 5. Prepayments

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
– Other related party		
Shanghai Samsung	\$ 19,317	\$ 141,708
Samsung Taiwan	15,890	4,930
– Subsidiary	-	3,673
	<u>\$ 35,207</u>	<u>\$ 150,311</u>

Mainly the prepayments for goods.

#### 6. Payables to related parties

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Accounts Payable:		
– Subsidiary		
CoAsia Singapore	\$ 36,012	\$ 27,285
CoAsia Hong Kong	28,023	-
– Other related party		
Samsung Taiwan	19,703	44,576
Others	-	890
	83,738	72,751
Other Payables:		
– Subsidiary		
CoAsia Hong Kong	174	1,238
	<u>\$ 83,912</u>	<u>\$ 73,989</u>

Payables to related parties are mainly derived from purchase transactions and are not interest-bearing.

7. Financing provided to related parties

(1) Make loans to related parties

Ending balance:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Other Payables:		
– Other related party		
CoAsia SEMI Taiwan	\$ -	\$ 31,328

The loan to CoAsia SEMI Taiwan was due to business transactions, and the condition of making the loan was to repay the loan within one year after the loan.

(2) Borrowings from related parties

Ending balance:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Other Payables:		
– Subsidiary		
CoAsia Hong Kong	\$ -	\$ 108,224

The borrowings from CoAsia Hong Kong are conditioned by repayment within one year.

8. Asset transaction

(1) In 2020, the property transactions with CoAsia SEMI Taiwan and CoAsia SEMI, please refer to Note VI (XI) for details.

(2) Acquisition of financial assets

	Accounting Subject	Trading shares	Trading subject	Price acquisition in
Subsidiary	Investments	250 thousand	Common	
CoAsiaUS	Accounted for	shares	stock	\$ 1,400

CoAsia Electronics established CoAsia US in the year 2021 with \$1,400 in cash. In addition, the Company did not acquire financial assets from related parties during 2020.

9. Research and development expenses

	<u>2021</u>	<u>2020</u>
Product development cost:		
– Other related party		
CoAsia SEMI	\$ 17,927	\$ 28,013



CoAsia Electronics signed a product development contract with CoAsia SEMI in the third quarter of 2020. After the development was completed, the relevant patent rights belonged to CoAsia Electronics. The total contract price was US\$1,580 thousand and paid in five installments. From the third quarter of 2020 to the end of the second quarter of 2021, CoAsia Electronics had paid US\$1,580 thousand (approximately NT\$45,940 thousand) in five installments.

CoAsia SEMI had completed related product development work at the end of the second quarter of 2021.

#### 10. Finance costs

	<u>2021</u>	<u>2020</u>
— Subsidiary		
Others	\$ 646	\$ 2,024

The expenses incurred by CoAsia Electronics in borrowing money from subsidiaries in 2021 and 2020.

#### 11. Other income

	<u>2021</u>	<u>2020</u>
Endorsement/Guarantee handling fee		
— Subsidiary	\$ 15,040	\$ 10,901
CoAsia Singapore	7,737	7,399
CoAsia Hong Kong	\$ 22,777	\$ 18,300

	<u>2021</u>	<u>2020</u>
Service revenue		
— Subsidiary		
Others	\$ 824	\$ 156

	<u>2021</u>	<u>2020</u>
System usage fee income		
— Subsidiary		
Others	\$ 2,780	\$ 2,873

#### 12. Guarantee

As of December 31, 2021 and 2020, the Chairman of CoAsia Electronics provided joint guarantees for part of CoAsia Electronics' short-term loans. In addition, please refer to Table 2 for the details of the guarantees provided by CoAsia Electronics to its subsidiaries as of December 31, 2021.

(XXVI) Information on Remuneration to the Management

	<u>2021</u>	<u>2020</u>
Salary and benefits for short-term employees	48,166	10,901
Termination benefits	-	2,001
Retirement benefits	324	333
	<u>\$ 48,490</u>	<u>\$ 39,727</u>

VIII. Pledged Assets

The details of the guarantee provided for the assets of CoAsia Electronics are as follows:

<u>Assets</u>	<u>Book value</u>		<u>Purpose of</u>
	<u>December 31, 2021</u>	<u>December 31, 2020</u>	
Bank deposits (Recognized as financial assets at amortized cost)	\$122,003	\$ 79,651	Short-term loan
Land and housing	124,749	126,690	Short-term loan
Assigned accounts receivable - with recourse	360,503	78,449	Short-term loan facilities
	<u>\$ 607,255</u>	<u>\$ 284,790</u>	

IX. Significant Contingent Liabilities and Unrecognized Contract Commitments

As of December 31, 2021 and 2020, CoAsia Electronics' major commitments and contingent liabilities are as follows:

1. The letters of guarantee issued by CoAsia Electronics to banks for the import of goods are all counted as \$2,000.
2. Please refer to Note VII for the product development contracts entered into by CoAsia Electronics with related parties in 2020 and relevant commitments.

X. Significant Disaster Loss

None.

XI. Significant Events after the Balance Sheet Date

Please refer to Note VI (XVII) 6.(3) for the details of the surplus distribution for 2021 proposed by the Board of Directors on March 8, 2022.

## XII. Others

### (I) Capital Management

CoAsia Electronics' capital management objectives are to ensure that CoAsia Electronics can continue to operate as a going concern, maintain an optimal capital structure to reduce capital costs, and provide remunerations to shareholders. In order to maintain or adjust the capital structure, CoAsia Electronics may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. CoAsia Electronics monitors its capital using the debt-to-equity ratio, which is calculated as net debt divided by total capital. Net debt is calculated as total borrowings less cash and cash equivalents. Total capital is calculated as 'equity' reported in the balance sheet plus net debt. CoAsia Electronics' strategy in 2021 was the same as in 2020. As at December 31, 2021 and 2020, CoAsia Electronics' debt-to-equity ratios were as follows:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Total loans	\$ 2,450,465	\$ 1,993,751
Less: Cash and Cash Equivalents	( 82,947 )	( 90,169 )
Net debt	\$ 2,367,518	\$ 1,903,582
Total equity	2,483,801	2,403,738
Total capital	<u>\$ 4,851,319</u>	<u>\$ 4,307,320</u>
Debt-to-equity ratio	48.80%	44.19%

### (II) Financial Instruments

#### 1. Category of financial instruments

	<u>December 31,</u>	<u>December 31,</u>
<u>Financial assets</u>		
Financial Assets at Fair Value through Profit or Loss		
Financial assets mandatorily measured at fair value through profit or loss	\$ 26,419	\$ 30,361
Financial assets at fair value through other comprehensive income (Note 1)	162,083	39,670
Financial assets at amortized cost (Note 2)	<u>2,821,278</u>	<u>2,698,496</u>
	<u>\$ 3,009,780</u>	<u>\$ 2,768,527</u>
<u>Financial liabilities</u>		
Financial liabilities at amortized cost (Note 2)	\$ 2,800,105	\$ 2,339,508
Lease liabilities	<u>5,342</u>	<u>3,505</u>
	<u>\$ 2,805,447</u>	<u>\$ 2,343,013</u>

Note 1: It is an account receivable that is expected to execute a fostering in the future.

Note 2: Note: Financial assets measured by amortized cost include cash and cash equivalents, financial assets measured by amortized cost, accounts receivable (including related parties), other receivables (including related parties) and guarantee deposits paid; financial liabilities measured by amortized cost include short-term borrowings, short-term bills payable, accounts payable (including related parties) and other payables (including related parties).

2. Risk management policies

(1) The risk control undertaken by CoAsia Electronics is influenced by the needs of the customer-oriented consumer electronics industry and the supply of products by suppliers. In order to meet the above requirements, CoAsia Electronics adopts a comprehensive risk management and control system to identify all risks of CoAsia Electronics (including market risk, credit risk and operational risk) and measure various risks, so that CoAsia Electronics' management can effectively control and measure market risk, credit risk and operational risk.

(2) Risk management is carried out by the Finance Department of CoAsia Electronics in accordance with the policies approved by the Board of Directors. CoAsia Electronics' Finance Department is responsible for identifying, assessing and avoiding financial risks through close cooperation with CoAsia Electronics' operating units. The Board of Directors has written principles for overall risk management and written policies on specific areas and matters such as exchange rate risk, interest rate risk, credit risk, use of derivative and non-derivative financial instruments, and investment of surplus liquidity.

3. The natures and extents of material financial risks

(1) Market risk

Foreign Exchange Risk

A. CoAsia Electronics' main purchases and sales are denominated in U.S. dollars, and the fair value will vary with market exchange rate fluctuations. However, CoAsia Electronics' holdings of foreign currency assets and liabilities and the timing of receipt and payment can offset market risks. If there is a short-term position gap, option trading will be conducted to avoid possible risks, so it is not expected to generate significant market risks.

B. CoAsia Electronics' business involves certain non-functional currencies (the functional currency of CoAsia Electronics is New Taiwan dollar). Information on foreign currency assets and liabilities affected by fluctuations is as follows:

				December 31, 2021		
				Foreign currencies (NT\$ thousand)	Exchange Rate	Carrying amount (NT\$)
<u>Financial assets</u>						
<u>Monetary items</u>						
US\$: NT\$	\$	135,658	27.68	\$	3,755,013	
<u>Non-monetary items</u>						
<u>Investments Accounted for Using the Equity Method</u>						
US\$: NT\$		22,651	27.68		626,984	
SG\$: NT\$		27,286	20.46		558,279	
<u>Financial liabilities</u>						
<u>Monetary items</u>						
US\$: NT\$		94,055	27.68		2,603,442	
				December 31, 2020		
				Foreign currencies (NT\$ thousand)	Exchange Rate	Carrying amount (NT\$)
<u>Financial assets</u>						
<u>Monetary items</u>						
US\$: NT\$	\$	95,942	28.48	\$	2,732,428	
<u>Non-monetary items</u>						
<u>Investments Accounted for Using the Equity Method</u>						
US\$: NT\$		19,643	28.48		559,433	
SG\$: NT\$		23,995	21.56		517,324	
<u>Financial liabilities</u>						
<u>Monetary items</u>						
US\$: NT\$		70,109	28.48		1,996,704	

C. The total exchange losses (including realized and unrealized) of CoAsia Electronics' monetary items due to fluctuations in exchange rates were aggregated in 2021 and 2020 to \$34,879 and \$70,514, respectively.

D. The foreign currency market risk analysis of CoAsia Electronics due to significant exchange rate fluctuations is as follows:

		2021		
		Range of change	Effect on profit and loss	Effect on other comprehensive income
(Foreign currency: Functional currency)				
<u>Financial assets</u>				
<u>Monetary items</u>				
US\$: NT\$	1%	\$	37,550	\$ -
Non-monetary items				
<u>Investments Accounted for</u>				
<u>Using the Equity Method</u>				
TUS\$: NT\$	1%		-	6,270
SG\$: NT\$	1%		-	5,583
<u>Financial liabilities</u>				
<u>Monetary items</u>				
US\$: NT\$	1%		26,034	-
		2020		
		Range of change	Effect on profit and loss	Effect on other comprehensive income
(Foreign currency: Functional currency)				
<u>Financial assets</u>				
<u>Monetary items</u>				
US\$: NT\$	1%	\$	27,324	\$ -
Non-monetary items				
<u>Investments Accounted for</u>				
<u>Using the Equity Method</u>				
TUS\$: NT\$	1%		-	5,504
SG\$: NT\$	1%		-	5,173
<u>Financial liabilities</u>				
<u>Monetary items</u>				
US\$: NT\$	1%		19,967	-

#### Price Risk

Equity commodities invested by CoAsia Electronics are affected by changes in market prices, but the positions held by CoAsia Electronics are not significant, and a stop loss point has been set, so no significant market risk is expected.

### Cash Flow and Fair Value Interest Rate Risk

In 2021 and 2020, some of CoAsia Electronics' short-term borrowings were debts with floating interest rates. Therefore, changes in market interest rates will cause the effective interest rates of short-term borrowings to fluctuate, which will cause fluctuations in future cash flows. When the market interest rate increases by 1%, it will increase CoAsia Electronics' cash outflows by \$23,505 and \$19,938, respectively.

#### (2) Credit risk

- A. CoAsia Electronics' credit risk is the risk of financial loss to CoAsia Electronics due to the failure of the customer or counterparty to a financial instrument to perform its contractual obligations, mainly arising from the counterparty's inability to settle accounts receivable paid on terms of collection and the contractual cash flows reclassified as investment with debt instruments measured at amortized costs.
- B. CoAsia Electronics establishes credit risk management from a Corporation perspective. For banks and financial institutions, only those with an independent credit rating of at least "A" can be accepted as transaction counterparties. According to the internal credit policy, each operating entity and each new customer within CoAsia Electronics must conduct management and credit risk analysis before setting the terms and conditions for payment and delivery. Internal risk control is to assess the credit quality of customers by taking into account their financial status, past experience and other factors. Individual risk limits are set by the Board of Directors based on internal or external ratings, and the use of credit lines is regularly monitored.
- C. CoAsia Electronics adopts the following premises as the bases for judging whether the credit risk of financial instruments has increased significantly since original recognition:

When the contract payment is overdue for more than 30 days according to the agreed payment terms, it is deemed that the credit risk of the financial asset has increased significantly since the original recognition.
- D. CoAsia Electronics is deemed to have breached the contract when the payment is overdue for more than 90 days according to the agreed payment terms.
- E. CoAsia Electronics uses a simplified approach to estimate expected credit losses on the basis of an allowance matrix for accounts receivable from customers based on the characteristics of the type of customers.
- F. CoAsia Electronics is included in the prosperity observation report of the Taiwan Economic Research Institute and the prosperity indicators of the National Development Commission, respectively. Consideration of future forward-looking adjustment of the loss rate established according to historical

and current information in a specific period to estimate the allowance losses of accounts receivable (including related parties), and the preparation matrices as at December 31, 2021 and 2020 were as follows:

	Not Past Due	Up to 30 days past due	Up to 60 days past due	Up to 90 days past due	Total
<u>December 31, 2021</u>					
Expected loss rate	0.03%	0.07%	0.77%	27.35%	
Total book value	\$ 2,740,106	\$ 24	\$ 42	-	\$ 2,740,106
Loss allowances	304	-	-	-	304
	Not Past Due	Up to 30 days past due	Up to 60 days past due	Up to 90 days past due	Total
<u>December 31, 2020</u>					
Expected loss rate	0.01%	0.07%	0.78%	9.36%	
Total book value	\$ 2,468,404	\$ 27,428	\$ 37	545	\$ 2,496,414
Loss allowances	257	20	-	51	328

G. The aging analysis of CoAsia Electronics' accounts receivable is as follows:

	December 31, 2021	December 31, 2020
	Accounts Receivable	Accounts Receivable
Not Past Due	\$ 2,740,106	\$ 2,468,404
Up to 30 days past due	24	27,428
31-60 days	42	37
60-90 days	-	545
	<u>\$ 2,740,172</u>	<u>\$ 2,496,414</u>

The above aging schedule was based on the number of days past due from the end of the credit term.



H. The Table of Changes in Allowance Losses of Accounts Receivable (Including Related Parties) that CoAsia Electronics adopts a simplified practice is as follows:

	2021	
	Accounts Receivable	
January 1	\$	328
Reversal of impairment loss	(	24 )
December 31	\$	304

	2020	
	Accounts Receivable	
January 1	\$	-
Reversal of impairment loss		328
December 31	\$	328

(3) Liquidity risk

- A. Cash flow forecasting is performed by each operating entity of CoAsia Electronics and compiled by CoAsia Electronics' Finance Department. CoAsia Electronics' Finance Department monitors rolling forecasts of the group's liquidity requirements to ensure it has sufficient cash to meet operational needs, so as to avoid CoAsia Electronics to violate the relevant borrowing limits or terms. Such forecasting takes into consideration CoAsia Electronics' debt financing plans, covenant compliance, and compliance with internal balance sheet ratio targets.
- B. When the remaining cash held by CoAsia Electronics exceeds the need for the management of working capital, CoAsia Electronics' Finance Department will invest the remaining funds in interest-bearing demand deposits, time deposits, money market deposits and marketable securities, and the instruments of its choice have an appropriate maturity date or sufficient liquidity to meet the above forecast and provide sufficient dispatch levels.
- C. The following table shows CoAsia Electronics' non-derivative financial liabilities, grouped by relevant maturity dates. Non-derivative financial liabilities are analyzed based on the remaining period from the balance sheet date to the contractual maturity date. The contractual cash flow amounts disclosed in the table below are undiscounted amounts.

December 31, 2021	Within 1 year	1-2 year(s)	2-3 years	Over 3 years
<u>Non-derivative financial liabilities:</u>				
Lease liabilities	\$ 2,715	\$ 2,228	\$ 386	\$ 95
December 31, 2020	Within 1 year	1-2 year(s)	2-3 years	Over 3 years
<u>Non-derivative financial liabilities:</u>				
Lease liabilities	\$ 2,340	\$ 654	\$ 348	\$ 238

Except as stated above, CoAsia Electronics' non-derivative financial liabilities are due within one year.

CoAsia Electronics does not expect that the timing of the cash flows for the maturity analysis will occur significantly earlier, or that the actual amounts will be significantly different.

### (III) Information on Fair Value

1. The levels of evaluation techniques used to measure the fair value of financial and non-financial instruments are defined as follows:

Level 1: Quotes (unadjusted) in active markets for identical assets or liabilities on the measurement date. An active market is one in which transactions of assets or liabilities occur with sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2: Direct or indirect observable inputs for assets or liabilities other than those included in level 1 quotes.

Level 3: An unobservable input for an asset or liability.

2. Financial instruments not measured at fair value

The carrying amounts of cash and cash equivalents, financial assets measured at amortized cost, net accounts receivable (including related parties), other receivables (including related parties), short-term borrowings, short-term notes payable, accounts payable (including related parties) and other payables (including related parties) are reasonable approximations of fair value.

3. Financial instruments measured at fair value are classified by CoAsia Electronics on the basis of the nature, characteristics and risks of the assets and the level of fair value. The relevant information is as follows:

	December 31, 2021		
	Fair value		
	Level 1	Level 2	Level 3
Financial Assets at Fair Value through Profit or Loss	\$ 4,734	\$ -	\$ 21,685
Financial Assets at Fair Value through Other Comprehensive Income			
Accounts receivable from expected execution	-	162,083	-
	<u>\$ 4,734</u>	<u>\$ 162,083</u>	<u>\$ 21,685</u>
	December 31, 2020		
	Fair value		
	Level 1	Level 2	Level 3
Financial Assets at Fair Value through Profit or Loss	\$ 4,880	\$ -	\$ 25,481
Financial Assets at Fair Value through Other Comprehensive Income			
Accounts receivable from expected execution	-	39,670	-
	<u>\$ 4,880</u>	<u>\$ 39,670</u>	<u>\$ 25,481</u>

4. The methods and assumptions used by CoAsia Electronics to measure fair value are described below:
- (1) The fair value of financial instruments is obtained by evaluation techniques or by reference to counterparty quotations. The fair value obtained through evaluation techniques may be calculated by referring to the current fair value of other financial instruments with substantially similar conditions and characteristics, discounted cash flow method or other evaluation techniques, including the use of models based on market information available on the balance sheet date.
  - (2) CoAsia Electronics incorporates credit risk assessment adjustments into the calculation of the fair value of financial instruments and non-financial instruments to reflect counterparty credit risk and CoAsia Electronics' credit quality, respectively.
5. In 2021 and 2020, there was no transfer between the first class and the second class.
6. Changes in level 3 in 2021 and 2020:

	2021	2020
	Non-derivative financial instruments	Non-derivative financial instruments
January 1	\$ 25,481	\$ 6,938
Recognized as other gains and losses	( 3,796 )	( 18,543 )
December 31	<u>\$ 21,685</u>	<u>\$ 25,481</u>

7. There was no transfer in or out from level 3 in 2021 and 2020.
8. The quantitative information about the significant unobservable input value of the evaluation model used in level 3 fair value measurement item and the sensitivity analysis of the change in the significant unobservable input value are explained as follows:

	<u>Fair value on December 31, 2021</u>	<u>Valuation technique</u>	<u>Significant unobservable input value</u>	<u>Relationship between input value and fair value</u>
Non-derivative equity instruments: Shares from unlisted companies	\$ 21,685	Comparable to the price-to-book multiplier and	the price-to- earning multiplier of listed companies	The higher the multiplier, the higher the fair value
	<u>Fair value on December 31, 2020</u>	<u>Valuation technique</u>	<u>Significant unobservable input value</u>	<u>Relationship between input value and fair value</u>
Non-derivative equity instruments: Shares from unlisted companies	\$ 25,481	Comparable to the price-to-book multiplier and	the price-to- earning multiplier of listed companies	The higher the multiplier, the higher the fair value

9. CoAsia Electronics selects the evaluation model and evaluation parameters after careful evaluation, but the use of different evaluation models or evaluation parameters may lead to different evaluation results. For financial assets and financial liabilities classified as Level 3, if the evaluation parameters change, the impacts on the current gains or losses or other composite gains or losses are as follows:

		December 31, 2021			
		Recognized in profit or loss		Recognized in other comprehensive income	
Input value	Change	Favorable change	Unfavorable change	Favorable change	Unfavorable change
Financial assets					
Equity instruments	the price-to-earning multiplier of listed companies	±1%			
		\$ 217	( \$ 217 )	\$ -	\$ -

		December 31, 2020			
		Recognized in profit or loss		Recognized in other comprehensive income	
Input value	Change	Favorable change	Unfavorable change	Favorable change	Unfavorable change
Financial assets					
Equity instruments	the price-to-earning multiplier of listed companies	±1%			
		\$ 255	( \$ 255 )	\$ -	\$ -

### XIII. Supplementary Disclosures

#### (I) Information on Significant Transactions

According to the provisions of the Financial Reporting Standards for Issuers of Securities, the relevant matters related to CoAsia Electronics' major transactions in 2021 are as follows. In addition, the information to be disclosed by the investee companies is partly prepared

based on the financial statements of the companies that have been audited by the CPAs for the same period, and the following transactions with subsidiaries have been written off when the financial statements were prepared. The following disclosure information is for reference.

1. Loans provided for others: Please refer to Table 1 for details.
2. Endorsements/guarantees provided for others: Please refer to Table 2 for details.
3. Securities held at end of period (excluding investments in subsidiaries, associates, and joint ventures): Please refer to Table 3 for details.
4. Accumulated purchase or sale of the same securities amounting to NT\$300 million or 20% of paid-in capital or more: None.
5. Acquisition of property amounting to NT\$300 million or 20% of the paid-in capital or more: None.
6. Disposal of property amounting to NT\$300 million or 20% of the paid-in capital or more: None.
7. Purchases or sales with related parties amounting to NT\$100 million or 20% of the paid-up capital or more: Please refer to Table 4 for details.
8. Receivables from related parties amounting to NT\$100 million or 20% of the paid-up capital or more: Please refer to Table 5 for details.
9. Derivatives transactions: None.
10. Relationships and significant transactions between the parent company and subsidiaries and their amounts: Please refer to Table 6 for details.

(II) Information on Investee Companies

Information on the name, region and so on of the investee companies (excluding investee companies in mainland China): Please refer to Table 7 for details.

(III) Information on Investments in Mainland China

1. Basic information: Please refer to Table 8 for details.
2. Significant transactions directly or indirectly through third-region businesses and investee companies that have reinvested in mainland China: None.

(IV) Information on Major Shareholders

Information on major shareholders: Please refer to Table 9 for details.

XIV. Division Information

N/A.

CoAsia Electronics Corp. and Its Subsidiaries  
Loans provided for others  
For the Year Ended December 31, 2021

Table 1

Unit: NT\$ thousand  
(unless stated otherwise)

No. (Note 1)	Financing Company	Borrower	Transaction Item	Related Party	Maximum outstanding balance for the period	Ending balance	Actual Amount Drawn	Interest Rate	Nature for Financing (Note 2)	Business Transaction Amount	Reason for Short-term Financing	Allowance for Bad Debt	Collateral Name	Value	Limit on Loans Provided to a Single Party (Note 3)	Total Limit on Loans Provided (Note 3)	Remark
0	CoAsia Electronics Corp.	CoAsia Korea Co., Ltd.	Other receivables - related party	Yes	\$ 83,580	\$ 83,040	\$ -	To comply with the contract	2	\$ -	Operating capital	\$ -	-	\$ -	\$ 248,380	\$ 993,520	
0	CoAsia Electronics Corp.	CoAsia Electronics Corporation (Hong Kong) Limited	Other receivables - related party	Yes	199,745	193,760	-	To comply with the contract	2	-	Operating capital	-	-	-	248,380	993,520	
0	CoAsia Electronics Corp.	CoAsia Electronics Corp. (Singapore) Pte. Ltd.	Other receivables - related party	Yes	199,745	193,760	-	To comply with the contract	2	-	Operating capital	-	-	-	248,380	993,520	
0	CoAsia Electronics Corp.	Studybank Co., Ltd.	Other receivables - related party	Yes	200	200	-	To comply with the contract	2	-	Operating capital	-	-	-	248,380	993,520	
0	CoAsia Electronics Corp.	Coasia Semi Taiwan Limited	Other receivables - related party	Yes	45,085	-	-	To comply with the contract	1	-	Operating capital	-	-	-	248,380	993,520	
1	CoAsia Electronics Corporation (Hong Kong) Limited	CoAsia Technology Co., Ltd.	Other receivables - related party	Yes	24,991	-	-	To comply with the contract	2	-	Accounts receivable beyond the normal credit period are transferred to be loans provided	-	-	-	639,702	639,702	
1	CoAsia Electronics Corporation (Hong Kong) Limited	CoAsia Electronics Corp. (Singapore) Pte. Ltd.	Other receivables - related party	Yes	142,675	138,400	-	To comply with the contract	2	-	Operating capital	-	-	-	639,702	639,702	
1	CoAsia Electronics Corporation (Hong Kong) Limited	CoAsia Electronics Corp.	Other receivables - related party	Yes	285,350	276,800	-	To comply with the contract	2	-	Operating capital	-	-	-	639,702	639,702	
1	CoAsia Electronics Corporation (Hong Kong) Limited	Coasia Semi Limited	Other receivables - related party	Yes	30,448	30,448	-	To comply with the contract	1	152,331	Operating capital	-	-	-	152,331	639,702	
2	CoAsia Electronics Corp. (Singapore) Pte. Ltd.	CoAsia Electronics Corporation (Hong Kong) Limited	Other receivables - related party	Yes	142,675	138,400	-	To comply with the contract	2	-	Operating capital	-	-	-	556,225	556,225	
2	CoAsia Electronics Corp. (Singapore) Pte. Ltd.	CoAsia Electronics Corp.	Other receivables - related party	Yes	142,675	138,400	-	To comply with the contract	2	-	Operating capital	-	-	-	556,225	556,225	

Note 1: The numbers filled are described as follows:

- (1). For the issuer, fill in 0.
- (2). The investee company is numbered sequentially starting from Arabic number 1 according to the company type.

Note 2: The nature of the loans provided are explained as follows:

- (1). Fill in 1 for those who has business relationship.
- (2). Fill in 2 for those who needs short-term financing.

Note 3: (1). The Company's aggregate amount of loans to others is limited to 40% of the net worth, and the amount of loans to others shall not exceed 10% of the net worth to an individual enterprise. Net worth amounted to 2,483,801 as of December 31, 2021.

(2). For the foreign companies with 100% voting shares directly and indirectly held by CoAsia Electronics Corporation (Hong Kong) Limited to the parent company of the group, the aggregate amount of loans to others is limited to 100% of the net worth, and the amount of loans to others shall not exceed 100% of the net worth to an individual enterprise.

(3). For the foreign companies with 100% voting shares directly and indirectly held by CoAsia Electronics Corp. (Singapore) Pte. Ltd to the parent company of the group, the aggregate amount of loans to others is limited to 100% of the net worth, and the amount of loans to others shall not exceed 100% of the net worth to an individual enterprise.

CoAsia Electronics Corp. and Its Subsidiaries  
Endorsements/Guarantees Provided for Others  
For the Year Ended December 31, 2021

Table 2

Unit: NT\$ thousand  
(unless stated otherwise)

No. (Note 1)	Endorser/ Guarantor	Endorsee/Guarantee		Limit on Endorsements/ Guarantees Provided for Single Entity	Maximum Endorsement/ Guarantee Balance for the Period	Endorsement and Guarantee Ending Balance	Actual Amount Drawn	Amount of Endorsements/ Guarantees Collateralized by Property	Ratio of Accumulated Endorsements/ Guarantees to Net Worth per Latest Financial Statements	Endorsement/ Guarantee Ceiling (Note 3)	Endorsements/ Guarantees Provided by Parent for Subsidiary	Endorsements/ Guarantees Provided by Parent	Endorsements/ Guarantees Provided for Subsidiary in Mainland China	Remark
		Name of Company	Relationship (Note 2)											
0	CoAsia Electronics Corporation (Hong Kong) Limited	CoAsia Electronics Corporation (Hong Kong) Limited	1, 3	\$ 2,483,801	\$ 1,624,440	\$ 1,624,440	\$ 849,400	\$ -	65.40%	\$ 3,725,702	Y	N	N	
0	CoAsia Electronics Corporation	CoAsia Electronics Corp. (Singapore) Pte. Ltd	1, 2	2,483,801	1,719,540	1,702,320	1,702,320	-	68.54%	3,725,702	Y	N	N	

Note 1: The numbers filled are described as follows:

- (1). For the issuer, fill in 0.
- (2). The investee company is numbered sequentially starting from Arabic number 1 according to the company type.

Note 2: The relationships between endorsers/guarantors and endorseees/guarantees are categorized into the following 6 types. Please specify the type:

- (1). Companies with which the Company conducts business.
- (2). Subsidiaries in which the Group directly holds more than 50% of their common stocks.
- (3). Investee companies in which the Company and its subsidiaries collectively hold more than 50% of their common stocks.
- (4). The parent company which holds, directly or indirectly through a subsidiary, more than 50% of its outstanding common stocks.
- (5). Companies in same type of business and providing mutual endorsements/guarantees in favor of each other in accordance with the contractual obligations in order to fulfill the needs of the construction project.
- (6). Shareholders making endorsements/guarantees for their mutually invested company in proportion to their shareholding ratio.

Note 3: The Company's aggregate amount of limit of endorsement for external entities is limited to 150% of the net worth, and the amount of limit of endorsement for single enterprise shall not exceed 10% of the net worth to an individual enterprise while not more than 100% for a single affiliate.

Note 4: In 2021, the handling fee charged by the Company to CoAsia Electronics Corporation (Hong Kong) Limited for the above-mentioned endorsement guarantee amounted to \$7,737 (recorded as other income), and the outstanding amount as of December 31, 2021 amounted to \$2,072.

Note 5: In 2021, the handling fee charged by the Company to CoAsia Electronics Corp. (Singapore) Pte. Ltd. for the above-mentioned endorsement guarantee amounted to \$15,040 (recorded as other income), and the outstanding amount as of December 31, 2021 amounted to \$2,547.



CoAsia Electronics Corp. and Its Subsidiaries

Securities held at end of period (excluding investments in subsidiaries, associates, and joint ventures)

December 31, 2021

Table 3

Unit: NT\$ thousand  
(unless stated otherwise)

Company Holding Securities	Type and Name of Securities	Relationship with Issuer of Securities	Ledger Account	Ending Balance				Remark
				Number of Shares	Carrying amount	Shareholding %	Fair value	
CoAsia Electronics Corp.	Merian Global Dynamic Bond Fund B USD Acc	-	Financial assets at fair value through profit or loss - current	-	\$ 4,734	-	\$ 4,734	
CoAsia Electronics Corp.	Common and preferred stocks of Insignal Co. Ltd	-	Financial assets at fair value through profit or loss - non-current	10,770	21,685	12.5%	21,685	
CoAsia Korea Co. Ltd.	Stocks of Bobbintel Inc.	-	Financial assets at fair value through profit or loss - non-current	425,000	-	14%	-	

CoAsia Electronics Corp. and Its Subsidiaries  
Purchases or Sales with Related Parties Amounting to NT\$100 Million or 20% of Paid-up Capital or More  
For the Year Ended December 31, 2021

Table 4

Unit: NT\$ thousand  
(unless stated otherwise)

Purchasing (Selling) Company	Counterparty	Relationship	Transaction Situation			Unusual Transaction Terms and Reasons (Note 1)			Notes and Accounts Receivable (Payable)		(Notes 2)
			Purchases (Sales)	Amount	Percentage of Total Purchases (Sales)	Credit Period	Unit Price	Credit Period	Balance	Total Notes and Accounts Receivable (Payable)	
CoAsia Electronics Corp.	Shanghai Samsung Semiconductor Co., Ltd.	Other related party	Purchase of goods	\$ 7,866,222	52%	Prepayments for goods	The purchase price is based on the regional distribution price of other related parties	It refers to the transaction nature of a single purchasing vendor.	\$ -	-	
CoAsia Electronics Corp.	Samsung Electronics Taiwan Co., Ltd.	Other related party	Purchase of goods	5,634,487	37%	OA 1 day; prepayments for goods	The purchase price is based on the regional distribution price of other related parties	It refers to the transaction nature of a single purchasing vendor.	19,703	(9%)	
CoAsia Electronics Corporation (Hong Kong) Limited	Shanghai Samsung Semiconductor Co., Ltd.	Other related party	Purchase of goods	8,483,585	51%	Prepayments for goods	The purchase price is based on the regional distribution price of other related parties	It refers to the transaction nature of a single purchasing vendor.	-	-	
CoAsia Electronics Corp. (Singapore) Pte. Ltd.	Samsung Electronics Singapore Pte. Ltd.	Other related party	Purchase of goods	2,880,852	46%	OA 2 days	The purchase price is based on the regional distribution price of other related parties	It refers to the transaction nature of a single purchasing vendor.	316	(1%)	
CoAsia Electronics Corp. (Singapore) Pte. Ltd.	Samsung India Electronics Pvt Ltd.	Other related party	Purchase of goods	3,082,236	49%	OA 2 days	The purchase price is based on the regional distribution price of other related parties	It refers to the transaction nature of a single purchasing vendor.	-	-	
CoAsia Korea Co., Ltd	Samsung Electronics Co., Ltd.	Other related party	Purchase of goods	241,482	22%	75 days from end of month	The purchase price is based on the regional distribution price of other related parties	It refers to the transaction nature of a single purchasing vendor.	23,540	(10%)	
CoAsia Korea Co., Ltd	CoAsia CM Co., Ltd.	Other related party	Sales	( 930,154)	81%	30 days from end of month			( 105,827)	94%	
CoAsia Electronics Corporation (Hong Kong) Limited	Coasia Semi Limited	Other related party	Sales	( 152,331)	1%	90 days from end of month			( 111,696)	4%	
CoAsia Electronics Corporation (Hong Kong) Limited	CoAsia Electronics Corp. (Singapore) Pte. Ltd.	Sister company of the same group	Sales	( 221,208)	1%	60 days from end of month			( 43,350)	2%	
CoAsia Electronics Corp. (Singapore) Pte. Ltd.	CoAsia Electronics Corporation (Hong Kong) Limited	Sister company of the same group	Sales	( 1,696,951)	27%	60 days from end of month			( 570,836)	67%	
CoAsia Electronics Corp. (Singapore) Pte. Ltd.	CoAsia Electronics Corp.	Subsidiaries	Sales	( 140,820)	2%	60 days from end of month			( 36,012)	4%	
CoAsia Electronics Corp. (Singapore) Pte. Ltd.	CoAsia Korea Co., Ltd.	Sister company of the same group	Sales	( 726,532)	11%	40 days from end of month			( 202,377)	24%	
CoAsia Electronics Corp.	CoAsia Electronics Corporation (Hong Kong) Limited	Subsidiaries	Sales	( 6,237,530)	41%	60 days from end of month			( 1,509,061)	55%	

Note 1: If the related party transaction terms are different from the normal transaction terms, the differences and reasons shall be stated in the column of unit price and credit period.

Note 2: For those who have advance receipt (prepayment), the reason, contract terms, amount and the difference from the normal transaction type should be stated in the remarks column.

Note 3: The paid-in capital is the paid-in capital of the parent company. For issuers with shares of no-par value or of par value which is not NT\$10 per share, the regulation regarding the 20% of the paid-in capital is calculated by the 10% equity attributable to owners of the parent company on the balance sheet.

Note 4: The disclosure method of the transactions between the Company and its subsidiaries is in terms of assets and income, and its relative transactions are no longer disclosed.

CoAsia Electronics Corp. and Its Subsidiaries

Receivables from related parties reached NT\$ 100 million or 20% and above of paid-in capital

December 31, 2021

Table 5

Unit: NT\$ thousand

Company recorded under account receivables	Counterparty	Relationship	Receivables from related parties (Note 1)	Turnover rate	Overdue receivables from related parties		Receivables from related parties (Note 3)	Allowance for Bad Debt
					Amount	Action taken		
CoAsia Electronics Corporation (Hong Kong) Limited	Coasia Semi Limited	Other related party	\$ 111,696	2.73	\$ -	-	\$ 9,210	\$ -
CoAsia Electronics Corp.	CoAsia Electronics Corporation (Hong Kong) Limited	Subsidiary	1,509,061	3.98	-	-	465,316	-
CoAsia Electronics Corp.(Singapore) Pte.Ltd.	CoAsia Electronics Corporation (Hong Kong) Limited	Sister company of the same group	570,836	2.64	-	-	-	-
CoAsia Electronics Corp.(Singapore) Pte.Ltd.	CoAsia Korea Co., Ltd.	Sister company of the same group	202,377	5.52	-	-	83,935	-
CoAsia Korea Co., Ltd.	CoAsia CM Co., Ltd.	Other related party	105,827	13.57	-	-	105,827	-

Note 1: Please fill in separately according to related party' s accounts receivable , notes receivable, other receivables...etc.

Note 2: The paid-in capital is the paid-in capital of the parent company. For issuers with shares of no-par value or of par value which is not NT\$10 per share, the regulation regarding the 20% of the paid-in capital is calculated by the 10% equity attributable to owners of the parent company on the balance sheet.

Note 3: It mainly refers to other receivables arising from the loan provided, so there is no need to calculate the turnover rate.

Note 4: It refers to the amount repatriated after the period as of February 16, 2022.

CoAsia Electronics Corp. and Its Subsidiaries

Intercompany Relationships and Significant Intercompany Transactions Between Parent and Subsidiaries and Between Subsidiaries

For the Year Ended December 31, 2021

Table 6

Unit: NT\$ thousand  
(unless stated otherwise)

No. (Note 1)	Name of Trader	Counterparty	Relationship with the Trader (Note 2)	Description of Transactions			Percentage of Consolidated Total Revenue or Total Assets (Note 3)
				Ledger Account	Amount	Transaction Term	
0	CoAsia Electronics Corp.	CoAsia Electronics Corporation (Hong Kong) Limited	1	Sales revenue (cost)	\$ 6,237,530	Same as normal transactions	21%
0	CoAsia Electronics Corp.	CoAsia Electronics Corporation (Hong Kong) Limited	1	Accounts receivable	1,509,061	Same as normal transactions	18%
1	CoAsia Electronics Corp. (Singapore) Pte.Ltd.	CoAsia Electronics Corporation (Hong Kong) Limited	3	Sales revenue (cost)	1,696,951	Same as normal transactions	6%
1	CoAsia Electronics Corp. (Singapore) Pte.Ltd.	CoAsia Electronics Corporation (Hong Kong) Limited	3	Accounts receivable	570,836	Same as normal transactions	7%
1	CoAsia Electronics Corp. (Singapore) Pte.Ltd.	CoAsia Korea Co., Ltd	3	Sales revenue (cost)	726,532	Same as normal transactions	2%

Note 1: The information on business dealings between the parent company and subsidiaries should be numbered according to the following method:

- (1). For the parent company, fill in 0.
- (2). Subsidiaries are numbered sequentially starting from Arabic number 1 according to the company type.

Note 2: Three types of the relationship with the trader as below and remark it by type only. (There is no need to repeat disclosure if it is the same transaction between parent and subsidiary or between subsidiaries. For example: For transactions between the parent company and subsidiaries, if the parent company has already disclosed, the subsidiary does not need to disclose it repeatedly; for transactions between subsidiaries and subsidiaries, if one of its subsidiaries has been disclosed, the other subsidiary does not need to disclose it repeatedly):

- (1). The parent company to subsidiaries.
- (2). Subsidiaries to the parent company.
- (3). Subsidiaries to subsidiaries.

Note 3: For calculation on the ratio of transaction amount to consolidated total revenue or total assets, ending balance to consolidated total assets is used to calculate for those belongs to items on the balance sheet; mid-term cumulative balance to consolidated total revenue is used to calculate for those belongs to items on the income statement.

Note 4: It is up to the company to decide whether the important transactions in this table should be listed or not based on the principle of materiality.

Note 5: Individual transactions not exceeding NT\$300 million will not be disclosed.

CoAsia Electronics Corp. and Its Subsidiaries  
Names, Locations And Relevant Information of Investee Companies (excluding mainland China investee companies)  
For the Year Ended December 31, 2021

Table 7

Unit: NT\$ thousand  
(unless stated otherwise)

Name of Investor	Name of Investee (Note 1, 2)	Location	Primary Business Activities	Initial Investment Amount		Ending Balance			Profit (Loss) of Investee for the Period (Note 2(2))	Investment Profit (Loss) Recognized for the Period (Note 2(3))	Remark
				Balance for the Period	End of last year	Number of Shares	Ratio	Carrying Amount			
CoAsia Electronics Corp.	CoAsia International Corp.	Mauritius	Professional investment company	\$ 432,977	\$ 432,977	1,329,612	100.00%	\$ 625,660	\$ 81,719	\$ 81,719	
CoAsia Electronics Corp.	Pointchips Co., Ltd.	South Korea	Semiconductor design	73,102	73,102	983,049	20.14%	( 5,395)	( 2,218)	-	
CoAsia Electronics Corp.	CoAsia Technology Co., Ltd.	Hong Kong	International trade, re-export trade	-	85,991	-	-	-	7,178	7,178	
CoAsia Electronics Corp.	CoAsia Korea Co., Ltd.	South Korea	Manufacturing and trading of peripheral products for semiconductors and development of software and hardware technologies, etc.	171,902	171,902	1,320,000	100.00%	61,511	( 28,896)	( 28,896)	
CoAsia Electronics Corp.	Studybank Co., Ltd.	Taiwan	Electronic equipment, data processing business and online learning courses, etc.	358,000	358,000	9,204,851	89.10%	13,072	567	505	
CoAsia Electronics Corp.	CoAsia Electronics Corp. (Singapore) Pte. Ltd.	Singapore	International trade, re-export trade	30,202	30,202	1,000,000	100.00%	558,279	66,254	68,806	
CoAsia Electronics Corp.	CoAsia Electronics (US) Corp.	USA	International trade, re-export trade	1,400	-	250,000	100.00%	1,324	( 61)	( 61)	
CoAsia International Corp.	CoAsia Electronics Corporation (Hong Kong)	Hong Kong	Wholesaling, designing and manufacturing of electronic components	435,837	435,837	10,293,200	100.00%	639,702	82,030	82,030	
Studybank Co., Ltd.	Taiwan Interactive Education Co., Ltd.	Taiwan	Academic tutoring, afterschool teaching, other sound recording and music publishing	50,000	50,000	1,600,000	100.00%	1,077	( 459)	( 459)	
CoAsia Electronics Corp. (Singapore) Pte. Ltd.	CoAsia Electronics Corp. LLP	India	International trade, re-export trade	4,623	4,623	-	100.00%	( 1,749)	( 2,048)	( 2,048)	Note 3

Note 1: A public offering company that has a foreign holding company and uses consolidated financial statements as its main financial statements in accordance with local laws and regulations may only disclose

Note 2: According to the following rules, fill in for those who are not in the situation described in Note 1:

(1) Fill in "Name of Investee", "Location", "Primary business" and "Original Investment Amount" and "Shareholding at the end of the period", etc. in order according to the reinvestment situation of the Company (public offering) and the reinvestment situation of each directly or indirectly controlled investee company, and indicate the relationship between each investee company and the Company (public offering) (if it is a subsidiary or a sub-company) in the remarks column.

(2) In the column of "Profit (Loss) of Investee for the Period", the profit (loss) for the period of each investee company should be filled in.

(3) The column of "Investment Profit (Loss) Recognized for the Period" only needs to be filled with the profit and loss amount of each subsidiary recognized by the Company (public offering) for direct reinvestment and each investee company accounted for using the equity method, and the rest is not required to be filled. When filling in "Profit (Loss) of Recognition of Each Subsidiary for Direct Reinvestment for the Period", it should be confirmed that the amount of profit and loss of each subsidiary for the period includes the investment profit and loss that should be recognized for reinvestment according to the regulations.

Note 3: CoAsia Electronics Corp. LLP is a limited partnership and no stocks are issued.

CoAsia Electronics Corp. and Its Subsidiaries  
Information on Investments in Mainland China - Basic Data  
For the Year Ended December 31, 2021

Table 8

Unit: NT\$ thousand  
(unless stated otherwise)

Investee Company	Primary Business Activities	Paid-in Capital	Method of Investments (Note 1)	Accumulated Amount of Investments Remitted from Taiwan at Beginning of Period	Amount of Investments Remitted or Repatriated for the Period		Accumulated Amount of Investments Remitted from Taiwan at End of Period	Profit (Loss) of Investee for the Period	The Company's Direct or Indirect Shareholding Ratio	Investment Profit (Loss) Recognized for the Period (Note 2. (2)B)	Carrying Amount of Investments at End of Period	Accumulated Investment Income Repatriated at End of Period	Remark
					Remitted	Repatriated							
CoAsia Electronics Corporation(Shanghai) Limited	International trade, re-export trade, and commercial simple processing in the bonded area	\$ 155,520	2	\$ 151,004	\$ -	\$ -	\$ 151,004	\$ 1,026	100.00%	\$ 1,026	\$ 32,764	\$ -	2.1
CoAsia Electronics Corporation (Shenzhen) Limited	International trade and re-export trade	31,291	2	20,082	-	-	20,082	( 5,844)	100.00%	( 5,844)	6,655	-	2.1
		Amount of	Ceiling on										
	Accumulated Amount of Investments Remitted from Taiwan to Mainland China at End of Period	Investments Authorized by Investment Commission, M. O. E. A.	Amount of Investments Stipulated by Investment Commission, M. O. E. A.										
Name of Company													
CoAsia Electronics Corp.	\$ 171,086	\$ 171,086	\$ 1,490,281										

Note 1: Methods of investments are divided into the following three types:

- (1). Direct investment in mainland China
- (2). Reinvestment in Mainland China through companies registered in a third region. (please specify the investment company in a third region)
  - 2.1 Reinvest in the companies in the Mainland Chinese through CoAsia Electronics Corporation (Hong Kong) Limited established in third regions.
- (3). Others

Note 2: Investment profit (loss) recognized for the period:

- (1) Indicate if no investment profit (loss) is recognized as an investee is under preparation
- (2) Indicate if investment profit (loss) is recognized on the following three types of basis
  - A. Financial statements audited by international accounting firms cooperating with accounting firms in the Republic of China
  - B. Financial statements audited and certified by the parent company's certified public accountant in Taiwan
  - C. Others.

Note 3: Figures related to this table should be listed in New Taiwan Dollars.

CoAsia Electronics Corp.  
Information on Major Shareholders  
December 31, 2021

Table 9

Name of Major Shareholders	Shareholding	
	Number of Shares Held	Percentage of Ownership
Investment account of BSE Holdings Co., Ltd entrusted custody by CTBC Bank Co., Ltd.	17,739,028	12.21%
CoAsia Corporation of Korea Company	11,673,652	8.03%

CoAsia Electronics Corp.  
Cash and Cash Equivalents  
December 31, 2021

Statement 1			Unit: NT\$ thousand
Item	Summary		Amount
Cash on hand			\$ 580
Petty cash			105
Bank deposits			
Demand Deposits			17,369
Time Deposits	US\$	710 thousand, exchange rate 1: 27.68	19,653
Foreign currency demand deposits	US\$	6,042 thousand, exchange rate 1: 27.68	167,243
	VND	7 thousand, exchange rate 1: 0.0012	-
			204,950
(Recognized as financial assets at amortized cost)			( 122,003)
			\$ 82,947

(Blank below)



CoAsia Electronics Corp.  
Accounts Receivable, Net  
December 31, 2021

Statement 2

Unit: NT\$ thousand

<u>Customer name</u>	<u>Summary</u>	<u>Amount</u>	<u>Remark</u>
Non-related party			
Company A		\$ 444,991	
Company B		179,411	
Company C		110,160	
Other occasional customers		<u>496,549</u>	The balance of each occasional customer does not exceed 5% of the balance of this account
		1,231,111	
Less: Allowance for doubtful accounts		( <u>304</u> )	
		<u>\$ 1,230,807</u>	
Related party			
CoAsia Electronics Corporation (Hong Kong) Limited		<u>\$ 1,509,061</u>	

CoAsia Electronics Corp.

Inventories

December 31, 2021

Statement 3

Unit: NT\$ thousand

Item	Summary	Amount		Remark
		Cost	Net realizable value (Note)	
Inventory		\$ 364,566	\$363,022	Measured by net realizable value
Less: Allowance of slow moving inventories and write-down		( 16,269 )		
		<u>\$ 348,297</u>		

CoAsia Electronics Corp.

Changes in Investments Accounted for Using the Equity Method

From January 1, 2021 to December 31, 2021

Statement 4

Unit: NT\$ thousand

Name	Beginning balance		Increase		Decrease		Ending balance			Market value/Net equity value		Guarantee or Pledge
	Shares	Amount	Shares	Amount (Note 1)	Shares	Amount (Note 2)	Shares	Percentage of Ownership	Amount	Unit price	Total	
CoAsia International Corp.	1,329,612	\$ 565,562	-	\$ 82,768	-	( \$ 22,670 )	1,329,612	100%	\$ 625,660	\$ 471	\$ 625,660	None
CoAsia Electronics (US) Corp.	-	-	250,000	1,400	-	( 76 )	250,000	100%	1,324	5	1,324	None
Pointchips Co., Ltd.	983,049	( 5,395 )	-	-	-	-	983,049	20.14%	( 5,395 )	( 5 )	( 5,395 )	None
CoAsia Technology Co., Ltd.	2,597,752	6,133	-	7,182	( 2,597,752 )	( 1,049 )	-	-	-	-	-	None
CoAsia Korea Co., Ltd.	1,320,000	99,985	-	-	-	( 38,474 )	1,320,000	100%	61,511	47	61,511	None
CoAsia Electronics Corp. (Singapore) Pte. Ltd.	1,000,000	517,324	-	68,806	-	( 27,851 )	1,000,000	100%	558,279	558	558,279	None
Studybank Co., Ltd.	9,204,851	<u>12,567</u>	-	<u>505</u>	-	<u>-</u>	9,204,851	89.10%	<u>13,072</u>	1	13,072	None
		1,183,910		<u>\$ 160,661</u>		<u>\$ 90,120 )</u>			1,254,451			
Credit balance of investments accounted for using equity method (recognized as other non-current liabilities)		<u>11,528</u>							<u>5,395</u>			
		\$1,195,438							\$ 1,259,846			

Note 1. For the year ended December 31, 2021, the investment income and cumulative translation adjustments were recognized under the equity method for the new investments accounted for under the equity method and for the unremunerated transfers of equity interests.

Note 2. For the year ended December 31, 2021, the Company disposed of investment loss recognized under the equity method, unrealized gross profit on sales, organizational restructuring, and cumulative translation adjustments

CoAsia Electronics Corp.  
Short-term Loans  
December 31, 2021

Statement 5									Unit: NT\$ thousand
Type of Loans	Institutions	Description	Ending balance	Contract Period (YYYY/MM/DD)	Interest Rate	Line of credit		Pledge or guarantee	Remark
Loans for material purchase	Jih Sun International Bank		\$ 55,360	2021/12/7-2022/3/7	1.34%	US\$	2,000 thousand	Note 1	
Loans for material purchase	Mega International Commercial Bank		98,264	2021/10/30-2022/10/29	1.35%~1.42%	NT\$	100,000 thousand	Note 1	
Loans for material purchase	Taiwan Business Bank		276,800	2021/11/17-2022/11/16	1.27%~1.33%	NT\$	300,000 thousand	Note 1	
Loans for material purchase	Taiwan Cooperative Bank		192,376	2021/7/9-2022/7/2	1.29%~1.40%	NT\$	250,000 thousand	Note 1	
Loans for material purchase	Entie Commercial Bank		138,400	2021/12/13-2022/12/13	1.34%~1.39%	NT\$	150,000 thousand	Note 1	
Loans for material purchase	Far Eastern International Bank		163,035	2021/3/12-2022/3/12	1.22%~1.25%	US\$	6,000 thousand	Note 1	
Loans for material purchase	DBS Bank		166,080	2021/12/26-2022/12/26	1.25%~1.40%	US\$	6,000 thousand	Note 1	
Loans for material purchase	Bank of Panhsin		83,040	2021/8/4-2022/8/4	1.40%	NT\$	84,000 thousand	Note 1	
Loans for material purchase	Shin Kong Commercial Bank		301,297	2021/7/12-2022/7/12	1.30%~1.56%	US\$	12,000 thousand	Note 1, Note 2	
Loans for material purchase	Hua Nan Commercial Bank		77,227	2021/6/17-2022/6/17	1.37%	NT\$	200,000 thousand	Note 1	
Loans for material purchase	KGI Bank		241,149	2021/12/2-2022/12/1	1.28%~1.38%	NT\$	300,000 thousand	Note 1	
Accounts receivable financing	KGI Bank		324,437	2021/12/2-2022/12/1	1.13%~1.39%	US\$	100,000 thousand	Note 1	
Credit loans	Hua Nan Commercial Bank		120,000	2021/6/17-2022/6/17	1.50%	NT\$	200,000 thousand	Note 1	

Credit loans	Taiwan Cooperative Bank	30,000	2021/7/9-2022/7/2	1.27%	NT\$	250,000 thousand	Note 1
Credit loans	Shin Kong Commercial Bank	83,000	2021/7/12-2022/7/12	1.50%~1.52%	NT\$	90,000 thousand	Note 1
		<u>\$ 2,350,465</u>					

Note 1. The Company has issued \$2,684,240 in guaranteed notes for the above short-term loan facilities.

Note 2. The loans are secured by land and buildings with a book value of \$124,749.

CoAsia Electronics Corp.  
Operating Revenue, Net  
From January 1, 2021 to December 31, 2021

Statement 6

Unit: NT\$ thousand

Item	Quantity	Amount
Sales revenue		
Key components for mobile communication products (Mobile)	197,488(thousand pieces)	\$ 9,132,584
Thin film liquid crystal displays (SDC)	1,974(thousand PCS)	4,056,390
Wafers (Foundry)	89(thousand PCS)	1,172,018
Others		203,383
		\$ 14,564,375

CoAsia Electronics Corp.  
Operating Costs  
From January 1, 2021 to December 31, 2021

Statement 7

Unit: NT\$ thousand

Item	Amount
Inventory at beginning of period	\$ 383,238
Add: Purchase (net)	14,194,177
Work-in-process transfer	733
Others	5,258
Less: Inventory at end of period	( 364,566 )
Loss on retirement of inventories	( 1,914 )
Purchases (sales) cost	14,216,926
Work-in-process at beginning of period	733
Less: Transfer of work-in-process to inventory	( 733 )
Work-in-process at end of period	-
Slow moving inventories and write-down	( 7,026 )
Other operating costs	12,636
Operating Costs	\$ 14,222,536

CoAsia Electronics Corp.  
Selling and Marketing Expenses  
From January 1, 2021 to December 31, 2021

Statement 8

Unit: NT\$ thousand

Item	Summary	Amount	Remark
Salary expenses		\$ 56,444	
Lease expenses		9,130	
Freight		7,913	
Bank fee		5,609	
Other fee		<u>32,326</u>	The balance of each fractional account does not exceed 5% of the balance of this account
		<u><u>111,422</u></u>	



CoAsia Electronics Corp.  
General and Administrative Expenses  
From January 1, 2021 to December 31, 2021

Statement 9

Unit: NT\$ thousand

Item	Summary	Amount	Remark
Salary expenses		\$ 59,711	
Service fee		12,240	
Bank fee		6,801	
Other fee		<u>37,908</u>	The balance of each fractional account does not exceed 5% of the balance of this account
		<u>116,660</u>	

CoAsia Electronics Corp.  
STATEMENT OF EMPLOYEE BENEFIT, DEPRECIATION AND AMORTIZATION BY FUNCTION  
From January 1, 2021 to December 31, 2021

Statement 10

Unit: NT\$ thousand

Function	2021			2020		
	Operation Costs	Operation Expenses	Total	Operation Costs	Operation Expenses	Total
Property						
Employee Benefits Expenses						
Salary Expenses	\$ -	\$ 113,869	\$ 113,869	\$ -	\$ 91,549	\$ 91,549
Expenses for Labor and Health	-	6,417	6,417	-	5,555	5,555
Pension Expenses	-	3,086	3,086	-	3,092	3,092
Remuneration Paid to Directors	-	2,286	2,286	-	1,104	1,104
Others Employee Benefits Expenses	-	9,799	9,799	-	7,629	7,629
Depreciation expenses (including right-of-	-	7,551	7,551	-	5,304	5,304
Amortization expenses	-	5,810	5,810	-	4,516	4,516

1 The average number of employees per month-end for the current year and the previous year were 65 and 62, respectively, of which the number of directors who were not also employees was 3.  
2

- (1) The average employee benefit expense for 2021 was NT\$2,148 thousand.  
The average employee benefit expense for 2020 was NT\$1,828 thousand.
- (2) The average employee salary expense for 2021 was NT\$1,837 thousand.  
The average employee salary expense for 2020 was NT\$1,552 thousand.
- (3) Change in average employee salary expense was 18.36%.
- (4) The remuneration of the supervisors for the current year is NT\$0. The remuneration of the supervisor for the previous year was NT\$350 thousand. The Company has established an Audit Committee on June 19, 2020, so there is no supervisor for the current year.
- (5) The Company's remuneration policy (including directors, managerial officers, and employees)
- A. Principles of Personnel Remuneration Policy
- Salaries are determined with reference to the salary market, the Company's operating conditions and organizational structure, and are subject to timely adjustment in accordance with market salary dynamics, changes in the overall economic and industrial prosperity, and government regulations.
  - Salaries and compensation for employees are based on their academic experience, professional knowledge, professional experience, and personal performance, and do not differ based on age, gender, race, religion, political affiliation, or marital status.
  - Bonus is paid based on the performance of the Company's operations and the performance of individual employees.
- B. The relationship between the remuneration policy, the procedure of remuneration determination and the operating performance or results
- The percentage or range of remuneration for employees and directors as set forth in the Company's Articles of Incorporation: If there is any profit in the year, the Company shall allocate not less than 10% as remuneration to employees and not more than 5% as remuneration to directors. If CoAsia Electronics still has accumulated losses, it should reserve the amount in advance to make up for them.
  - The remuneration policy for the President, Vice President and equivalent managerial officers is based on the Company's business strategy, profitability, performance and contribution, and other factors with reference to the salary level of the market. The Remuneration Committee makes a recommendation for implementation after approval by the Board of Directors. c. The Company uses an employee bonus system to motivate performance, and provides annual performance bonuses and other project bonuses based on business and other operational performance targets set by the Company.



CoAsia Electronics Corp.

Declaration of Consolidated Financial Statements of Affiliates

In 2021 (from January 1, 2021 to December 31, 2021), the companies required to be included in the consolidated financial statements of affiliates under the standards Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises are all the same as companies required to be included in the consolidated financial statements of parent and subsidiary companies as provided in the International Financial Reporting Standards (IFRS) 10, and relevant information that should be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies. The Corporation hereby produces this declaration to the effect that no preparation for the separate consolidated financial statements of affiliates is required.

Sincerely,



Name of Company: CoAsia Electronics Corp.

Chairman: Lee, Hee-Jun



March 8, 2022

## Independent Auditors' Report

(111) C.S.B.Z. No. 21004311

To: CoAsia Electronics Corp.,

### **Opinions**

The Consolidated Balance Sheets of CoAsia Electronics Corp. and its subsidiaries (hereinafter “CoAsia Group”) as of December 31, 2021 and 2020, in addition to the Consolidated Composite Income Sheets, Consolidated Statements of Changes in Equity, Consolidated Statements of Cash Flows, and Notes to the Consolidated Financial Statements (including a summary of significant accounting policies) from January 1 to December 31, 2021 and 2020, have been audited by the CPAs.

In the opinion of the CPAs, the above consolidated financial statements have been prepared in all material respects in accordance with the Financial Reporting Standards for Securities Issuers and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Interpretation and Interpretation Notices as endorsed and promulgated by the Financial Supervisory Commission, and are sufficient to give a fair representation of the consolidated financial position of CoAsia Group as at December 31, 2021 and 2020, and the consolidated financial performance and consolidated cash flow from January 1 to December 31, 2021 and 2020.

### **Basis for Opinions**

We conducted our audits in accordance with the Regulations Governing the Auditing and Attestation of Financial Statements by Certified Public Accountants and Generally Accepted Auditing Standards (GAAS) of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of CoAsia Group in accordance with the Norm of Professional Ethics for Certified Public Accountant, and 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 refer to those which, in accordance with the professional judgment of the CPA, are most important for the audit of the consolidated financial statements of CoAsia Group for the year 2021. 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.

The key audit matters of the consolidated financial statements of CoAsia Group for the year 2021 are listed as follows:

## **Inventory Evaluation**

### Description

Please refer to Note IV(XII) of the consolidated financial report for the accounting policy of inventory evaluation; please refer to Note V(II) of the consolidated financial report for the uncertainty of accounting estimates and assumptions of inventory evaluation; and refer to Note VI(IV) to the consolidated financial report for the description of allowance for inventory impairment loss. The inventory balance of CoAsia Group on December 31, 2021 was NT\$2,265,406 thousand (including NT\$48,627 thousand after deducting allowance for inventory impairment loss).

CoAsia Group operates the wholesale sales of electronic components and materials. Due to the short life cycle of its related products and the fierce market competition, there is a high risk of inventory impairment loss or obsolescence. CoAsia Group's inventories are measured at the lower of cost and net realizable value; for inventories that are outdated and obsolete beyond a certain period of time, the net realizable value is calculated based on historical information on the extent of inventory depletion and discount rate.

Due to the rapid technological changes in the industry in which CoAsia Group operates, and because the net realizable value used in evaluating outdated and obsolete inventories often involves subjective judgments and therefore has a high degree of estimation uncertainty, considering that the inventory of CoAsia Group and its allowance for inventory impairment loss have a significant impact on the financial statements, the CPAs believe that the assessment of the inventory of CoAsia Group and its allowance for inventory impairment loss is one of the most important matters in this year's audit.

### Response audit procedures

The CPAs' response procedures for the above-mentioned aspects are summarized as follows:

1. In accordance with the requirements of accounting principles and the understanding of CoAsia Group's operation and industry nature, assess the rationality of the policies and procedures adopted in assessing the provision for impairment losses on inventories, including the classification of inventories based on the net realizable value, and the degree of expiry of inventories Sources of historical information and discount margins and the

rationality of judging obsolete and obsolete inventory items.

2. Identify the warehouse management process of CoAsia Group, review its annual inventory plan and participate in the annual inventory checking to evaluate the effectiveness of management in distinguishing and controlling obsolete inventory.
3. Verify the properness of the inventory age report used by CoAsia Group for evaluation, and estimate the net realizable value of the inventory that exceeds a certain period of time, estimate its net reliable value based on the historical information on the extent of inventory depletion and discount rate, so as to evaluate the rationality of the allowance for inventory impairment loss determined by CoAsia Group.
4. Execute the verification of the calculation logic of the net realizable value of inventories, and then evaluate the rationality of the allowance for impairment loss determined by CoAsia Group.

## **Evaluation on the Allowance for Losses of Accounts Receivable**

### Description

Please refer to Note IV(X) of the consolidated financial report for the evaluation on the allowance for losses of accounts receivable; please refer to Note V(II) of the consolidated financial report for the uncertainty of accounting estimates and assumptions of the allowance for losses of accounts receivable; and refer to Note VI(II) to the consolidated financial report for the description of the allowance for losses of accounts receivable. The balance of accounts receivable of CoAsia Group as at December 31, 2021 was NT\$3,859,371 thousand (including the deducted allowance for loss of NT\$30,911 thousand).

The accounts receivable of CoAsia Group are based on historical experience, forward-looking information and other known reasons or existing objective evidence to estimate the expected credit impairment losses that may occur, and are listed as deduction from accounts receivable in the current period when the accounts receivable may not be recovered, and CoAsia Group regularly reviews the rationality of its loss estimates. Because the evaluation of allowance losses often involves the subjective judgment of the management, various industrial prosperity indicators or the possibility of account recovery after the period, and the amount to be set aside is estimated accordingly, considering that the accounts receivable of CoAsia Group and its allowance for loss have a significant impact on the financial statements, the CPAs believe that the assessment of the allowance for loss of accounts receivable of CoAsia Group

is one of the most important matters in this year's audit.

#### Response audit procedures

The CPAs' response procedures for the above-mentioned aspects are summarized as follows:

1. In accordance with the requirements of accounting principles and the understanding of the operation of CoAsia Group and the credit quality of customer credit standards, assess the rationality of the policies and procedures for the provision of allowance losses of accounts receivable, including the rationality of group classification and aging analysis to determine the credit quality of customer credit standards.
2. Obtain the overdue aging data sheet used by the management to evaluate the expected credit loss rate of accounts receivable, confirm that the logic of the data source is consistent, and test the relevant forms to confirm the correctness of the aging data.
3. Evaluate the rationality of the estimates used by management to estimate the expected credit losses of accounts receivable and obtain relevant supporting documents, including: Long overdue accounts, collections after the period, and signs that customers are unable to repay on time, etc.
4. Post-period collection test to support the adequacy of the provision of allowance losses.

### **Authenticity of Revenue Recognition**

#### Description

Please refer to Note IV (XXVII) to the consolidated financial report for the accounting policy for revenue recognition.

CoAsia Group is mainly engaged in the wholesale sales of electronic components and is an agent of Samsung Electronics. The sales revenue in 2021 was NT\$29,202,777 thousand. CoAsia Group's sales targets include consumer electronics manufacturers and distributors at home and abroad, and due to changes in the consumer electronics product end market and changes in Samsung Electronics' sales strategy, as well as the huge amount and volume of sales revenue, which have an impact on the financial statements. Therefore, the CPAs considers that the authenticity of CoAsia Group's revenue recognition is one of the most important matters in this year's audit.

#### Response audit procedures

The CPAs' response procedures for the above-mentioned aspects are summarized as follows:

1. In accordance with the requirements of accounting principles and the understanding of the internal control of CoAsia Group to obtain significant sales targets, including the relevant credit investigation procedures and accounting policies for revenue recognition.
2. Identify the rationality of the credit investigation and related approval procedures carried out by CoAsia Group for important transaction partners.
3. Perform spot checks on sales revenue transactions, including checking the date and amount of sales invoices and the delivery orders which have been properly approved and signed to confirm that the transactions have indeed occurred and belonged to the appropriate period.
4. For a certain period before and after the balance sheet date, identify the reasons for the significant return of sales and evaluate the rationality of the vesting period.

### **Other Matters - Financial Report**

We have also audited the financial statements of CoAsia Electronics Corp. for 2021 and 2020, on which we have issued an unqualified opinion.

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

To ensure that the Consolidated Financial Statements do not contain material misstatements caused by fraud or errors, the management is responsible for preparing prudent Consolidated Financial Statements in accordance with the Financial Reporting Standards for Securities Issuers, as well as the IFRS, IAS, law and regulation reviews and their announcements recognized by the Financial Supervisory Commission, and for preparing and maintaining necessary internal control procedures pertaining to the Consolidated Financial Statements.

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

Those in charge with CoAsia Group's governance (including the Audit Committee) are responsible for overseeing its 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 misstatements, 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 when it exists. Misstatements can arise from error or fraud 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 financial statements.

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

1. Identify and evaluate the risk of material misstatements due to fraud or error in the Consolidated Financial Statements; design and carry out appropriate countermeasures for the evaluated risk; and obtain sufficient and appropriate evidence as the basis for their audit 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 CoAsia Group's internal control.
3. Assess the appropriateness of the accounting policies adopted by the management, as well as the reasonableness of their accounting estimates and relevant disclosures.
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 CoAsia Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause CoAsia Group to cease to continue as a going concern.
5. Evaluate the overall expression, structure and contents of the Consolidated Financial Statements (including relevant Notes), and whether the Consolidated Financial Statements fairly present relevant transactions and items.

6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision, and performance of the audit and for expressing an opinion on the Consolidated Financial Statements of the Group.

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 of the Republic of China, 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 communication with the management unit, the accountant decided on the key audit matters for the consolidated financial statements of CoAsia Group for 2021. 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.

PwC Taiwan

Hsu, Yung-Chien



CPA

Wu, Han-Chi



Former Securities Regulatory Commission of the Ministry of Finance

Approval File No.: (84) T.C.Z. (L) No. 13377

Former Securities and Futures Commission of the Ministry of Finance

Approval File No.: (90) T.C.Z. (L.) Z. No. 157088

March 8, 2022



CoAsia Electronics Corp. and Its Subsidiaries  
Consolidated Balance Sheets  
December 31, 2021 and 2020

Assets		Note	December 31, 2021		Unit: NT\$ thousand December 31, 2020	
			Amount	%	Amount	%
<b>Current Assets</b>						
1100	Cash and Cash Equivalents	VI(I)	\$ 519,580	6	\$ 692,100	11
1110	Financial assets at fair value through profit or loss - current	VI(V)	4,734	-	4,880	-
1136	Financial assets at amortized cost - current	VI(VI) and VIII	474,334	6	435,446	7
1170	Accounts receivable, net	VI(II)(III) and VIII	3,859,371	47	2,904,959	46
1180	Accounts receivable - related parties, net	VII	217,523	3	52,539	1
1200	Other receivables	VI(III)	34,754	-	16,579	-
1210	Other receivables - related parties	VII	348	-	54,722	1
130X	Inventories	VI(IV)	2,265,406	27	1,441,484	23
1410	Prepayments	VII	173,418	2	433,702	7
1470	Other Current Assets	VI(VII)	460,796	6	1,809	-
11XX	<b>Total current assets</b>		<u>8,010,264</u>	<u>97</u>	<u>6,038,220</u>	<u>96</u>
<b>Non-current assets</b>						
1510	Financial assets at fair value through profit or loss - non-current	VI(V)	21,685	-	25,481	-
1600	Property, Plant, and Equipment	VI(VIII) and VIII	152,035	2	130,745	2
1755	Right-of-use assets	VI(IX)	20,264	-	16,543	-
1780	Intangible Assets	VI(X)	30,977	-	33,537	1
1840	Deferred income tax assets	VI(XXIII)	36,862	1	64,133	1
1900	Other non-current assets		11,055	-	10,691	-
15XX	<b>Total non-current assets</b>		<u>272,878</u>	<u>3</u>	<u>281,130</u>	<u>4</u>
1XXX	<b>Total assets</b>		<u>\$ 8,283,142</u>	<u>100</u>	<u>\$ 6,319,350</u>	<u>100</u>

(Continued on the next page)

  
 CoAsia Electronics Corp. and Its Subsidiaries  
 Consolidated Balance Sheets  
 December 31, 2021 and 2020

Liabilities and Equity		Note	December 31, 2021		Unit: NT\$ thousand December 31, 2020	
			Amount	%	Amount	%
<b>Current Liabilities</b>						
2100	Short-term Loans	VI(XIII) and VIII	\$ 4,207,737	51	\$ 3,380,857	53
2110	Short-term notes and bills payable		100,000	1	-	-
2130	Contract liabilities - current	VI(XIX)	555,772	7	49,518	1
2170	Accounts Payable		155,246	2	96,130	2
2180	Accounts payable - related parties	VII	43,559	-	53,763	1
2200	Other payables	VI(XIV)	637,921	8	258,114	4
2220	Others payables - related parties	VII	1,573	-	578	-
2230	Current income tax liabilities	VI(XXIII)	20,623	-	45,669	1
2280	Lease liabilities - current		12,839	-	7,191	-
2300	Other current liabilities	VII	52,311	1	3,334	-
21XX	<b>Total current liabilities</b>		<u>5,787,581</u>	<u>70</u>	<u>3,895,154</u>	<u>62</u>
<b>Non-current liabilities</b>						
2570	Deferred income tax liabilities	VI(XXIII)	497	-	1,421	-
2580	Lease liabilities - non-current		7,835	-	9,124	-
2600	Other non-current liabilities		8,113	-	14,660	-
25XX	<b>Total non-current liabilities</b>		<u>16,445</u>	<u>-</u>	<u>25,205</u>	<u>-</u>
2XXX	<b>Total liabilities</b>		<u>5,804,026</u>	<u>70</u>	<u>3,920,359</u>	<u>62</u>
<b>Equity attributable to owners of the parent company</b>						
Capital Stock						
3110	Capital stock - common shares	VI(XVI)	1,452,648	18	1,424,165	22
Capital Surplus						
3200	Capital Surplus	VI(XVII)	837,054	10	836,817	13
Retained Earnings						
3310	Legal reserve	VI(XVIII)	66,161	1	56,053	1
3320	Special reserve		84,408	1	52,594	1
3350	Unappropriated earnings		183,946	2	118,517	2
Other equity						
3400	Other equity		(140,416)	(2)	(84,408)	(1)
31XX	<b>Total equity attributable to owners of parent company</b>		<u>2,483,801</u>	<u>30</u>	<u>2,403,738</u>	<u>38</u>
36XX	<b>Non-controlling Interests</b>		(4,685)	-	(4,747)	-
3XXX	<b>Total equity</b>		<u>2,479,116</u>	<u>30</u>	<u>2,398,991</u>	<u>38</u>
Significant Contingent Liabilities and Unrecognized Contract Commitments						
Significant Events after the Balance Sheet Date						
3X2X	<b>Total liabilities and equity</b>		\$ 8,283,142	100	\$ 6,319,350	100

Please also refer to the attached Notes to the Consolidated Financial Statements as part of these Consolidated Financial Statements.

Chairman:  
Lee Hee-Jun




Managerial officer:  
Shin Dong-Soo



Accounting Manager:  
Wang Peng-Cheng



  
 CoAsia Electronics Corp. and Its Subsidiaries  
 Consolidated Statements of Comprehensive Income  
 For the Years Ended December 31, 2021 and 2020

Unit: NT\$ thousand  
(Except earnings per share in NT\$)

Item	Note	2021		2020	
		Amount	%	Amount	%
4000 Operating Revenue	VI(XIX) and VII	\$ 29,203,713	100	\$ 26,852,573	100
5000 Operating Costs	VI(IV) and VII	( 28,244,408)	( 97)	( 26,012,280)	( 97)
5900 Gross profit		<u>959,305</u>	<u>3</u>	<u>840,293</u>	<u>3</u>
Operating expenses	VI(XXI) (XXII) and VII				
6100 Selling and Marketing Expenses		( 400,144)	( 1)	( 353,878)	( 1)
6200 General and Administrative Expenses		( 258,197)	( 1)	( 188,803)	( 1)
6300 Research and development expenses		( 17,927)	-	( 28,013)	-
6450 Expected credit impairment (loss)	XII(II)	( 3,771)	-	( 1,697)	-
6000 Total operating expenses		<u>( 680,039)</u>	<u>( 2)</u>	<u>( 568,997)</u>	<u>( 2)</u>
6900 Operating gains		<u>279,266</u>	<u>1</u>	<u>271,296</u>	<u>1</u>
Non-operating income and expenses					
7100 Interest income		1,397	-	2,580	-
7010 Other income		33,195	-	25,565	-
7020 Other gains or losses	VI(XX)	( 29,718)	-	( 95,412)	( 1)
7050 Finance costs		( 69,070)	( 1)	( 75,313)	-
7000 Total non-operating income and expenses		<u>( 64,196)</u>	<u>( 1)</u>	<u>( 142,580)</u>	<u>( 1)</u>
7900 <b>Net income before tax</b>		<u>215,070</u>	-	<u>128,716</u>	-
7950 Income tax expenses	VI(XXIII)	( 50,691)	-	( 32,596)	-
8200 <b>Net profit for the period</b>		<u>\$ 164,379</u>	<u>-</u>	<u>\$ 96,120</u>	<u>-</u>
<b>Other comprehensive income (net)</b>					
<b>Components that may be reclassified to profit or loss</b>					
8361 Exchange differences on translation of financial statements of foreign operations		(\$ 56,008)	-	(\$ 34,040)	-
8300 <b>Other comprehensive income (net)</b>		<u>(\$ 56,008)</u>	<u>-</u>	<u>(\$ 34,040)</u>	<u>-</u>
8500 <b>Total comprehensive income (loss) for the period</b>		<u>\$ 108,371</u>	<u>-</u>	<u>\$ 62,080</u>	<u>-</u>
Net income (loss) attributable to:					
8610 Owners of the parent company		\$ 164,317	-	\$ 101,085	-
8620 Non-controlling Interests		62	-	( 4,965)	-
		<u>\$ 164,379</u>	<u>-</u>	<u>\$ 96,120</u>	<u>-</u>
Total comprehensive income attributable to:					
8710 Owners of the parent company		\$ 108,309	-	\$ 67,045	-
8720 Non-controlling Interests		62	-	( 4,965)	-
		<u>\$ 108,371</u>	<u>-</u>	<u>\$ 62,080</u>	<u>-</u>
Basic earnings per share	VI(XXIV)				
9750 Net profit for the period		\$	<u>1.13</u>	\$	<u>0.70</u>
Diluted earnings per share	VI(XXIV)				
9850 Net profit for the period		\$	<u>1.12</u>	\$	<u>0.69</u>

Please also refer to the attached Notes to the Consolidated Financial Statements as part of these Consolidated Financial Statements.

Chairman:  
Lee Hee-Jun




Managerial officer:  
Shin Dong-Soo



Accounting Manager:  
Wang Peng-Cheng



  
 CoAsic Electronics Corp. and Its Subsidiaries  
 Consolidated Statement of Changes in Equity  
 For the Years Ended December 31, 2021 and 2020

Unit: NT\$ thousand

	Equity attributable to owners of the parent company											Non-controlling Interests	Total Equity
	Capital Surplus					Retained Earnings			Other equity				
Note	Capital stock - common shares	Capital surplus - share premium	Capital surplus - treasury share transactions	Capital surplus - recognized value of changes in equity of ownership of subsidiaries	Capital surplus - others	Legal reserve	Special reserve	Unappropriated earnings	Exchange differences on translation of financial statements of foreign operations	Total			
<b>2020</b>													
Balance as of January 1, 2020	\$ 1,396,240	\$ 744,222	\$ 60,466	\$ 32,129	\$ -	\$ 47,910	\$ 52,594	\$ 81,425	(\$ 50,368)	\$ 2,364,618	\$ 218	\$ 2,364,836	
Consolidated net profit in 2020	-	-	-	-	-	-	-	101,085	-	101,085	( 4,965 )	96,120	
Other comprehensive income in 2020	-	-	-	-	-	-	-	-	( 34,040 )	( 34,040 )	-	( 34,040 )	
Total comprehensive income (loss) for the period	-	-	-	-	-	-	-	101,085	( 34,040 )	67,045	( 4,965 )	62,080	
Distribution of earnings in 2019	VI(XVIII)												
Legal reserve	-	-	-	-	-	8,143	-	( 8,143 )	-	-	-	-	
Cash dividends	-	-	-	-	-	-	-	( 27,925 )	-	( 27,925 )	-	( 27,925 )	
Stock dividends	27,925	-	-	-	-	-	-	( 27,925 )	-	-	-	-	
Balance as of December 31, 2020	\$ 1,424,165	\$ 744,222	\$ 60,466	\$ 32,129	\$ -	\$ 56,053	\$ 52,594	\$ 118,517	(\$ 84,408)	\$ 2,403,738	(\$ 4,747)	\$ 2,398,991	
<b>2021</b>													
Balance as of January 1, 2021	\$ 1,424,165	\$ 744,222	\$ 60,466	\$ 32,129	\$ -	\$ 56,053	\$ 52,594	\$ 118,517	(\$ 84,408)	\$ 2,403,738	(\$ 4,747)	\$ 2,398,991	
Consolidated net profit in 2021	-	-	-	-	-	-	-	164,317	-	164,317	62	164,379	
Other comprehensive income in 2021	-	-	-	-	-	-	-	-	( 56,008 )	( 56,008 )	-	( 56,008 )	
Total comprehensive income (loss) for the period	-	-	-	-	-	-	-	164,317	( 56,008 )	108,309	62	108,371	
Distribution of earnings in 2020	VI(XVIII)												
Legal reserve	-	-	-	-	-	10,108	-	( 10,108 )	-	-	-	-	
Provision of special reserve	-	-	-	-	-	-	31,814	( 31,814 )	-	-	-	-	
Cash dividends	-	-	-	-	-	-	-	( 28,483 )	-	( 28,483 )	-	( 28,483 )	
Stock dividends	28,483	-	-	-	-	-	-	( 28,483 )	-	-	-	-	
Dividends not received by shareholders beyond the time limit converted to capital surplus	-	-	-	-	237	-	-	-	-	237	-	237	
Balance as of December 31, 2021	\$ 1,452,648	\$ 744,222	\$ 60,466	\$ 32,129	\$ 237	\$ 66,161	\$ 84,408	\$ 183,946	(\$ 140,416)	\$ 2,483,801	(\$ 4,685)	\$ 2,479,116	

Please also refer to the attached Notes to the Consolidated Financial Statements as part of these Consolidated Financial Statements.

Chairman: Lee Hee-Jun



Managerial officer: Shen Ting-Chi



Accounting Manager: Wang Peng-Cheng



  
CoAsia Electronics Corp. and Its Subsidiaries  
Consolidated Statements of Cash Flows  
For the Years Ended December 31, 2021 and 2020

Unit: NT\$ thousand

	Note	From January 1 to December 31, 2021	From January 1 to December 31, 2020
<u>Cash flows from operating activities</u>			
Net profit before tax of the period		\$ 215,070	\$ 128,716
Adjustment item			
Incomes, expenses and losses that do not affect cash flow			
Depreciation expenses (including right-of-use assets)	VI(VIII)(IX) (XXI)	21,225	21,863
Amortization expenses	VI(X)(XXI)	6,065	14,605
Net loss (gain) on financial assets at fair value through profit or loss	VI(XX)	3,942	( 17,951 )
Expected credit impairment loss (income)	XII(II)	3,771	( 1,697 )
Interest expenses		69,070	75,313
Interest income		( 1,397 )	( 2,580 )
Impairment loss	VI(XI)(XX)	-	53,272
Income from disposal of non-current assets to be sold	VI(XII)(XX)	-	( 5,359 )
Losses (gains) on disposal of property, plant, and equipment	VI(XX)	410	( 190 )
Income from disposal of assets	VI(XX)	( 1,032 )	-
Gains on lease modifications	VI(XX)	-	( 622 )
Changes in operating assets and liabilities			
Net change in assets related to operating activities			
Notes receivable		-	4,910
Accounts Receivable		( 956,920 )	( 74,648 )
Accounts receivable - related parties		( 164,984 )	24,265
Other receivables		( 18,385 )	19,826
Other receivables - related parties		7,415	4,080
Inventories		( 823,922 )	( 197,905 )
Prepayments		253,825	( 99,810 )
Other Current Assets		( 458,987 )	( 716 )
Other non-current assets		( 2,124 )	( 898 )
Net change in liabilities related to operating activities			
Contract liabilities - current		454,395	( 1,324 )
Accounts Payable		59,116	43,329
Accounts payable - related parties		( 10,204 )	23,912
Other payables		430,778	( 12,105 )
Other payables - related parties		995	( 129 )
Other current liabilities		48,977	( 700 )
Other non-current liabilities		( 282 )	943
Cash outflow generated from operations		( 863,183 )	( 1,600 )
Interest received		1,394	2,708
Interest paid		( 68,412 )	( 78,781 )
Income tax paid		( 41,062 )	( 19,270 )
Net cash flows use in operating activities		( 971,263 )	( 96,943 )

(Continued on the next page)

  
CoAsia Electronics Corp. and Its Subsidiaries  
Consolidated Statements of Cash Flows  
For the Years Ended December 31, 2021 and 2020

Unit: NT\$ thousand

	Note	From January 1 to December 31, 2021	From January 1 to December 31, 2020
<u>Cash flows from investing activities</u>			
Acquisition of property, plant, and equipment	VI(XXV)	(\$ 27,127)	(\$ 2,881)
Proceeds from disposal of property, plant, and equipment		386	598
Acquisition of intangible assets	VI(X)	( 3,524)	( 3,908)
Decrease (increase) in refundable deposits		1,760	( 505)
Acquisition of financial assets at fair value through profit or loss		-	( 5,000)
Increase in financial assets at amortized cost		( 38,888)	( 61,954)
Decrease (increase) in other receivables - related parties		31,328	( 31,328)
Price of asset disposal		15,631	47,294
Price of disposal of non-current assets to be sold		-	5,238
Net cash flows used in investing activities		<u>( 20,434)</u>	<u>( 52,446)</u>
<u>Cash flows from financing activities</u>			
Increase in short-term loans	VI(XXVI)	899,478	197,070
Repayment of the principal portion of leases	VI(XXVI)	( 15,540)	( 17,642)
Increase in short-term notes and bills payable	VI(XXVI)	100,000	-
Increase (decrease) in guarantee deposits received		( 6,265)	3,263
Cash dividends paid	VI(XVIII)	( 28,483)	( 27,925)
Dividends not received by shareholders beyond the time limit converted to capital surplus		237	-
Net cash flows generated from financing activities		<u>949,427</u>	<u>154,766</u>
Effect of exchange rate changes		( 130,250)	( 87,967)
Decrease in cash and cash equivalent in the period		( 172,520)	( 82,590)
Beginning balance of cash and cash equivalents	VI(I)	692,100	774,690
Ending balance of cash and cash equivalents	VI(I)	<u>\$ 519,580</u>	<u>\$ 692,100</u>

Please also refer to the attached Notes to the Consolidated Financial Statements as part of these Consolidated Financial Statements.

Chairman: Lee Hee-Jun



Managerial officer: Shin Dong-Soo



Accounting Manager: Wang Peng-Cheng





CoAsia Electronics Corp. and Its Subsidiaries  
Notes to Consolidated Financial Statements  
For the Years Ended December 31, 2021 and 2020



Unit: NT\$ thousand  
(Unless Stated Otherwise)

I. Company History

CoAsia Electronics Corp. (hereinafter referred to as the "Corporation") was established in November 1997. The main business activities of the Corporation and its subsidiaries (hereinafter collectively referred to as the "Group") are research, development and design of integrated circuits, international trade, electronic component manufacturing, product design, electronic material wholesale and intellectual property rights, etc. The Corporation's stock has been listed for trading on the Taipei Exchange (TPEX) since July 15, 2004. As of December 31, 2021, the Group has 157 employees.

II. Date of Authorization for Issuance of the Financial Statements and Procedures for Authorization

The consolidated financial statements were reported to and issued by the Corporation's Board of Directors on March 8, 2022.

III. Application of New and Amended Standards and Interpretations

(I) The impact of adopting new and revised IFRSs recognized by the Financial Supervisory Commission ("FSC")

The following table summarizes the new, amended and revised standards and interpretations of the applicable IFRSs for 2021 recognized by the FSC:

<u>New/Revised/Amended Standards and Interpretations</u>	<u>Effective Date of Issuance by the IASB</u>
Amendments to IFRS 4 "Extension of the Temporary Exemption from Applying IFRS 9"	January 1, 2021
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16, Phase 2 "Interest Rate Benchmark Reform"	January 1, 2021
Amendments to IFRS 16 "Covid-19-Related Rent Concessions beyond 30 June 2021"	April 1, 2021 (Note)

Note: FSC allows earlier application on January 1, 2021.

Note: FSC allows earlier application on January 1, 2021.

The Group found through assessment that the above standards and interpretations

have no material impact on the Group's financial condition and financial performance.

(II) The impact of not adopting new and revised IFRSs recognized by the FSC

The following table summarizes the new, amended and revised standards and interpretations of the applicable IFRSs for 2022 recognized by the FSC:

New/Revised/Amended Standards and Interpretations	Effective Date of Issuance by the IASB
Amendments to IFRS 3 "Reference to the Conceptual Framework"	January 1, 2022
Amendments to IAS 16 "Property, Plant, and Equipment: Proceeds before Intended Use"	January 1, 2022
Amendments to IAS 37 "Onerous Contracts - Cost of Fulfilling a Contract"	January 1, 2022
Annual Improvements to IFRSs 2018-2020 Cycle	January 1, 2022

The Group found through assessment that the above standards and interpretations have no material impact on the Group's financial condition and financial performance.

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

The following table summarizes the new, amended and revised standards and interpretations that have been issued by the IASB but have not yet been incorporated into the FSC-approved IFRS standards and interpretations:

New/Revised/Amended Standards and Interpretations	Effective Date of Issuance by IASB
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
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17 "Insurance Contracts"	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, 2023
Amendments to IAS 1 "Disclosure of Accounting Policies"	January 1, 2023
Amendments to IAS 8 "Definition of Accounting Estimates"	January 1, 2023
Amendments to IAS 12 "Deferred Tax related to Assets and Liabilities arising from a Single Transaction"	January 1, 2023

The Group found through assessment that the above standards and interpretations have no material impact on the Group's financial condition and financial performance.

#### IV. Summary of Significant Accounting Policies

The principal accounting policies adopted in the preparation of these consolidated financial standards are described below. Unless otherwise stated, these policies apply consistently throughout all reporting periods.

##### (I) Compliance declaration

These consolidated financial statements has been prepared in accordance with the Financial Reporting Standards for Issuers of Securities, the International Financial Reporting Standards, International Accounting Standards, Interpretations and Interpretations (hereinafter referred to as IFRSs) recognized by the FSC.

##### (II) Preparation basis

1. Except for financial assets at fair value through profit or loss, these consolidated financial statements have been prepared at historical cost.
2. The preparation of financial report in compliance with IFRSs requires the use of certain critical accounting estimates and the use of management's judgment in the process of applying the Group's accounting policies. For items involving a high degree of judgment or complexity, or involving significant assumptions and estimates in the consolidated financial report, please refer to Note V for details.

##### (III) Basis of consolidation

1. Principles for the preparation of the Consolidated Financial Statements
  - (1) The Group includes all subsidiaries as entities for the preparation of consolidated financial statements. Subsidiary means an entity (including structured entity) that is controlled by the Group when the Group is exposed to or entitled to variable remuneration arising from participation in such entity and is able to influence such remuneration through its power over such entity. Subsidiaries can be included in the consolidated financial statements from the date the Group gains control, and the consolidation shall be terminated on the date of loss of control.
  - (2) Intra-corporation transactions, balances and unrealized gains or losses have been eliminated. The accounting policies of the subsidiaries have been adjusted as necessary to be consistent with those adopted by the Group.
  - (3) Gains or losses and each component of other composite gains or losses are attributed to the owners of the parent company and the non-controlling interests; the total composite gains or losses are also

attributed to the owners of the parent company and the non-controlling interests, even if they result in loss balance of the non-controlling interests.

- (4) Changes in shareholdings in subsidiaries that do not result in loss of control (transactions with non-controlling interests) are treated as equity transactions, that is, transactions with owners. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity.
- (5) When the Group loses control of a subsidiary, the remaining investment in the former subsidiary is re-measured at fair value and regarded as the fair value of the originally recognized financial asset or the cost of the originally recognized investment in an affiliate or joint venture. The difference between the fair value and the carrying amount is recognized as the gains or losses of the current period. All amounts previously recognized in other composite gains or losses relating to the subsidiary are accounted for on the same basis as if the Group had directly disposed of the relevant assets or liabilities. In other words, if a profit or loss previously recognized as other composite profit or loss will be reclassified as gain or loss in the disposal of related assets or liabilities, such profit or loss will be reclassified as gain or loss from equity in the event of loss of control over the subsidiary.

## 2. Subsidiaries included in the consolidated financial statements:

Name of Investor	Name of Subsidiary	Nature of Business	Percentage of equity held		Description
			December 31, 2021	December 31, 2020	
The Company	CoAsia International Corp. (CoASia)	Professional Investment Company	100	100	
The Company	CoAsia Technology Co., Ltd. (CoAsia Technology)	International Trade and Entrepot Trade	-	100	Note 1, Note 4
The Company	CoAsia Korea Co., Ltd. (CoAsia Korea)	Manufacture and Sales of Semiconductor Peripheral Products and Development of Hardware and Software Technology	100	100	
The Company	Studybank Co., Ltd. (Studybank)	Electronic devices, data processing business, online learning courses, etc.	89	89	
The Company	CoAsia Electronics Corp. (Singapore) Pte. Ltd. (CoAsia Singapore)	International Trade and Entrepot Trade	100	100	
The Company	CoAsia Electronics (US) Corp. (CoAsia US)	International Trade and Entrepot Trade	100	-	Note 2

CoAsia	CoAsia Electronics Corporation (Hong Kong) Limited (CoAsia Hong Kong)	Wholesale, Design, and Manufacture of Electronic Components	100	100	
CoAsia Hong Kong	CoAsia Electronics (Shanghai) Co., Ltd. (CoAsia Shanghai)	International Trade, Entrepot Trade, and Simple Commercial Processing in the Bonded Area	100	100	
CoAsia Hong Kong	CoAsia Electronics Corporation (Shenzhen) Limited (CoAsia Shenzhen)	International Trade and Entrepot Trade	100	-	Note 2
CoAsia Technology	CoAsia Shenzhen	International Trade and Entrepot Trade	-	100	Note 1, Note 3
Studybank	Taiwan Interactive Education Co., Ltd. (Taiwan Interactive)	Teaching, Tutorials, Other Audio Recordings and Music Publishing	100	100	Note 1
CoAsia Singapore	CoAsia Electronics Corp. LLP (CoAsia India)	International Trade and Entrepot Trade	100	100	

Note 1: On May 31, 2021, the Corporation donated 100% equity of CoAsia Technology, a subsidiary directly held by the Corporation with 100% shares, to CoAsia Hong Kong, a subsidiary in which the Corporation indirectly held 100% of the shares, CoAsia Hong Kong and CoAsia Technology merged and took CoAsia Hong Kong as the surviving company. The merger base date was May 31, 2021, and the accounting treatment was carried out according to the reorganization. After the completion of the reorganization, CoAsia Shenzhen became a 100% direct subsidiary of CoAsia Hong Kong.

Note 2: CoAsia US was approved and established on June 16, 2021, and has been incorporated in the preparation of the consolidated financial statements since its establishment.

Note 3: The former Shenzhen Weidele Trading Co., Ltd. was renamed CoAsia Electronics (Shenzhen) Co., Ltd. in April 2020.

Note 4: The former CoAsia Electronics Co., Ltd. was renamed CoAsia Technology Co., Ltd. in May 2020.

3. Subsidiaries not included in the consolidated financial statements: None.
4. Adjustments and treatment methods for different accounting periods of subsidiaries: None.
5. Significant restrictions: None.
6. Subsidiaries with non-controlling interests in the Group: None.

#### (IV) Foreign currency conversion

Items included in the financial statements of each entity within the Group are measured in the currency of the primary economic environment in which the entity operates (i.e., the functional currency). The Consolidated Financial

Statements are presented in the New Taiwan dollar, the Corporation's functional currency.

1. Foreign currency transactions and balances
  - (1) Foreign currency transactions are translated into the functional currency using the spot exchange rate on the transaction date or measurement date, and translation differences arising from the translation of these transactions are recognized as current gains or losses.
  - (2) The balance of monetary assets and liabilities denominated in foreign currencies shall be evaluated and adjusted according to the spot exchange rate on the balance sheet date, and the translation difference arising from the adjustment shall be recognized as the current profit and loss.
  - (3) The balance of foreign currency non-monetary assets and liabilities, which are measured at fair value through gains or losses, is adjusted according to the spot exchange rate on the balance sheet date, and the exchange difference arising from the adjustment is recognized as the current gains or losses; for those measured at fair value through other composite gains or losses, the adjustment is evaluated at the spot exchange rate on the balance sheet date, and the exchange difference arising from the adjustment is recognized in other composite gains or losses; those not measured at fair value are measured at the historical exchange rate on the initial transaction date.
  - (4) All exchange gains or losses are reported under "Other gains or losses" of the consolidated statement of gains or losses.
2. Translation of foreign operating entities
  - (1) For all entities and affiliates of the Group whose functional currency is different from the expression currency, the operating results and financial position are converted into the expression currency in the following manner:
    - A. Assets and liabilities expressed on each balance sheet are translated at the closing exchange rate on that balance sheet date;
    - B. The gains or losses expressed in each consolidated statement of gains or losses are translated at the average exchange rate for the period; and
    - C. All exchange differences arising from translation are recognized in other composite gains or losses.
  - (2) When the foreign operating institution that is partially disposed of or sold is an affiliate, the exchange difference under other composite gains or losses will be reclassified as the current gains or losses proportionally

as part of the sale gain or loss. However, if the Group still retains part of the rights and interests in the former affiliate, but has lost its significant influence on the foreign operating organization that is an affiliate, it will be dealt with as a punishment for all the rights and interests of the foreign operating organization.

- (3) When a partially disposed or sold foreign operating institution is a subsidiary, the accumulated exchange differences recognized as other composite gains or losses shall be re-attributed to the non-controlling interests of the foreign operating institution on a pro rata basis. However, if the Group still retains part of the rights and interests in the former subsidiary, but has lost its control over the foreign operating organization that is a subsidiary, it will be dealt with as a punishment for all the rights and interests of the foreign operating organization.

(V) Classification criteria for distinguishing current and non-current assets and liabilities

1. Assets that meet one of the following conditions are classified as current assets:
  - (1) Those expected to be realized in the normal operating cycle, or intended to be sold or consumed.
  - (2) Those held primarily for trading purposes;
  - (3) Those expected to be realized within 12 months after the balance sheet date.
  - (4) Cash or cash equivalents, unless exchanged at least twelve months after the balance sheet date or restricted from being used to settle liabilities.

The Group classifies all assets that do not meet the above criteria as non-current.

2. Liabilities that meet one of the following conditions are classified as current liabilities:
  - (1) Those expected to be settled in the normal business cycle.
  - (2) Those held primarily for trading purposes;
  - (3) Those expected to be due and repaid within 12 months after the balance sheet date.
  - (4) Those with a repayment schedule that cannot be unconditionally deferred till at least 12 months after the publication of the balance sheet. The terms of liabilities, which may be settled by issuing equity instruments according to the counterparty's choice, do not affect their classification.

The Group classifies all liabilities that do not meet the above criteria as non-current.

(VI) Cash Equivalents

Cash equivalents are short-term, highly liquid investments that can be converted into fixed amounts of cash at any time with minimal risk of changes in value. Time deposits that meet the above definition and are held for the purpose of meeting short-term cash commitments for operations are classified as cash equivalents.

(VII) Financial Assets at Fair Value through Profit or Loss

1. Financial assets that are not measured at amortized cost or at fair value through other composite gains or losses.
2. The Group uses trade-date accounting for financial assets at fair value through gains or losses in customary transactions.
3. The Group measures them at fair value at the time of initial recognition, with the relevant transaction costs recognized in gains or losses, and subsequently measured at fair value, with its profits or losses recognized in gains or losses.
4. The Group recognizes dividend income in gains or losses when the right to receive the dividend is established, it is probable that the economic benefits associated with the dividend will flow in and the amount of the dividend can be measured reliably.

(VIII) Financial Assets at Amortized Cost

1. Refer to those which meet the following conditions at the same time:
  - (1) The financial asset is held under an operating model whose purpose is to collect contractual cash flows.
  - (2) The cash flow generated by the terms of the contract of the financial asset on a specified date is solely for the payment of principal and interest on the principal amount outstanding.
2. The Group uses trade date accounting for financial assets measured at amortized cost in accordance with trading conventions.
3. The Group measure it at its fair value plus transaction costs at the time of original recognition, and subsequently uses the effective interest method to recognize interest income and impairment losses during the circulation period using the effective interest method and amortization procedure, and recognizes the profits or losses as gains or losses at de-recognition.



4. The Group holds time deposits that do not qualify as cash equivalents. Due to the short holding period, the impact of discounting is not significant and is measured by the investment amount.

(IX) Accounts Receivable

1. Refer to the account that has the right to unconditionally receive the consideration amount in exchange for the transfer of goods or services according to the contract.
2. Short-term accounts receivable with no interest paid are measured by the Group at the original invoice amount as the effect of discounting is insignificant.

(X) Impairment of Financial Assets

With respect to financial assets at fair value through gains or losses which have not significantly increased in credit risk since original recognition, the Group measures the allowance loss according to the 12-month expected credit loss amount on each balance sheet date after considering all reasonable and corroborative information (including forward-looking ones); for those whose credit risk has increased significantly since the original recognition, the Group measures the allowance loss according to the expected credit loss amount during the duration; for accounts receivable that do not include significant financial components, the allowance losses are measured according to the expected credit loss amount during the duration.

(XI) De-recognition of Financial Assets

The Group will de-recognize financial assets when one of the following conditions is met:

1. The contractual right to receive cash flows from the financial asset lapses.
2. The contractual right to receive cash flows from a financial asset has been transferred and substantially all the risks and rewards of ownership of the financial asset have been transferred.
3. The contractual right to receive cash flows from a financial asset has been transferred, but the control over the financial asset does not retain.

(XII) Inventories

Inventories are measured at the lower of cost and net realizable value, and cost carry-forward is calculated using the weighted average method. When comparing the lower of the cost and the net realizable value, the item-by-item comparison method is adopted. The net realizable value refers to the balance after deducting the estimated selling price in the normal course of business to

the estimated cost to be invested in completion and related variable selling expenses.

(XIII) Non-current Assets for Sale

When the carrying amount of a non-current asset is mainly recovered through a sale transaction rather than continued use, and the sale is highly probable, they are classified as assets for sale and measured at the lower of the book value and the fair value less cost of selling.

(XIV) Investments Accounted for Using the Equity Method - Affiliates

1. Affiliates refer to all entities over which the Group has significant influence and no control, generally by directly or indirectly holding more than 20% of their voting shares. The Group's investment in affiliates is dealt with by equity method and is recognized according to cost at the time of acquisition.
2. The Group recognizes the share of gains or losses of the affiliates as current gains or losses, and recognizes the share of other composite gains or losses as other composite gains or losses. If the Group's share of loss to any affiliate equals or exceeds its equity in that affiliate (including any other unsecured receivables), the Group does not recognize further losses unless the Group has a statutory obligation, a constructive obligation or has made payments on behalf of the affiliate.
3. When there is a change in the equity of an affiliate that is not gains or losses or other composite gains or losses, which does not affect the shareholding ratio of the affiliate, the Group recognizes the change in equity attributable to the Group's share of the affiliate as "capital surplus" according to the shareholding ratio.
4. Unrealized gains or losses arising from transactions between the Group and its affiliates are eliminated in proportion to its equity in the affiliates; unrealized losses are also eliminated unless evidence shows that the assets transferred by the transaction have been impaired. The accounting policies of affiliates have been adjusted as necessary to be consistent with those adopted by the Group.

(XV) Property, Plant, and Equipment

1. Property, plant and equipment are recorded on the basis of acquisition cost, and the relevant interest during the period of acquisition and construction is capitalized.
2. Subsequent costs are included in the asset's carrying amount or recognized

as a separate asset only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the part being reset should be de-recognized. All other maintenance costs are recognized as gains or losses for the period when incurred.

3. Subsequent measurement of property, plant and equipment adopts the cost model, except for land, other depreciation is provided on a straight-line basis over the estimated useful life. The depreciation of each component of property, plant and equipment is provided separately if it is significant.
4. The Group reviews the residual value, useful life and depreciation method of each asset at the end of each financial year. If the expected value of residual value and useful life is different from previous estimates, or if there is a material change in the expected consumption pattern of future economic benefits contained in the asset, the change in accounting estimates will be treated as per the provisions of IAS No. 8 "Changes in Accounting Policies, Estimates and Errors" from the date of change. The useful life of each major asset are as follows:

Housing and Construction	50 years
Computer and Communication Equipment	3-9 years
Office Equipment	2-12 years
Testing Equipment	3-10 years
Other Equipment	2-5 years

(XVI) Lessee's Lease Transaction - Right-of-Use Asset/Lease Liability

1. Lease assets are recognized as right-of-use assets and lease liabilities when they become available for use by the Group. When the lease contract is for a short-term lease or a lease of a low-value underlying asset, lease payments are recognized as an expense on a straight-line basis over the lease term.
2. On the commencement date of the lease, the outstanding lease payments shall be recognized as the present value after discounting at the interest rate of the Group's increased loan. The lease payments include fixed payments minus any lease inducements that may be collected.

Subsequently, the interest method is adopted to measure by the amortized cost method, and the interest expenses is provided during the lease period. The lease liabilities will be reassessed and the right-of-use asset will be

remeasured when there is a change in the lease term or lease payments due to non-contractual modification.

3. Right-of-use assets are recognized at costs on the lease commencement date. Costs include:
  - (1) The original measure of the lease liability.
  - (2) Any lease payments paid on or before the commencement date.Subsequently, cost model is adopted to measure. The depreciation of right-of-use assets is provided on a straight-line basis from lease commencement date to the end of the useful life or the end of the lease term. When the lease liability is reassessed, the right-of-use asset will adjust any remeasurement of the lease liability.
4. For lease modifications that reduce the scope of lease, the lessee will reduce the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease and will recognize the difference between it and the remeasured amount of the lease liability in gains or losses.

#### (XVII) Intangible Assets

1. Computer software

Computer software is recognized at cost of acquisition and amortized on a straight-line basis over an estimated useful life of 3 to 8 years.
2. Other intangible assets
  - (1) The other intangible assets of Studybank belong to the online teaching courses of broadcast programs, which are recorded on the basis of the original acquisition cost, and are transferred to the cost with an amortization over 4-8 years based on the contracted broadcast years on the basis of individual courses.
  - (2) Other intangible assets of CoAsia Hong Kong are mainly product sales royalties, which are amortized on a straight-line basis with an amortization period of 10 years.
  - (3) Taiwan Interactive's other intangible assets are authorized by the electronic file of course handouts, accounted for on the basis of the original acquisition cost, amortized on a straight-line basis, and amortized on an individual course basis according to the contract for a period of 10 years.
3. Goodwill

Goodwill arises from business mergers and acquisitions.

(XVIII) Impairment of Non-Financial Assets

1. The Group estimates the recoverable amount of assets with signs of impairment on the balance sheet date, and recognizes impairment losses when the recoverable amount is lower than its book value. The recoverable amount is the fair value of an asset less the cost of disposal or its use value, whichever is higher. Except for goodwill, when there is no or decrease in recognized asset impairment in previous years, the impairment loss shall be reversed, but the increase in the carrying amount of the asset due to reversal of impairment loss shall not exceed the carrying amount of such asset after deduction of depreciation or amortization if the impairment loss is not recognized.
2. For goodwill and intangible assets with indefinite useful lives, their recoverable amounts are regularly estimated. When the recoverable amount is lower than its book value, impairment loss is recognized. Impairment loss for impairment of goodwill shall not be reversed in subsequent years.
3. Goodwill is allocated to the cash-generating unit for the purpose of impairment testing. This allocation is based on the allocation of goodwill to cash generating units or groups of cash generating units that are expected to benefit from the merger of the business generating goodwill, as identified by the operating unit.

(XIX) Loans

Short-term loans from banks. They are measured by the Group at their fair value less transaction costs at the time of initial recognition, and with respect to any difference between the price after deducting transaction costs and the redemption value, the interest expenses are subsequently recognized as gains or Losses during the circulation period using the effective interest method and amortization procedures.

(XX) Accounts Payable

1. The debts incurred for purchasing raw materials, commodities or services on credit.
2. Short-term accounts payable with no interest paid are measured by the Group at the original invoice amount as the effect of discounting is insignificant.

(XXI) De-recognition of Financial Liabilities

The Group de-recognizes financial liabilities when its contractual

obligations are fulfilled, canceled or expired.

(XXII) Offset of Financial Assets and Liabilities

Financial assets and financial liabilities may be offset against each other and expressed as net in the balance sheet only when there is a legally enforceable right to offset the recognized amount of financial assets and liabilities and there is an intention to settle the assets on a net basis or to realize both assets and liabilities simultaneously.

(XXIII) Employee Benefits

1. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount expected to be paid and are recognized as an expense when the related services are rendered.

2. Pensions

Defined contribution plans

The Corporation, Studybank, Taiwan Interactive, CoAsia Singapore and CoAsia Korea recognize the amount of the retirement fund to be contributed as the current pension cost on an accrual basis for determining the contribution plan. Advance contribution is recognized as asset to the extent of refundable cash or reduced future payments.

In accordance with the Mandatory Provident Fund Ordinance, CoAsia Hong Kong implements a defined contribution mandatory provident fund retirement benefit Scheme (MPF Scheme) for eligible employees of CoAsia Hong Kong. The assets of the MPF Scheme are separate from those of the Group and are independently managed by the trustee.

The representative offices and branches of CoAsia Hong Kong in mainland China, CoAsia Shanghai, CoAsia Technology and CoAsia Shenzhen adopt a defined pension contribution system, that is, according to the regulations of the local government, the pension benefits are contributed on a monthly basis and accounted for in the fees of the period.

CoAsia India provides pension costs according to the insurance system stipulated by the local government.

3. Termination benefits

Termination benefits are benefits provided when the employment of an employee is terminated before the normal retirement date or when the employee decides to accept the Corporation's offer of benefits in exchange for termination of employment. The Group recognizes

expenses when the offer of termination benefits can no longer be withdrawn or when the associated restructuring costs are recognized, whichever is earlier. Benefits that are not expected to be fully settled within 12 months after the balance sheet date should be discounted.

4. Remunerations of employees and directors

Remunerations of employees and directors are recognized as expenses and liabilities when there is a legal or constructive obligation and the amount can be reasonably estimated. If there is a discrepancy between the actual distribution amount and the estimated amount in subsequent resolutions, it shall be treated as a change in accounting estimate.

(XXIV) Income Tax

1. Income tax expense includes current and deferred income taxes. Income tax is recognized as gains or losses, except for income tax relating to items included in other composite gains or losses or directly included in equity, respectively.
2. The Group calculates current income tax based on the tax rates enacted or substantively enacted on the balance sheet date in the countries in which it operates and generates its chargeable income. Management periodically evaluates the status of income tax returns in respect of applicable income tax regulations and, where applicable, estimates income tax liabilities based on the taxes expected to be paid to tax authorities. The income tax imposed on undistributed earnings under the Income Tax Act shall not be recognized for the distribution of undistributed earnings until the year next to the year in which the surplus is generated after the shareholders' meeting has approved the distribution of surplus.
3. Deferred income tax is recognized using the balance sheet method on temporary differences arising from the tax bases of assets and liabilities and their carrying amounts in the combined balance sheet. Deferred income tax is not recognized if it arises from the original recognition of an asset or liability in a transaction (other than a business combination) that does not affect accounting profit or taxable income (taxable loss) at the time of transaction. Temporary differences arising from investments in subsidiaries where the Group can control the timing of the reversal of the temporary differences are not recognized if it is probable that the temporary differences will not reverse in the foreseeable future. Deferred income tax is subject to the tax rates (and

tax laws) that are enacted or substantively enacted at the balance sheet date and that are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

4. Deferred income tax assets are recognized to the extent that temporary differences are likely to be used to offset future taxable income, and unrecognized and recognized deferred income tax assets are reassessed on each balance sheet date.
5. The current income tax assets and current income tax liabilities can be offset only when there is a legal enforcement right to offset the recognized amount of current income tax assets and liabilities, and there is an intention to realize the assets and pay off the liabilities on a net basis; Only when the current income tax assets and current income tax liabilities can be offset against each other by a statutory enforcement right, and the deferred income tax assets and liabilities are generated by the same taxpayer subject to taxation by the same tax authority, or by different taxpayers but each entity intends to pay off the liabilities on a net basis or simultaneously realize the assets and pay off the liabilities, can the deferred income tax assets and liabilities be offset against each other.

#### (XXV) Capital Stock

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or stock options, net of income tax, are recognized as a deduction in equity.

#### (XXVI) Dividend Distribution

Dividends distributed to shareholders of the Corporation are recognized in the financial statements when the Corporation's shareholders' meeting resolves to distribute dividends, when cash dividends are recognized as liabilities, and stock dividends are recognized as undistributed stock dividends, and are converted to ordinary shares on the base date of issuance.

#### (XXVII) Revenue Recognition

1. The Group is mainly engaged in the wholesale of electronic components related to mobile communications. Its sales revenue is recognized when the control of product is transferred to customer, that is, when the product is delivered to the customer, the customer has the discretion on the product sales channel and the price, and the Group has no outstanding performance obligations that may affect the customer's



acceptance of the product. Product delivery occurs only when the product has been shipped to the designated location and the risk of obsolescence and loss has passed to the customer and the customer has accepted the products pursuant to the sales contract or there is objective evidence that all acceptance criteria have been met.

2. Revenue from the sale of electronic components is recognized at the contract price net of estimated sales tax, returns of sales, quantity discounts and allowances. Quantity discounts and sales discounts given to customers are estimated by the Group based on historical experience and relevant agreements with customers. The recognized amount of revenue is limited to the portion that is highly probable that there will not be a significant reversal in the future, and the estimate is updated on each balance sheet date. Estimated discounts payable to customers in relation to sales up to the balance sheet date are recognized as a liability for refunds (other payables listed in the statements).
3. Accounts receivable are recognized when the goods are delivered to the customer, as the Group has an unconditional right to the contract price from that point on, and it only takes time for the consideration to be received from the customer.

#### (XXVIII) Government subsidy

Government subsidies are recognized only when it is reasonably certain that the Corporation will comply with the conditions attached to the government subsidies and such subsidies will be received. If the nature of the government subsidy is to indemnify expenses incurred by the Group, the government subsidy will be recognized as current gains or losses on a systematic basis during the period in which the relevant expenses are incurred.

#### (XXIX) Operating Divisions

Information on the Group's operating divisions is reported in a manner consistent with the internal management reports provided to the chief operating decision maker. The chief operating decision maker is responsible for allocating resources to operating departments and evaluating their performance, and the identified chief operating decision maker of the Group is the Board of Directors.

### V. Primary Sources of Uncertainties in Material Accounting Judgments, Estimates, and Assumptions

In preparing the consolidated financial statements of the Group, the management has

used its judgment to determine the accounting policies to be adopted and has made accounting estimates and assumptions based on reasonable expectations of future events based on the conditions prevailing at the balance sheet date. Significant accounting estimates and assumptions made may differ from actual results and will be continuously evaluated and adjusted taking into account historical experience and other factors. Such estimates and assumptions carry risks that will result in a material adjustment to the carrying amounts of assets and liabilities in the next financial year. Please refer to the following explanations on the uncertainty of significant accounting judgments, estimates and assumptions:

(I) Important Judgments on Accounting Policies

Recognition of gross or net incomes

Based on the transaction type and its economic substance, the Group determines that the nature of its commitment to customers is its own performance obligation to provide specific goods (that is, the Group as the principal), or it is a performance obligation to arrange for the supply of such goods for another party (i.e., the Group as the agent). When the Group controls specific goods before it transfers it to a customer, the Group is the principal and revenue is recognized for the total consideration to which it is expected to be entitled to transfer the specific goods. If the Group does not have control over the specific goods prior to their transfer to the customer, the Group is the agent, making arrangements for the other party to supply the specific goods to the customer, and any charges or commissions to which the arrangement is entitled are recognized as incomes.

The Group controls specific goods prior to its transfer to the customer based on the following criteria:

- (1) Assume primary responsibility for fulfilling commitments to provide specific goods.
- (2) Bear the inventory risk before the specific goods are transferred to the customer or after the transfer of control.
- (3) Has the discretion to set prices for specific goods.

(II) Significant Accounting Estimates and Assumptions

1. Inventory Evaluation

Since inventories are to be valued at the lower of cost and net realizable value, the Group must use judgment and estimates to determine the net realizable value of inventories at the balance sheet date. Due to the rapid changes in technology, the Group assesses the amount of inventories at the balance sheet date due to normal wear and tear, obsolescence or no market value, and writes down the cost of inventories to net realizable value. Such inventory evaluation is made primarily based on product demand for specific periods in the future

and is therefore subject to material change.

The carrying amount of the Group's inventory on December 31, 2021 was \$2,265,406.

2. Impairment loss estimates of accounts receivable

The amount of impairment loss is the expected credit impairment loss evaluated after considering various indicators such as forward-looking information. If the indicators such as forward-looking information slow down or decline in the future, there may be significant impairment losses.

The carrying amount of the Group's accounts receivable on December 31, 2021 was \$3,859,371.

VI.Details of Significant Accounts

(I)Cash and Cash Equivalentents

	December 31, 2021	December 31, 2020
Cash on Hand and Petty Cash	\$ 1,140	\$ 1,552
Demand Deposits	942,138	1,073,902
Time Deposits	50,636	52,092
	993,914	1,127,546
Transfer to Financial Assets at Amortized Cost	( 474,334 )	( 435,446 )
	<u>\$ 519,580</u>	<u>\$ 692,100</u>

1. The financial institutions with which the Group is engaged with are of good credit standing, and the Group has contacts with a number of financial institutions to diversify credit risks, so the possibility of default is expected to be low.
2. As at December 31, 2021 and 2020, the time deposits with maturities of more than three months, as well as part of time deposits (with annual interest rates of 0.05% to 0.10% and 0.05% to 0.15%, respectively) and demand deposits of the Group, which are provided as guarantee margin for short-term borrowing facilities, had been transferred to financial assets measured at costs after amortization according to their natures.
3. Please refer to Note VIII for the details of the cash and cash equivalentents provided by the Group as pledged security.

(II) Accounts Receivable

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Accounts Receivable	\$ 3,890,282	\$ 2,933,362
Less: Loss allowances	( 30,911 )	( 28,403 )
	<u>\$ 3,859,371</u>	<u>\$ 2,904,959</u>

1. Please refer to Note XII(II) for the aging analysis of the Group's accounts receivable and related credit risk information.
2. The balances of accounts receivable as at December 31, 2021 and 2020 all arose from customer contracts, and the balances of accounts receivable (including notes receivable) under customer contracts as at January 1, 2020 was \$2,863,624.
3. Please refer to Note VIII for information on guarantees provided by accounts receivable.

(III) Transfer of Financial Assets

1. Transferred financial assets de-recognized as a whole

The Group has signed accounts receivable sales contracts with domestic financial institutions. According to the contracts, the Group does not have to bear the risk that the transferred accounts receivable cannot be recovered, but only needs to bear the losses caused by commercial disputes. In addition, the Group has not engaged in such transferred receivables in any way, so the Group de-recognizes such accounts receivable for sale and the relevant information about them not yet due is as follows:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Factored accounts receivable (derecognized amount)	\$ 142,498	\$ 63,179
Advanced price	\$ 113,998	\$ 50,543
Unadvanced price ("Other receivables" listed in the statement)	<u>\$ 28,500</u>	<u>\$ 12,636</u>

- (1) The financial institutions with which the Group is engaged with are of good credit standing, and the Group has contacts with a number of financial institutions to diversify credit risks, so the possibility of default is expected to be low.
- (2) As of December 31, 2021 and 2020, the amounts of accounts receivable sales contracts signed by the Corporation and banks were \$3,321,600 and \$341,760, respectively.

(3) As of December 31, 2021 and 2020, the Corporation had issued promissory notes of \$3,321,600 and \$341,760 respectively in accordance with the agreements with banks as a guarantee for the inability to perform the contracts due to commercial disputes.

2. Transferred financial assets not de-recognized as a whole

(1) The Group has signed accounts receivable sales contracts with domestic financial institutions. According to the contracts, each bank still has recourse rights for these financial assets. Therefore, the Group does not de-recognize the accounts receivable for sale as a whole. The relevant advance payments are recognized under short-term borrowings.

(2) As at December 31, 2021 and 2020, the Group continued to recognize the related information and fair value of the transferred factored accounts receivable as follows, and within the scope of the Group's continued participation, the total carrying amount of the transferred factored receivables and the carrying amount of the related liabilities before the transfer of the original assets (i.e., the carrying amount of the continuously recognized assets) are the same as the fair value of the factored receivables and the fair value of the advanced price.

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Book value of factored accounts receivable (fair value)	\$ 529,508	\$ 78,449
Book value of advanced price (fair value)	( 476,528 )	( 70,573 )
Net position	<u>\$ 52,980</u>	<u>\$ 7,876</u>

3. As at December 31, 2021 and 2020, the accounts receivable of \$257,633 and \$182,437 the Group had entered into and is expected to execute in the future are financial assets measured at fair value through other composite gains or losses.

(IV) Inventories

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Work in process	\$ -	\$ 733
Inventory	2,314,033	1,499,900
Allowance for inventory impairment loss	( 48,627 )	( 59,149 )
	<u>\$ 2,265,406</u>	<u>\$ 1,441,484</u>
Cost of inventories recognized by the Group as expense or loss:		
	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Cost of inventories sold	\$ 28,240,954	\$ 25,913,392
Slow moving inventories and recovery benefit from write-down	( 8,883 )	( 8,402 )
Loss on retirement of inventories	4,163	532
Others	8,174	106,758
	<u>\$ 28,244,408</u>	<u>\$ 26,012,280</u>

Note: In 2021 and 2020, the net realizable value rebounded due to the inventory depletion, resulting in a recovery benefit.

(V) Financial Assets at Fair Value through Profit or Loss

Item	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Current:		
Financial assets mandatorily measured at fair value through profit or loss	\$ 5,000	\$ 5,000
Trust fund beneficiary certificates		
Assessment adjustment	( 266 )	( 120 )
	<u>\$ 4,734</u>	<u>\$ 4,880</u>
Non-current:		
Financial assets mandatorily measured at fair value through profit or loss	\$ 40,052	\$ 40,052
Unlisted stocks		
Assessment adjustment	18,367	14,571
	<u>\$ 21,685</u>	<u>\$ 25,481</u>

Please refer to Note VI (XX) for details of financial assets at fair value through gains or losses recognized in gains or losses.

(VI) Financial Assets at Amortized Cost

Item	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Current:		
Restricted assets - bank deposits	\$ 474,334	\$ 409,046
Time deposits with maturities of more than three months	-	26,400
	<u>\$ 474,334</u>	<u>\$ 435,446</u>

1. The financial institutions with which the Group is engaged with are of good

credit standing, and the Group has contacts with a number of financial institutions to diversify credit risks, so the possibility of default is expected to be low.

2. Please refer to Note VIII for details of the situation in which the Group will provide financial assets measured at amortized cost as pledged security.

(VII) Other Current Assets

Item	December 31, 2021	December 31, 2020
Asset not attributable to the principal	\$ 460,711	\$ -
Others	85	1,809
	\$ 460,796	\$ 1,809

Note: In the purchase transaction model between the Group and some suppliers, it is determined to be an agent, mainly because the Group only holds these assets for a short time before the transfer of specific goods to customers, and does not bear the inventory risk of these goods, and is not entitled to such goods. Therefore, the Group has no control over these goods, which are therefore accounted for under other current assets until the goods are transferred to customers.

(VIII) Property, Plant, and Equipment

	2021						Total
	Land	Housing and Construction	Computer and Communication Equipment	Office Equipment	Testing Equipment	Other Equipment	
January 1 Cost	\$ 52,744	\$ 99,026	\$ 7,639	\$ 7,675	\$ 2,384	\$ 14,070	\$ 183,538
Accumulated depreciation	-	( 25,080 )	( 7,180 )	( 6,146 )	( 2,359 )	( 12,028 )	( 52,793 )
	<u>\$ 52,744</u>	<u>\$ 73,946</u>	<u>\$ 459</u>	<u>\$ 1,529</u>	<u>\$ 25</u>	<u>\$ 2,042</u>	<u>\$ 130,745</u>
January 1 Addition	52,744	\$ 73,946	\$ 459	\$ 1,529	\$ 25	\$ 2,042	\$ 130,745
Net disposal	-	-	228	4,340	-	22,789	27,357
Depreciation expenses	-	-	-	( 538 )	-	258	796
Net exchange differences	-	( 1,941 )	( 146 )	( 697 )	( 17 )	( 2,250 )	( 5,051 )
	-	-	-	85		135	220
December 31 Cost	<u>\$ 52,744</u>	<u>\$ 72,005</u>	<u>\$ 541</u>	<u>\$ 4,549</u>	<u>\$ 8</u>	<u>\$ 22,188</u>	<u>\$ 152,035</u>
Accumulated depreciation	<u>\$ 52,744</u>	<u>\$ 99,026</u>	<u>\$ 4,656</u>	<u>\$ 6,903</u>	<u>\$ 2,349</u>	<u>\$ 28,724</u>	<u>\$ 194,402</u>
	-	( 27,021 )	( 4,115 )	( 2,354 )	( 2,341 )	( 6,536 )	( 42,367 )
December 31 Cost	<u>\$ 52,744</u>	<u>\$ 72,005</u>	<u>\$ 541</u>	<u>\$ 4,549</u>	<u>\$ 8</u>	<u>\$ 22,188</u>	<u>\$ 152,035</u>



	2020						
	Land	Housing and Construction	Computer and Communication Equipment	Office Equipment	Testing Equipment	Other Equipment	Total
January 1							
Cost	\$ 52,744	\$ 99,026	\$ 7,952	\$ 7,650	\$ 11,511	\$ 13,314	\$ 192,197
Accumulated depreciation	-	( 23,139 )	( 7,800 )	( 6,448 )	( 11,462 )	( 11,238 )	( 60,087 )
	<u>\$ 52,744</u>	<u>\$ 75,887</u>	<u>\$ 152</u>	<u>\$ 1,202</u>	<u>\$ 49</u>	<u>\$ 2,076</u>	<u>\$ 132,110</u>
January 1	52,744	\$ 75,887	\$ 152	\$ 1,202	\$ 49	\$ 2,076	\$ 132,110
Addition	-	-	447	1,019	-	1,415	2,881
Net disposal	-	-	( 21 )	( - )	-	387	( 408 )
Depreciation expenses	-	( 1,941 )	( 119 )	( 688 )	( 24 )	( 1,008 )	( 3,780 )
Net exchange differences	-	-	-	4	-	54	58
December 31	<u>\$ 52,744</u>	<u>\$ 73,946</u>	<u>\$ 459</u>	<u>\$ 1,529</u>	<u>\$ 25</u>	<u>\$ 2,042</u>	<u>\$ 130,745</u>
December 31	\$ 52,744	\$ 99,026	\$ 7,639	\$ 7,675	\$ 2,384	\$ 14,070	\$ 183,538
Cost	-	( 25,080 )	( 7,180 )	( 6,146 )	( 2,359 )	( 12,028 )	( 52,793 )
Accumulated depreciation	<u>\$ 52,744</u>	<u>\$ 73,946</u>	<u>\$ 459</u>	<u>\$ 1,529</u>	<u>\$ 25</u>	<u>\$ 2,042</u>	<u>\$ 130,745</u>

1. The significant components of the property, plant and equipment of the Group and their useful lives are as follows:

Item	Significant components	Useful life
Housing and Construction	Office	50 years
Computer and Communication Equipment	Computer Equipment	3-9 years
Office Equipment	Equipment for Conference, Office and Access Control Systems	2-12 years
Testing Equipment	Oscilloscopes and test fixtures	3-10 years
Other Equipment	Leasehold improvements	2-5 years

2. Please refer to Note VIII for information on guarantees provided with property, plant and equipment.

(IX) Lease Transactions - Lessee

1. The underlying assets leased by the Group include buildings and official vehicles, etc. The terms of the lease contracts usually range from 1 to 5 years. The lease contracts are negotiated individually and contain different terms and conditions, and no other restrictions are imposed except that the leased assets shall not be used as loan guarantees.
2. The lease terms of some offices, dormitories, warehouses and official vehicles leased by the Group do not exceed 12 months.
3. The information on the book value of the right-of-use assets and the recognized depreciation expense is as follows:

	December 31, 2021 Carrying amount	December 31, 2020 Carrying amount
Buildings	\$ 12,518	\$ 12,830
Transportation Equipment (Official Vehicle)	7,329	2,789
Production Equipment (Photocopier)	417	924
	\$ 20,264	\$ 16,543
	2021	2020
	Depreciation expenses	Depreciation expenses
Buildings	\$ 11,934	\$ 13,789
Transportation Equipment (Official Vehicle)	4,074	4,017
Production Equipment (Photocopier)	166	277
	\$ 16,174	\$ 18,083

4. The increases in the Group's right-of-use assets in 2021 and 2020 were \$20,149 and \$18,009, respectively.

5. Information on the items of gains or losses related to the lease contracts is as follows:

	2021	2020
<u>Items affecting profit or loss for the period</u>		
Interest expense on lease liabilities	\$ 383	\$ 557
Expense relating to short-term leases	3,335	5,177
Expense relating to leases of low-value assets	736	-
Expense relating to variable lease payment	13,844	9,615
Gains on lease modifications	-	622

6. The Group's total lease cash outflows in 2021 and 2020 were \$33,838 and \$32,991, respectively.

7. Impacts of variable lease payments on lease liabilities

The subject matters of the Group's lease contracts with variable lease payment terms are linked to the usage of housings and buildings. This type of lease object is based on the variably priced payment terms, and is mainly related to the land use for housings and buildings. The variable lease payments related to changes in land use for housings and buildings are recognized as an expense in the period in which these related payment terms are triggered.

8. Option to extend lease

(1) The Group's lease agreements for premises and construction and transport equipment, including an option for the Group to exercise for extension, which are entered into in the lease agreements to enhance the flexible management of the Group's operations.

(2) In determining the lease term, the Group takes into account all facts and circumstances that would give rise to economic incentives to exercise the extension option or not exercise the termination option. The lease term is re-estimated when a significant event occurs that assesses the exercise of the extension option or the non-exercise of the termination option.

(X) Intangible Assets

	2021				
January 1	Computer Software	Royalties	Goodwill	Others	Total
Cost	\$ 40,753	\$ 91,239	\$ 46,288	\$ 64,321	\$ 242,601
Accumulated amortization	( 12,016 )	( 76,383 )	( - )	( 46,466 )	( 134,865 )
Accumulated impairment	-	( 14,856 )	-	( 13,055 )	( 74,199 )
	<u>\$ 28,737</u>	<u>\$ -</u>	<u>\$ 46,288</u>	<u>\$ 4,800</u>	<u>\$ 33,537</u>
January 1	\$ 28,737	\$ -	\$ -	\$ 4,800	\$ 33,537

Addition - Separate acquisition	3,234	-	-	290	3,524
Amortization expenses	( 5,979 )	-	-	( 86 )	( 6,065 )
Net exchange differences	10	-	-	( 9 )	( 19 )
December 31	<u>\$ 25,982</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,995</u>	<u>\$ 30,977</u>

December 31					
Cost	\$ 48,237	\$ -	\$ -	\$ 5,081	\$ 53,318
Accumulated amortization	( 22,255 )	-	-	( 86 )	( 22,341 )
Accumulated impairment	-	-	-	-	-
	<u>\$ 25,982</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,995</u>	<u>\$ 30,977</u>

2020

January 1	Computer Software	Royalties	Goodwill	Others	Total
Costs	\$ 36,638	\$ 91,400	\$ 46,288	\$ 57,695	\$ 232,021
Accumulated amortization	( 6,732 )	( 69,634 )	-	( 43,622 )	( 119,988 )
Accumulated impairment	-	-	( 20,927 )	( - )	( 20,927 )
	<u>\$ 29,906</u>	<u>\$ 21,766</u>	<u>\$ 25,361</u>	<u>\$ 14,073</u>	<u>\$ 91,106</u>

January 1	\$ 29,906	\$ 21,766	\$ 25,361	\$ 14,073	\$ 91,106
Addition- Separate acquisition	3,568	-	-	340	3,908
Reclassifications (Note)	-	-	-	6,286	6,286
Amortization expenses	( 5,012 )	( 6,749 )	-	( 2,844 )	( 14,605 )
Impairment loss	-	( 14,856 )	( 25,361 )	( 13,055 )	( 53,272 )
Net exchange differences	275	( 161 )	-	-	114
December 31	<u>\$ 28,737</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,800</u>	<u>\$ 33,537</u>

December 31					
Cost	\$ 40,753	\$ 91,239	\$ 46,288	\$ 64,321	\$ 242,601
Accumulated amortization	( 12,016 )	( 76,383 )	-	( 46,466 )	( 134,865 )
Accumulated impairment	-	( 14,856 )	( 46,288 )	( 13,055 )	( 74,199 )
	<u>\$ 28,737</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,800</u>	<u>\$ 33,537</u>

Note: Reclassification is mainly that of prepayments for equipment (recognized as other non-current assets) to computer software.

1. The details of amortization of intangible assets are as follows:

	2021	2020
Operating Costs	\$ -	\$ 3,264
Selling and Marketing Expenses	3,198	8,711
General and Administrative Expenses	2,867	2,630
	<u>\$ 6,065</u>	<u>\$ 14,605</u>

2. Intangible assets - royalties

CoAsia Hong Kong signed a customer acceptance and service contract with the agent Heluyuan Electronics (Hong Kong) Co., Ltd. (Heluyuan) in May 2012, which provided that CoAsia Hong Kong should inherit the product sales right of some customers from Heluyuan for a royalty of US\$3,000 thousand, and the amortization period of the relevant royalty is 10 years.

3. Intangible assets - others

- (1) The online teaching courses acquired by Studybank from Midas Dreams Co., Ltd. are amortized over 8 years over the contracted broadcasting period on an individual course basis with cost re-recognized.
- (2) Taiwan Interactive's other intangible assets are authorized by the electronic file of course handouts, accounted for on the basis of the original acquisition cost, amortized on a straight-line basis, and amortized on an individual course basis according to the contract for a period of 10 years.

#### (XI) Impairment of Non-Financial Assets

The Group's recognized impairment loss for 2020 was \$53,272, the details of which were as follows:

	2020	
	Recognized in profit or loss for the period	Recognized in other comprehensive income
Impairment loss - goodwill	\$ 25,361	\$ -
Impairment loss - royalties	14,856	-
Impairment loss - others	13,055	-
	<u>\$ 53,272</u>	<u>\$ -</u>

The Group's goodwill is derived from the shares of Taiwan Interactive purchased by other departments in previous years. Since the subsequent actual operating benefits were not as expected and continued to lose money, for the purpose of operation management and risk control, the Group expects to sell its related operation and business. It was assessed that the recoverable amount of the Group was less than the carrying amount, so in the year of 2020,

the recognized goodwill impairment loss amounted to \$25,361.

In addition, the Group assessed that the royalties and some other intangible assets could no longer provide future economic benefits and thus suffered impairment, and planned to adjust their book value according to the recoverable amount, and recognized an impairment loss of \$27,911 in 2020.

(XII) Non-current Assets/Liabilities for Sale

The Group planned to adjust the functions of its investee companies on December 13, 2019, to make the positioning of each business unit more clear and consider the overall resources as a whole. The Board of Directors approved the sale of the original R&D unit of the Group to CoAsia SEMI Ltd. In the future, the Group will be specialized in the wholesale, manufacture and trading of various electronic components. The transaction was implemented in two stages. As of December 31, 2019, some non-current assets had been sold, and the remaining assets and liabilities had been disposed of in 2020. The relevant instructions are as follows:

Non-current assets sold:

The Group had disposed of part of its assets in accordance with the business transfer agreement in December 2019 to CoAsia SEMI Ltd. The main objects of its transfer were customer relationship, operation rights, wafer product design technology and employees of various units. The difference between the appraisal amount and the book value of the operating value of the R&D unit as a whole was \$62,958 (recognized as other profits or losses in 2019).

The assets and liabilities of the remaining disposal group for sold had been disposed of in 2020, and the transaction objects were CoAsia SEMI Ltd., CoAsia SEMI (Shanghai) Co., Ltd. and CoAsia SEMI (Taiwan) Co., Ltd. The transaction amount was \$11,032. The profits from disposition was \$5,359 (recognized as other gains or losses). As of December 31, 2021, the amount not yet recovered by the Group was \$250 (recognized as other receivables - related parties).

(XIII) Short-term Loans

	<u>December 31, 2021</u>	<u>December 31, 2021</u>
Loans for material purchase (Note 1)	\$ 3,174,409	\$ 2,897,701
Secured loans (Note 2)	753,328	172,764
Credit loans	280,000	310,392
	<u>\$ 4,207,737</u>	<u>\$ 3,380,857</u>
Interest Rate	1.13%~2.17%	1.16%~2.16%

As of December 31, 2021 and 2020, the collaterals provided by the Group were referred to

in Note VIII. In addition, the Corporation's endorsement and guarantee information for the subsidiaries as of December 31, 2021 can be found in the attached Table 2.

(XIV) Other Payables

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Sales discounts and allowances payable	\$ 467,055	\$ 160,484
Salaries payable	114,712	48,411
Remunerations of employees and directors	23,083	14,271
Interest payable	3,537	2,879
Borrowings from related parties (Note)	230	-
Others	<u>29,304</u>	<u>32,069</u>
	<u>\$ 637,921</u>	<u>\$ 258,114</u>

(XV) Pensions

1. Since July 1, 2005, the Corporation, Studybank and Taiwan Interactive have formulated a retirement method with certain contributions in accordance with the "Labor Pension Regulations", which is applicable to employees of their own nationalities. Where the Corporation, Studybank or Taiwan Interactive chooses to apply the labor pension system for their employees stipulated in the "Labor Pension Regulations", the labor pension shall be paid at 6% of the salary to the employee's personal account at the Labor Insurance Bureau. The employee's pension shall be paid on a monthly pension basis or on a lump sum basis according to the dedicated pension account and the amount of accumulated incomes.
2. According to the endowment insurance system stipulated by the government of the People's Republic of China, CoAsia Shanghai, CoAsia Technology and CoAsia Shenzhen contribute the pension insurance monthly according to a certain percentage of the total salary of the local employees at the rates of 16%, 15% and 15%, respectively. The pension of each employee is managed and arranged by the government as a whole. CoAsia Shanghai, CoAsia Technology and CoAsia Shenzhen have no further obligations other than monthly contribution.
3. According to the insurance system stipulated by the local government, CoAsia Korea contributes national annuity as a certain percentage of the total salary of the local employees every month at the contribution rate of 9%. The monthly pension of employees is managed and arranged by the government as a whole, and CoAsia Korea has no further obligations other than monthly contribution.
4. CoAsia Hong Kong has a pension scheme with a defined contribution obligation, and pays the MPF monthly as a retirement welfare for eligible employees.
5. According to the insurance system stipulated by the local government, CoAsia Singapore

contribute the provident fund based on the total salary of the local employees every month at the rate of 7.5%~17%. The monthly pension of employees is managed and arranged by the government as a whole, and CoAsia Singapore has no further obligations other than monthly contribution

6. CoAsia and CoAsia US are not required to set aside pension costs as they have no employees.
7. According to the insurance system stipulated by the local government, CoAsia India does not need to set aside pension cost as it employs less than 10 employees.
8. In 2021 and 2020, the Group's pension costs recognized by the above-mentioned pension methods were \$17,709 and \$13,571, respectively.

#### (XVI) Capital Stock

On June 19, 2020, the shareholders' meeting passed the resolution to convert the surplus into capital to issue 2,792,000 new shares. The base date for capital increase was August 31, 2020. On July 27, 2021, the shareholders' meeting approved the conversion of surplus to capital to issue 2,848,000 new shares. The capital increase base date was September 28, 2021.

As of December 31, 2021, the nominal and paid-in share capitals under the Corporation's Articles of Incorporation were \$2,000,000 and \$1,452,648, respectively, with a par value of NT\$10 per share, divided into 145,265,000 shares, and all the issued shares of the Corporation have been paid up.

#### (XVII) Capital Surplus

In accordance with the provisions of the Company Act, in addition to being used to make up for losses, the surplus from the issuance of shares in excess of the par value and the capital reserves received from them can be issued with new shares or cash in proportion to the shareholders' existing shares when the Corporation has no accumulated losses. In addition, in accordance with the relevant regulations of the Securities Exchange Act, when the above-mentioned capital reserve is allocated to increase the capital, the total increased amount shall not exceed 10% of the paid-in capital each year. The Corporation may not supplement its capital reserve unless surplus reserve is insufficient to cover its capital loss.

#### (XVIII) Retained Earnings

1. According to the Articles of Incorporation amended by the resolution of the shareholders' meeting on June 19, 2020, if there is any pre-tax net profit for the current period before deducting the remunerations of employees and directors, no less than 10% shall be contributed as employee remuneration and no more than 5% as director



remuneration; however, if the Corporation still has accumulated losses, it should reserve the amount in advance to make up for them.

Employee compensation can be paid in stock or in cash. The recipients include employees of controlled or affiliated companies meeting the conditions set by the Board of Directors. Director remuneration can only be paid in cash.

2. If there is a surplus in the annual final accounts of the Corporation, after paying taxes in accordance with the law and making up for previous losses, 10% shall be contributed as statutory surplus reserve, except when the statutory surplus reserve has reached the total capital of the Corporation. The special surplus reserve is contributed or reversed in accordance with the regulations of the competent authority. If there is still surplus and accumulated undistributed surplus at the beginning of the same period, the Board of Directors shall formulate a distribution proposal; when it is done by issuing new shares, it shall be submitted to the shareholders' meeting for resolution and distribution; in the case of cash, it shall be subject to a resolution of the Board of Directors.
3. The Corporation's dividend policy is determined by the Board of Directors based on the Corporation's capital and financial structure, operating conditions, capital budget and changes in internal and external environments. The Corporation is currently in the stage of operating growth, and must use the surplus to meet the needs of operating growth and investment funds. At this stage, a residual dividend policy is adopted. The principles of surplus distribution are as follows: Allocate no less than 20% of the distributable surplus of the year, determine the ratios of stock dividend and cash dividend according to the Corporation's capital needs, provided that the ratio of cash dividend shall not be less than 50%.
4. The legal reserve shall be exclusively used to cover accumulated deficit, to issue new stocks or distribute cash to shareholders in proportion to their share ownership. The use of legal reserve for the issuance of stocks or cash dividends to shareholders in proportion to their share ownership is permitted provided that the balance of such reserve exceeds 25% of the Corporation's paid-in capital.
5. In accordance with the regulations, the Group shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.
6.
  - (1) On June 19, 2020, the Corporation passed the resolution of the shareholders' meeting to approve the surplus distribution plan. The surplus distribution plan for the year 2019

was as follows:

	2019	
	Amount	Dividends Per Share (NT\$)
Legal reserve	\$ 8,143	
Stock dividends	27,925	\$ 0.20
Cash dividends	27,925	0.20
	<u>\$ 63,993</u>	

- (2) On July 27, 2021, the Corporation passed the resolution of the shareholders' meeting to approve the surplus distribution plan. The surplus distribution plan for the year 2020 was as follows:

	2020	
	Amount	Dividends Per Share (NT\$)
Legal reserve	\$ 10,108	
Special reserve	31,814	
Stock dividends	28,483	\$ 0.20
Cash dividends	28,483	0.20
	<u>\$ 98,888</u>	

- (3) On March 8, 2022, the Corporation passed the resolution of the Board of Directors to approve the surplus distribution plan for the year 2021 as follows:

	2021	
	Amount	Dividends Per Share (NT\$)
Legal reserve	\$ 16,432	
Special reserve	56,008	
Stock dividends	36,316	0.25
Cash dividends	36,316	\$ 0.25
	<u>\$ 145,072</u>	

As of March 8, 2022, the above-mentioned proposal for distribution of surplus in 2021 has not been resolved by the shareholders' meeting.

(XIX) Operating Revenue

	2021	2020
Net sales revenue	\$ 29,202,777	\$ 26,742,589

Other operating revenue	936	109,984
	<u>\$ 29,203,713</u>	<u>\$ 26,852,573</u>

1. The Group's revenue is derived from goods transferred at a certain point in time, and its main product lines are key components for mobile communication products, wafers and thin film liquid crystal displays.

	<u>2021</u>	<u>2020</u>
Key components for mobile communication products (Mobile)	\$ 19,983,520	\$ 21,876,348
Wafers (Foundry)	4,507,842	2,415,661
Thin film liquid crystal displays (SDC)	4,243,455	1,725,629
Others	468,896	834,935
	<u>\$ 29,203,713</u>	<u>\$ 26,852,573</u>

2. Contract Liabilities

The contract liabilities in relation to revenue from contracts with customers recognized by the Group are as follows:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>	<u>January 1, 2020</u>
Contract Liabilities			
Contract Liabilities - Advance Payment	\$ 555,772	\$ 49,518	\$ 50,842

3. The recognized income for the current period of the contract liabilities is as follows:

	<u>2021</u>	<u>2020</u>
Net sales revenue	\$ 49,657	\$ 48,933

(XX) Other gains or losses

	<u>2021</u>	<u>2020</u>
Net foreign exchange losses	( \$ 24,487 )	( \$ 58,516 )
Impairment loss	-	( 53,272 )
Income from disposal of assets	1,032	-
Income from disposal of non-current assets to be sold (Note)	-	5,359
Gains on lease modifications	-	622
Gains (losses) on disposal of property, plant, and equipment	( 410 )	190

Measured at fair value through profit or loss	( <u>3,942</u> )	<u>17,951</u>
Gains (losses) on financial assets		
Others	( <u>1,911</u> )	( <u>7,746</u> )
	( \$ <u>29,718</u> )	( <u>95,412</u> )

Note: Please refer to Note VI (XII) for details of the disposal gains of non-current assets for sale.

(XXI) Additional Information on the Nature of Fees

	<u>2021</u>	<u>2020</u>
Employee Benefits Expenses	\$ 434,420	\$ 324,834
Depreciation Expenses for Right-of-use Assets	16,174	18,083
Amortization Expenses for Intangible Assets	6,065	14,605
Depreciation Expenses for Property, Plant, and Equipment	<u>5,051</u>	<u>3,780</u>
	<u>\$ 461,710</u>	<u>\$ 361,302</u>

(XXII) Employee Benefits Expenses

	<u>2021</u>	<u>2020</u>
Salary Expenses	\$ 388,324	\$ 291,170
Expenses for Labor and Health Insurance	17,709	13,571
Pension Expenses	10,413	7,075
Personnel Service Expenses	<u>17,974</u>	<u>13,018</u>
	<u>\$ 434,420</u>	<u>\$ 324,834</u>

1. According to the Corporation's Articles of Incorporation, the Corporation shall contribute no less than 10% as the remuneration of employees and no more than 5% as the remuneration of directors if there is any balance after deducting the accumulated gains or losses according to the profit status of the current year.
2. The estimated amounts of employee remuneration of the Corporation in 2021 and 2020 were \$20,797 and \$11,045, respectively. The estimated amounts of director remuneration were \$2,286 and \$1,104, respectively, and the aforementioned amounts were charged to the remuneration expenses.

The estimation in 2021 was done according to the profit status as of the year based on the percentage stipulated in the Articles of Incorporation. The remunerations of employees and directors for 2021 as resolved by the Board of Directors were \$20,797

and \$2,286 respectively, of which the employee remuneration will be paid in cash. The Board of Directors of the Corporation decided on March 5, 2021 to pay the actual remunerations of employees and directors for 2020 in cash at \$11,045 and \$1,104, respectively, which were consistent with the amounts recognized in the 2020 Financial Statements.

3. Information on employee remuneration and director remuneration approved by the Board of Directors of the Corporation can be found at the Market Observation Post System.

(XXIII) Income Tax

1. Income tax expenses

Components of income tax expenses:

	2021	2020
Current income tax:		
Refundable Income Tax on Current Income	\$ 17,688	\$ 46,851
Surtax on Unappropriated Earnings	110	872
Prior Years' Income Tax Adjustments	12	552
Withholding Tax	6,539	1,248
Total Current Income Tax	24,349	49,523
Deferred Income Tax:		
Relating to Origination and Reversal of Temporary Differences	26,342	( 16,927 )
Income tax expenses	\$ 50,691	\$ 32,596

2. The relationship between income tax expense and accounting profit

	2021	2020
Income Tax Calculated at Statutory Rate	\$ 55,747	47,978
Deferred Income Tax Assets Not Recognized for Taxable Losses	5,549	( \$ 17,824 )
Impact of Items Not Recognized by Statutory Regulations	( 25,053 )	( 27,956 )
Change in Realizability Assessment of Deferred Income Tax Assets	31,540	6,674
Surtax on Unappropriated Earnings	110	872
Prior Years' Income Tax Adjustments	12	552
Income Tax Effect of Loss Carryforwards	( 17,214 )	-
Income tax expenses	\$ 50,691	( \$ 32,596 )

3. The amount of each deferred tax asset or liability arising from the temporary difference is as follows:

	2021			
	January 1	Recognized in profit or loss	Exchange Differences	December 31
Temporary differences:				
- Deferred income tax assets:				
Unrealized slow moving inventories and write-down	\$ 4,664	(\$ 1,405)	\$ -	\$ 3,259
Future Depreciation Impact of Fixed Assets Lease-to-purchase				
Unrealized Losses on Exchange	2,690	( 73 )	-	2,617
Unrealized Losses on Financial Assets	8,703	3,625		12,328
Loss Carryforwards	43,202	( 30,075 )	( 5 )	13,122
Others	4,874	662	-	5,536
	<u>64,133</u>	<u>27,266</u>	<u>( 5 )</u>	<u>36,862</u>
- Deferred income tax liabilities:				
Unrealized Gains on Financial Assets	( 1,421 )	924	-	( 497 )
	<u>\$ 56,104</u>	<u>(\$ 26,342)</u>	<u>(\$ 5)</u>	<u>\$ 36,365</u>
2020				
	January 1	Recognized in profit or loss	Exchange Differences	December 31
Temporary differences:				
- Deferred income tax assets:				
Unrealized slow moving inventories and write-down	\$ 7,691	(\$ 3,027)	\$ -	\$ 4,664
Future Depreciation Impact of Fixed Assets Lease-to-purchase	2,763	( 73 )	-	2,690
Unrealized Losses on Exchange	3,409	5,294		8,703
Unrealized Losses on Financial Assets	2,265	( 2,265 )	-	-
Loss Carryforwards	27,671	15,720	( 189 )	43,202
Others	2,175	2,699	-	4,874
	<u>45,974</u>	<u>18,348</u>	<u>( 189 )</u>	<u>64,133</u>
- Deferred income tax liabilities:				
Unrealized Gains on Financial Assets	-	1,421	-	( 1,421 )
	<u>\$ 45,974</u>	<u>(\$ 16,927)</u>	<u>(\$ 189)</u>	<u>\$ 62,712</u>

4. The effective periods of the Group's unused tax losses and the relevant amounts of unrecognized deferred tax assets are as follows:

December 31, 2021

Year	Amount Filed/Assessed Amount	Unused Amount	Unrecognized Deferred Tax Assets	Usable until Year
2012	Assessed	\$ 6,872	\$ 6,872	2022
2013	Assessed	41,176	41,176	2023
2014	Assessed	87,654	87,654	2024
2015	Assessed	81,312	81,312	2025
2016	Assessed	79,617	79,617	2026
2017	Assessed	201,637	201,636	2027
2018	Assessed	355,757	288,535	2028
2019	Assessed	13,274	13,274	2029
2020	Amount Filed	73,777	59,074	2030
		<u>\$ 941,076</u>	<u>\$ 859,150</u>	

December 31, 2020

Year	Amount Filed/Assessed Amount	Unused Amount	Unrecognized Deferred Tax Assets	Usable until Year
2012	Assessed	\$ 6,872	\$ 6,872	2022
2013	Assessed	41,176	41,176	2023
2014	Assessed	87,654	87,654	2024
2015	Assessed	81,312	81,312	2025
2016	Assessed	79,617	79,617	2026
2017	Assessed	288,462	217,929	2027
2018	Assessed	355,757	288,535	2028
2019	Amount Filed	13,274	13,274	2029
2020	Amount Estimated	94,766	32,488	2030
		<u>\$ 1,048,890</u>	<u>\$ 848,857</u>	

5. Deductible temporary differences not recognized as deferred tax assets:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Deductible Temporary Difference	\$ 179,609	\$ 222,131

6. The Corporation's profit-seeking business income tax settlement declaration was audited by the tax authority until 2019.

(XXIV) Earnings per Share

1. Basic and diluted earnings per share

	<u>2021</u>		
	<u>After-tax Amount</u>	<u>Number of Outstanding Shares (in Thousands)</u>	<u>Earnings per Share (NT\$)</u>
<u>Basic earnings per share</u>			
Net Profit For the Period Attributable to			
Common Shareholders of the Parent	\$ 164,317	145,265	\$ 1.13
<u>Diluted earnings per share</u>			
Net Profit For the Period Attributable to			
Common Shareholders of the Parent	\$ 164,317	145,265	
Effect of Potentially Dilutive Common Shares			
Employee compensation		1,486	
Profit Attributable to Common Shareholders of the Parent Plus Effect of All Potentially Dilutive Common Shares			
Net Profit Plus Effect of Potentially Dilutive Common Shares	\$ 164,317	146,751	\$ 1.12



	2020		
	After-tax Amount	Retroactive Adjustment of Number of Outstanding Shares (in Thousands)	Earnings per Share (NT\$)
<u>Basic earnings per share</u>			
Net Profit For the Period Attributable to Common Shareholders of the Parent	\$ 101,085	145,265	\$ 0.70
<u>Diluted earnings per share</u>			
Net Profit For the Period Attributable to Common Shareholders of the Parent	\$ 101,085	145,265	
Effect of Potentially Dilutive Common Shares			
Employee compensation Profit Attributable to Common Shareholders of the Parent Plus Effect of All Potentially Dilutive Common Shares		1,034	
Net Profit Plus Effect of Potentially Dilutive Common Shares	\$ 101,085	146,299	\$ 0.69

The above-mentioned retrospective adjustment of the number of outstanding shares in 2020 had been retrospectively adjusted in accordance with the ratio of surplus to capital increase in 2020.

(XXV) Supplementary Cash Flow Information

Investing activities with only partial cash payments:

	2021	2020
Acquisition of property, plant, and equipment	\$ 27,357	\$ 2,881
Add: Equipment payable at beginning of period	-	-
Less: Equipment payable at end of period	( 230 )	-
Cash paid for the period	<u>\$ 27,127</u>	<u>\$ 2,881</u>

(XXVI) Changes in liabilities arising from financing activities

Fund-raising activities that affect cash flow

	2021			
	Short-term Loans	Short-term notes and bills payable	Lease liabilities	Liabilities Arising from Financing Activities
January 1	\$ 3,380,857	\$ -	\$ 16,315	\$ 3,397,172
Change in Cash Flows from Financing Activities	899,478	100,000	( 15,540 )	983,938
Other Non-cash Changes	-	-	20,149	20,149
Effect of exchange rate changes	72,598)	-	250	72,848
December 31	<u>\$ 4,207,737</u>	<u>\$ 100,000</u>	<u>\$ 20,674</u>	<u>\$ 4,328,411</u>

	2020			
	Short-term Loans	Short-term notes and bills payable	Lease liabilities	Liabilities Arising from Financing Activities
January 1	\$ 3,235,663	\$ -	\$ 33,203	\$ 3,268,866
Changes in financing cash flow	197,070	-	( 17,642 )	179,428
Other non-cash changes	-	-	1,393	1,393
Effect of exchange rate changes	51,876	-	2,147	49,729
December 31	<u>\$ 3,380,857</u>	<u>\$ -</u>	<u>\$ 16,315</u>	<u>\$ 3,397,172</u>

## VII. Related Party Transactions

### (XXVII) Names and relations of related parties

Related Party	Relationship with the Group
Lee Hee-Jun	Chairman of the Group
CoAsia Corporation	Individuals with Significant Influence on the Group
Samsung Electronics Taiwan Co., Ltd. (Samsung Taiwan)	Other related party
Samsung Semiconductor (Xi'an) Co., Ltd.	Other related party
Shanghai Samsung Semiconductor Co., Ltd. (Shanghai Samsung)	Other related party
Samsung Display Co., Ltd. (Samsung Display)	Other related party
Samsung Asia Pte. Ltd. and its subsidiary (Sanmsung Asia) (Note)	Other related party
Samsung Semiconductor Inc.	Other related party
Samsung Electronics Go., Ltd. (SEC)	Other related party
Samsung Electronics-Mechanics Vietnam Go., Ltd.	Other related party
HNT Electronics Corp.	Other related party
BSE Co., Ltd.	Other related party
Insignal Co., Ltd.	Other related party
Samsung India Electronics Pvt Ltd. (SIEL)	Other related party
CoAsia CM Co., Ltd.	Other related party
CoAsia SEMI Ltd. (CoAsia SEMI)	Other related party
CoAsia SEMI (Taiwan) Co., Ltd. (CoAsia SEMI Taiwan)	Other related party
CoAsia SEMI (Shanghai) Ltd. (CoAsia SEMI (Shanghai))	Other related party
CoAsia Nexell Co., Ltd.	Other related party
CoAsia Semi Vietnam Go., Ltd.	Other related party

Note: Including Samsung Electronics Singapore Pte. Ltd.

### (XXVIII) Significant transactions with related party

#### 1. Operating Revenue

	2021	2020
—Other related party	\$ 1,082,893	\$ 162,094
—Individuals who Have a Significant Others	-	935,278
	<u>\$ 1,082,893</u>	<u>\$ 1,097,372</u>

The Group's collection conditions for the above-mentioned related parties are by letter of credit at sight, OA 1 day to OA 30 days, monthly settlement 10 to 90 days, and advance payment. The sales price is not significantly different from that of ordinary customers.

## 2. Purchase of goods

	<u>2021</u>	<u>2020</u>
—Other related party		
Shanghai Samsung	\$ 16,349,807	\$ 9,078,152
Samsung Taiwan	5,634,487	2,171,942
SIEL	3,082,236	1,895,422
Samsung Asia	2,880,852	9,297,002
Others	<u>303,109</u>	<u>2,473,920</u>
	<u>\$ 28,250,491</u>	<u>\$ 24,916,438</u>

The purchase price is based on the regional agency price of other related parties, and the payment is made in 30~75 days per month, OA1~OA60 days and prepayment.

## 3. Receivables from related parties

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
—Other related party	\$ 217,523	\$ 31,230
—Individuals who Have a Significant	-	21,309
	<u>\$ 217,523</u>	<u>\$ 52,539</u>

Receivables from related parties are mainly from sales transactions, and their payments are mainly due 30 to 90 days after the monthly settlement. The accounts receivable are free of mortgage and interest.

## 4. Other receivables, net

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
—Other related party	\$ 250	\$ 19,553
CoAsia SEMI	98	3,841
Others	<u>\$ 348</u>	<u>\$ 23,394</u>

Part of the assets and liabilities of the group to be disposed of and for sale to be collected from other related parties (please refer to Note VI (XII) for details) and purchase discounts.

5. Financing provided to related parties

Make loans to related parties

Ending balance:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
—Other related party		
CoAsia SEMI	\$ <u>                    -</u>	\$ <u>                  31,328</u>

The loan to CoAsia SEMI Taiwan was due to business transactions, and the condition of making the loan was to repay the loan within one year after the loan.

6. Research and development expenses

	<u>2021</u>	<u>2020</u>
Product development cost		
—Other related party		
CoAsia SEMI	\$ <u>                  17,927</u>	\$ <u>                  28,013</u>

The Corporation signed a product development contract with CoAsia SEMI in the third quarter of 2020. After the development was completed, the relevant patent rights belonged to the Corporation. The total contract price was US\$1,580 thousand and paid in five installments. From the third quarter of 2020 to the end of the second quarter of 2021, the Corporation had paid US\$1,580 thousand (approximately NT\$45,940 thousand) in five installments.

CoAsia SEMI had completed related product development work at the end of the second quarter of 2021.

7. Prepayments

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
—Other related party		
Shanghai Samsung	\$           122,468	\$           335,639
Others	16,284	4,932
	\$ <u>                 138,752</u>	\$ <u>                 340,571</u>

Mainly the prepayments for goods.

8. Payables to related parties

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Accounts Payable:		
– Other related party		
SEC	\$ 23,540	\$ 7,140
Samsung Taiwan	19,703	44,576
Others	316	2,047
	<u>43,559</u>	<u>53,763</u>
Others payables:		
– Other related party	1,184	68
– Individuals who have a significant influence	389	510
	<u>1,573</u>	<u>578</u>
Other current liabilities:		
– Other related party		
Samsung Display	49,759	-
	<u>\$ 94,891</u>	<u>\$ 54,341</u>

9. Asset transaction

In 2020, the property transactions with CoAsia SEMI, CoAsia SEMI (Shanghai) and CoAsia SEMI Taiwan, please refer to Note VI (XII) for details.

10. Guarantee

As of December 31, 2021 and 2020, the Chairman of the Corporation provided joint guarantees for part of the Group's short-term loans. In addition, please refer to Table 2 for the details of the guarantees provided by the Corporation to its subsidiaries as of December 31, 2021.

(XXIX) Information on Remuneration to the Management

	<u>2021</u>	<u>2020</u>
Short-term employee benefits	\$ 127,888	\$ 101,102
Retirement benefits	557	545
Termination benefits	-	4,791
	<u>\$ 128,445</u>	<u>\$ 106,438</u>

VIII. Pledged Assets

The details of the guarantee provided for the assets of the Group are as follows:

<u>Assets</u>	<u>Book value</u>		<u>Purpose of</u>
	<u>December 31, 2021</u>	<u>December 31, 2020</u>	

Bank deposits (Recognized as financial assets at amortized cost)	\$	474,334	\$	409,046	Short-term loan facilities
Land and housing		124,749		126,690	Short-term loan
Assigned accounts		529,508		78,449	Short-term loan
	\$	<u>1,128,591</u>	\$	<u>614,185</u>	

#### IX. Significant Contingent Liabilities and Unrecognized Contract Commitments

As of December 31, 2021 and 2020, the Group's major commitments and contingent liabilities are as follows:

1. The letters of guarantee issued by the Corporation to banks for the import of goods are all counted as \$2,000.
2. Please refer to Note VII for the product development contracts entered into by the Corporation with related parties in 2020 and relevant commitments.

#### X. Significant Disaster Loss

None.

#### XI. Significant Events after the Balance Sheet Date

Please refer to Note VI (XVIII) 6.(3) for the details of the surplus distribution for 2021 proposed by the Board of Directors on March 8, 2022.

#### XII. Others

##### (I) Capital Management

The Group's capital management objectives are to ensure that the Group can continue to operate as a going concern, maintain an optimal capital structure to reduce capital costs, and provide remunerations to shareholders. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. The Group monitors its capital using the debt-to-equity ratio, which is calculated as net debt divided by total capital. Net debt is calculated as total borrowings less cash and cash equivalents. Total capital is calculated as 'equity' (excluding non-controlling interests) reported in the consolidated balance sheet plus net debt.

The Group's strategy in 2021 was the same as in 2020. As at December 31, 2021 and 2020, the Group's debt-to-equity ratios were as follows:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Total loans	\$ 4,307,73	\$ 3,380,857
Less: Cash and Cash Equivalents	( 519,580 )	( 692,100 )
Net debt	\$ 3,788,157	\$ 2,688,757
Total equity	<u>2,483,801</u>	<u>2,403,738</u>
Total capital	<u>\$ 6,271,958</u>	<u>\$ 5,092,495</u>

Debt-to-equity ratio 60.40% 52.80%

(II) Financial Instruments

1. Category of financial instruments

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
<u>Financial assets</u>		
Financial Assets at Fair Value through Profit or Loss		
Financial assets mandatorily measured at fair value through profit or loss	\$ 26,419	\$ 30,361
Financial assets at fair value through other comprehensive income (Note 1)	257,633	182,4370
Financial assets at amortized cost (Note 2)	4,856,310	3,983,701
	<u>\$ 5,140,362</u>	<u>\$ 4,196,499</u>
	<u>December 31, 2021</u>	<u>December 31, 2020</u>
<u>Financial liabilities</u>		
Financial liabilities at amortized cost (Note 2)	\$ 5,146,036	\$ 3,795,707
Lease liabilities	20,674	16,315
	<u>\$ 5,166,710</u>	<u>\$ 3,812,022</u>

Note 1: It is an account receivable that is expected to execute a fostering in the future.

Note 2: Financial assets measured by amortized cost include cash and cash equivalents, financial assets measured by amortized cost, accounts receivable (including related parties) that are not expected to be fostered in the future, other receivables (including related parties) and guarantee deposits paid; financial liabilities measured by amortized cost include short-term borrowings, short-term bills payable, accounts payable (including related parties), other payables (including related parties) and guarantee deposits received.

2. Risk management policies

- (1) The risk control undertaken by the Group is influenced by the needs of the customer-oriented consumer electronics industry and the supply of products by suppliers. In order to meet the above requirements, the Group adopts a comprehensive risk management and control system to identify all risks of the Group (including market risk, credit risk and operational risk) and measure various risks, so that the Group's management can effectively control and measure market risk, credit risk and operational risk.
- (2) Risk management is carried out by the Finance Department of the Corporation in accordance with the policies approved by the Board of Directors. The Corporation's Finance Department is responsible for identifying, assessing and avoiding financial risks through close cooperation with the Corporation's operating units. The Board of Directors has written principles for overall risk management and written policies on specific areas and matters such as exchange rate risk, interest rate risk, credit risk,



use of derivative and non-derivative financial instruments, and investment of surplus liquidity.

3. The natures and extents of material financial risks

(1) Market risk

Foreign Exchange Risk

- A. The Group's main purchases and sales are denominated in U.S. dollars, and the fair value will vary with market exchange rate fluctuations. However, the Group's holdings of foreign currency assets and liabilities and the timing of receipt and payment can offset market risks. If there is a short-term position gap, option trading will be conducted to avoid possible risks, so it is not expected to generate significant market risks.
- B. The Group's business involves certain non-functional currencies (the functional currency of the Corporation and some subsidiaries is New Taiwan dollar, and the functional currency of some subsidiaries is Hong Kong dollar and Singapore dollar). Information on foreign currency assets and liabilities affected by fluctuations is as follows:

		December 31, 2021		
		Foreign currencies (NT\$ thousand)	Exchange Rate	Carrying amount (NT\$)
<u>Financial assets</u>				
<u>Monetary items</u>				
US\$: NT\$	\$	131,236	27.68	\$ 3,632,612
US\$: HK\$		110,439	7.80	3,056,952
US\$: SG\$		37,656	1.35	1,042,318
<u>Financial liabilities</u>				
<u>Monetary items</u>				
US\$: NT\$		87,832	27.68	2,431,190
US\$: HK\$		118,292	7.80	3,274,323
US\$: SG\$		28,303	1.35	783,427
		December 31, 2020		
		Foreign currencies (NT\$ thousand)	Exchange Rate	Carrying amount (NT\$)
<u>Financial assets</u>				
<u>Monetary items</u>				
US\$: NT\$	\$	95,942	27.68	\$ 2,732,428
US\$: HK\$		80,326	7.80	2,287,684
US\$: SG\$		36,075	1.35	1,027,416
<u>Financial liabilities</u>				

Monetary items

US\$: NT\$	70,109	27.68	1,996,704
US\$: HK\$	101,801	7.80	2,899,292
US\$: SG\$	27,746	1.35	790,206

C. The total exchange losses (including realized and unrealized) of the Group's monetary items due to fluctuations in exchange rates were aggregated in 2021 and 2020 to \$24,487 and \$58,516, respectively.

D. The foreign currency market risk analysis of the Group due to significant exchange rate fluctuations is as follows:

		2021		
		Range of change	Effect on profit and loss	Effect on other comprehensive
(Foreign currency: Functional currency)				
<u>Financial assets</u>				
<u>Monetary items</u>				
US\$: NT\$	1%	\$	36,326	\$ -
US\$: HK\$	1%		30,570	-
US\$: SG\$	1%		10,423	-
<u>Financial liabilities</u>				
<u>Monetary items</u>				
US\$: NT\$	1%		24,312	-
US\$: HK\$	1%		32,743	-
US\$: SG\$	1%		7,834	-
		2020		
		Range of change	Effect on profit and loss	Effect on other comprehensive
(Foreign currency: Functional currency)				
<u>Financial assets</u>				
<u>Monetary items</u>				
US\$: NT\$	1%	\$	27,324	\$ -
US\$: HK\$	1%		22,877	-
US\$: SG\$	1%		10,274	-
<u>Financial liabilities</u>				
<u>Monetary items</u>				
US\$: NT\$	1%		19,967	-
US\$: HK\$	1%		28,993	-
US\$: SG\$	1%		7,902	-

### Price Risk

Equity commodities invested by the Group are affected by changes in market prices, but the positions held by the Group are not significant, and a stop loss point has been set, so no significant market risk is expected.

### Cash Flow and Fair Value Interest Rate Risk

In 2021 and 2020, some of the Group's short-term borrowings were debts with floating interest rates. Therefore, changes in market interest rates will cause the effective interest rates of short-term borrowings to fluctuate, which will cause fluctuations in future cash flows. When the market interest rate increases by 1%, it will increase the Group's cash outflows by \$42,077 and \$33,809, respectively.

## (2) Credit risk

- A. The Group's credit risk is the risk of financial loss to the Group due to the failure of the customer or counterparty to a financial instrument to perform its contractual obligations, mainly arising from the counterparty's inability to settle accounts receivable paid on terms of collection and the contractual cash flows reclassified as investment with debt instruments measured at amortized costs.
- B. The Group establishes credit risk management from a Corporation perspective. For banks and financial institutions, only those with an independent credit rating of at least "A" can be accepted as transaction counterparties. According to the internal credit policy, each operating entity and each new customer within the Group must conduct management and credit risk analysis before setting the terms and conditions for payment and delivery. Internal risk control is to assess the credit quality of customers by taking into account their financial status, past experience and other factors. Individual risk limits are set by the Board of Directors based on internal or external ratings, and the use of credit lines is regularly monitored.
- C. The Group adopts the following premises as the bases for judging whether the credit risk of financial instruments has increased significantly since original recognition:  
When the contract payment is overdue for more than 30 days according to the agreed payment terms, it is deemed that the credit risk of the financial asset has increased significantly since the original recognition.
- D. The Group is deemed to have breached the contract when the payment is overdue for more than 90 days according to the agreed payment terms.
- E. The Group uses a simplified approach to estimate expected credit losses on the basis of an allowance matrix for accounts receivable from customers based on the characteristics of the type of customers.
- F. The parent company and subsidiaries of the Group are included in the prosperity observation report of the Taiwan Economic Research Institute and the prosperity indicators of the National Development Commission, respectively.

Consideration of future forward-looking adjustment of the loss rate established according to historical and current information in a specific period to estimate the allowance losses of accounts receivable (including related parties), and the preparation matrices as at December 31, 2021 and 2020 were as follows:

	Not Past Due	Up to 30 days past due	Up to 60 days past due	Up to 90 days past due	More than 90 days	Total
<u>December 31, 2021</u>						
Expected loss rate	0.03%	0.03%~0.07%	0.77%~8.33%	5.73%~27.35%	100.00%	
Total book value	\$ 4,063,020	\$ 14,929	\$ 42	\$ -	\$ 29,814	\$ 41,107,805
Loss allowances	1,087	10	-	-	29,814	30,911
<u>December 31, 2020</u>						
Expected loss rate	0.01%~0.06%	0.07%~5.00%	0.77%~8.33%	8.33%~9.36%	100.00%	
Total book value	\$ 2,930,870	\$ 27,787	\$ 37	\$ 545	\$ 26,662	\$ 2,985,901
Loss allowances	1,652	38	-	51	26,662	28,403

G. The aging analysis of the Group's accounts receivable is as follows:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
	<u>Accounts Receivable</u>	<u>Accounts Receivable</u>
Not Past Due	\$ 4,063,020	\$ 2,930,870
Up to 30 days past due	14,929	27,787
31-60 days	42	37
60-90 days	-	545
More than 90 days	29,814	26,662
	<u>\$ 4,107,805</u>	<u>\$ 2,985,901</u>

The above aging schedule was based on the number of days past due from the end of the credit term.

H. The Table of Changes in Allowance Losses of Accounts Receivable (Including Related Parties) that the Group adopts a simplified practice is as follows:

	<u>2021</u>
	<u>Accounts Receivable</u>
January 1	\$ 28,403
Reversal of impairment loss	3,771
Effect of exchange rate changes	( 1,263 )
December 31	<u>\$ 30,911</u>
	<u>2020</u>
	<u>Accounts Receivable</u>
January 1	( \$ 31,462 )

Reversal of impairment loss	1,697
Effect of exchange rate changes	1,362
December 31	<u>\$ 28,403</u>

- I. The Group's financial assets and other receivables (including related parties) measured at amortized cost are all financial assets with low credit risk. Therefore, the allowance loss for the period is measured at the 12-month expected credit loss amount. There are no circumstances where significant allowance losses are provided.

(3) Liquidity risk

- A. Cash flow forecasting is performed by each operating entity of the Group and compiled by the Group's Finance Department. The Group's Finance Department monitors rolling forecasts of the group's liquidity requirements to ensure it has sufficient cash to meet operational needs, so as to avoid the Group to violate the relevant borrowing limits or terms. Such forecasting takes into consideration the Group's debt financing plans, covenant compliance, and compliance with internal balance sheet ratio targets.
- B. When the remaining cash held by the Group exceeds the need for the management of working capital, the Group's Finance Department will invest the remaining funds in interest-bearing demand deposits, time deposits, money market deposits and marketable securities, and the instruments of its choice have an appropriate maturity date or sufficient liquidity to meet the above forecast and provide sufficient dispatch levels.
- C. The following table shows the Group's non-derivative financial liabilities, grouped by relevant maturity dates. Non-derivative financial liabilities are analyzed based on the remaining period from the balance sheet date to the contractual maturity date. The contractual cash flow amounts disclosed in the table below are undiscounted amounts.

December 31, 2021	<u>Within 1 year</u>	<u>1-2 year(s)</u>	<u>2-3 years</u>	<u>Over 3 years</u>
<u>Non-derivative financial liabilities:</u>				
Lease liabilities	\$ 12,944	\$ 6,737	\$ 1,202	\$ 95
December 31, 2020	<u>Within 1 year</u>	<u>1-2 year(s)</u>	<u>2-3 years</u>	<u>Over 3 years</u>
<u>Non-derivative financial liabilities:</u>				
Lease liabilities	\$ 7,920	\$ 5,302	\$ 3,607	\$ 238

Except as stated above, the Group's non-derivative financial liabilities are due within one year.

The Group does not expect that the timing of the cash flows for the maturity

analysis will occur significantly earlier, or that the actual amounts will be significantly different.

(III) Information on Fair Value

- The levels of evaluation techniques used to measure the fair value of financial and non-financial instruments are defined as follows:

Level 1: Quotes (unadjusted) in active markets for identical assets or liabilities on the measurement date. An active market is one in which transactions of assets or liabilities occur with sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2: Direct or indirect observable inputs for assets or liabilities other than those included in level 1 quotes.

Level 3: An unobservable input for an asset or liability.

- Financial instruments not measured at fair value

The carrying amounts of cash and cash equivalents, financial assets measured at amortized cost, net accounts receivable (including related parties), other receivables (including related parties), short-term borrowings, short-term notes payable, accounts payable (including related parties) and other payables (including related parties) are reasonable approximations of fair value.

- Financial instruments measured at fair value are classified by the Group on the basis of the nature, characteristics and risks of the assets and the level of fair value. The relevant information is as follows:

	December 31, 2021		
	Fair value		
	Level 1	Level 2	Level 3
Financial Assets at Fair Value through Profit or Loss	\$ 4,734	\$ -	\$ 21,685
Financial Assets at Fair Value through Other Comprehensive Income			
Accounts receivable from expected execution	-	257,633	-
	<u>\$ 4,734</u>	<u>\$ 257,633</u>	<u>\$ 21,685</u>

	December 31, 2020		
	Fair value		
	Level 1	Level 2	Level 3
Financial Assets at Fair Value through Profit or Loss	\$ 4,880	\$ -	\$ 25,481
Financial Assets at Fair Value through Other Comprehensive Income			
Accounts receivable from expected execution	-	182,437	-
	<u>-</u>	<u>182,437</u>	<u>-</u>

\$ 4,880    \$ 182,437    \$ 25,481

4. The methods and assumptions used by the Group to measure fair value are described below:

(1) The fair value of financial instruments is obtained by evaluation techniques or by reference to counterparty quotations. The fair value obtained through evaluation techniques may be calculated by referring to the current fair value of other financial instruments with substantially similar conditions and characteristics, discounted cash flow method or other evaluation techniques, including the use of models based on market information available on the consolidated balance sheet date.

(2) The Group incorporates credit risk assessment adjustments into the calculation of the fair value of financial instruments and non-financial instruments to reflect counterparty credit risk and the Group's credit quality, respectively.

5. In 2021 and 2020, there was no transfer between the first class and the second class.

6. Changes in level 3 in 2021 and 2020:

	2021
	Non-derivative financial instruments
January 1	\$ 25,481
Losses recognized in profit or loss	
Non-operating expenses	( 3,796 )
December 31	\$ 21,685
	2020
	Non-derivative financial instruments
January 1	\$ 7,428
Losses recognized in profit or loss	
Non-operating expenses	18,071
Effect of exchange rate changes	( \$ 18 )
December 31	\$ 25,481

7. There was no transfer in or out from level 3 in 2021 and 2020.

8. The quantitative information about the significant unobservable input value of the evaluation model used in level 3 fair value measurement item and the sensitivity analysis of the change in the significant unobservable input value are explained as follows:

	Fair value on December 31, 2021	Valuation technique	Significant unobservable input value	Relationship between input value and fair value
Non-derivative equity instruments: Shares from unlisted companies	\$ 21,685	Comparable to the price-to-book multiplier and	the price-to-earning multiplier of listed companies	The higher the multiplier, the higher the fair value

	Fair value on December 31, 2020	Valuation technique	Significant unobservable input value	Relationship between input value and fair value
Non-derivative equity instruments: Shares from unlisted companies	\$ 25,481	Comparable to the price-to-book multiplier and	the price-to-earning multiplier of listed companies	The higher the multiplier, the higher the fair value

9. The Group selects the evaluation model and evaluation parameters after careful evaluation, but the use of different evaluation models or evaluation parameters may lead to different evaluation results. For financial assets and financial liabilities classified as Level 3, if the evaluation parameters change, the impacts on the current gains or losses or other composite gains or losses are as follows:

		December 31, 2021			
Input value	Change	Recognized in profit or loss		Recognized in other comprehensive income	
		Favorable change	Unfavorable change	Favorable change	Unfavorable change
Financial assets					
Equity instruments	the price-to-earning multiplier of listed companies	±1%			
		\$ 217	( \$ 217 )	\$ -	\$ -

		December 31, 2020			
Input value	Change	Recognized in profit or loss		Recognized in other comprehensive income	
		Favorable change	Unfavorable change	Favorable change	Unfavorable change
Financial assets					
Equity instruments	the price-to-earning multiplier of listed companies	±1%			
		\$ 255	( \$ 255 )	\$ -	\$ -



### XIII. Supplementary Disclosures

#### (I) Information on Significant Transactions

According to the provisions of the Financial Reporting Standards for Issuers of Securities, the relevant matters related to the Group's major transactions in 2021 are as follows. In addition, the information to be disclosed by the investee companies is partly prepared based on the financial statements of the companies that have not been audited by the CPAs for the same period, and the following transactions with subsidiaries have been written off when the consolidated financial statements were prepared. The following disclosure information is for reference.

1. Loans provided for others: Please refer to Table 1 for details.
2. Endorsements/guarantees provided for others: Please refer to Table 2 for details.
3. Securities held at end of period (excluding investments in subsidiaries, associates, and joint ventures): Please refer to Table 3 for details.
4. Accumulated purchase or sale of the same securities amounting to NT\$300 million or 20% of paid-in capital or more: None.
5. Acquisition of property amounting to NT\$300 million or 20% of the paid-in capital or more: None.
6. Disposal of property amounting to NT\$300 million or 20% of the paid-in capital or more: None.
7. Purchases or sales with related parties amounting to NT\$100 million or 20% of the paid-up capital or more: Please refer to Table 4 for details.
8. Receivables from related parties amounting to NT\$100 million or 20% of the paid-up capital or more: Please refer to Table 5 for details.
9. Derivatives transactions: None.
10. Relationships and significant transactions between the parent company and subsidiaries and their amounts: Please refer to Table 6 for details.

#### (II) Information on Investee Companies

Information on the name, region and so on of the investee companies (excluding investee companies in mainland China) : Please refer to Table 7 for details.

(III) Information on Investments in Mainland China

1. Basic information: Please refer to Table 8 for details.
2. Significant transactions directly or indirectly through third-region businesses and investee companies that have reinvested in mainland China: None.

(IV) Information on Major Shareholders

Information on major shareholders: Please refer to Table 9 for details.

XIV. Division Information

(I) General Information

The Group is mainly engaged in the industry of mobile communication products, and the Chairman of the Group evaluates the performance and allocates resources of the Group's businesses as a whole, and three reporting divisions are identified in the Group. The management of the Group has identified the reporting divisions based on the reporting information used by the Chairman to make decisions, and has been operating the business from the perspective of business entities.

There has been no material change in the basis of the Group's division of corporate components and the measurement basis of the division information during the current period.

(II) Division Information

The Chairman of the Group evaluates the performance of the operating division based on net profit after tax.

(III) Information on Divisional Gains or Losses, Assets and Liabilities and Reconciliation

Reportable division information provided to the chief operating decision maker is as follows:

2021:

	Mobile communication products (CoAsia Taiwan)	Mobile communication products (CoAsia Hong Kong Group)	Mobile communication products (CoAsia Singapore Group)	Others	Adjustments and write-off	Total
Divisional revenue						
External revenue	\$ 8,324,856	\$ 15,935,978	\$ 3,805,345	\$ 1,137,534	\$ -	\$ 29,203,713
Internal revenue	6,239,519	314,920	2,581,261	14,877	( 9,150,577 )	-
Divisional revenue	<u>\$ 14,564,375</u>	<u>\$ 16,250,898</u>	<u>\$ 6,386,606</u>	<u>\$ 1,152,411</u>	<u>( \$ 9,150,577 )</u>	<u>\$ 29,203,713</u>
Divisional gains or losses	<u>\$ 184,887</u>	<u>\$ 98,384</u>	<u>\$ 79,710</u>	<u>( \$ 28,388 )</u>	<u>( \$ 119,523 )</u>	<u>\$ 215,070</u>
Divisional gains or losses include:						
Depreciation and amortization expenses	( \$ 13,361 )	( \$ 11,548 )	( \$ 1,901 )	( \$ 480 )	( \$ - )	( \$ 27,290 )
Interest income	<u>\$ 1,176</u>	<u>\$ 833</u>	<u>\$ 82</u>	<u>\$ 568</u>	<u>( \$ 1,262 )</u>	<u>\$ 1,397</u>
Interest expenses	( \$ 36,960 )	( \$ 24,691 )	\$ 29,071	( \$ 1,926 )	\$ 23,578	( \$ 69,070 )
Income tax expenses	( \$ 20,570 )	( \$ 16,665 )	( \$ 13,456 )	\$ -	\$ -	( \$ 50,691 )
Share of profit or loss of subsidiaries accounted for using the equity method	\$ 129,251	( \$ 7,078 )	\$ -	\$ -	( \$ 122,173 )	\$ -
Segment assets						
Total assets	<u>\$ 5,348,824</u>	<u>\$ 4,952,147</u>	<u>\$ 1,371,379</u>	<u>\$ 405,861</u>	<u>( \$ 3,795,069 )</u>	<u>\$ 8,283,142</u>
Segment assets include:						
Investments accounted for using the equity method (include other non-current liabilities transferred)	\$ 1,254,451	\$ -	\$ -	\$ -	( \$ 1,259,846 )	( \$ 5,395 )
Segment liabilities						
Total liabilities	<u>\$ 2,865,023</u>	<u>\$ 4,312,198</u>	<u>\$ 815,154</u>	<u>\$ 334,639</u>	<u>( \$ 2,522,988 )</u>	<u>\$ 5,804,026</u>

2020:

	Mobile communication products (CoAsia Taiwan)	Mobile communication products (CoAsia Hong Kong Group)	Mobile communication products (CoAsia Singapore Group)	Others	Adjustments and write-off	Total
Divisional revenue						
External revenue	\$ 3,882,373	\$ 12,732,540	\$ 9,318,682	\$ 918,978	\$ -	\$ 26,852,573
Internal revenue	5,973,010	67,716	2,475,900	5,934	( 8,522,560 )	-
Divisional revenue	<u>\$ 9,855,383</u>	<u>\$ 12,800,256</u>	<u>\$ 11,794,582</u>	<u>\$ 924,912</u>	<u>( \$ 8,522,560 )</u>	<u>\$ 26,852,573</u>
Divisional gains or losses	<u>\$ 88,516</u>	<u>\$ 44,915</u>	<u>\$ 211,651</u>	<u>( \$ 76,088 )</u>	<u>( \$ 140,278 )</u>	<u>\$ 128,716</u>
Divisional gains or losses include:						
Depreciation and amortization expenses	( \$ 9,820 )	( \$ 19,264 )	( \$ 2,915 )	( \$ 4,469 )	\$ -	( \$ 36,468 )
Interest income	\$ 732	\$ 3,214	\$ 103	\$ 1,452	( \$ 2,921 )	\$ 2,580
Interest expenses	( \$ 37,821 )	( \$ 24,445 )	\$ 33,345	( \$ 882 )	\$ 21,180	( \$ 75,313 )
Income tax expenses	<u>\$ 12,569</u>	<u>( \$ 7,557 )</u>	<u>( \$ 37,608 )</u>	<u>\$ -</u>	<u>\$ -</u>	<u>( \$ 32,596 )</u>
Share of profit or loss of subsidiaries accounted for using the equity method	\$ 139,781	\$ -	\$ -	\$ -	( \$ 139,781 )	\$ -
Segment assets						
Total assets	<u>\$ 4,762,452</u>	<u>\$ 3,694,675</u>	<u>\$ 1,448,906</u>	<u>\$ 283,789</u>	<u>( \$ 3,870,472 )</u>	<u>\$ 6,319,350</u>
Segment assets include: Investments accounted for using the equity method (include other non-current liabilities transferred)	\$ 1,183,910	\$ -	\$ -	\$ -	( \$ 1,189,305 )	( \$ 5,395 )
Segment liabilities						
Total liabilities	<u>\$ 2,358,714</u>	<u>\$ 3,117,963</u>	<u>\$ 931,085</u>	<u>\$ 182,116</u>	<u>( \$ 2,669,519 )</u>	<u>\$ 3,920,359</u>

#### (IV) Product Category and Service Category Information

The detailed composition of the Group's income balances in 2021 and 2020 are as follows:

	2021	2020
Key components for mobile communication products (Mobile)	\$ 19,983,520	\$ 21,876,348
Wafers (Foundry)	4,507,842	2,415,661
Thin film liquid crystal displays (SDC)	4,243,455	1,725,629
Others	468,896	834,935
	<u>\$ 29,203,713</u>	<u>\$ 2,685,257</u>

#### (V) Regional Information

The regional information of the Group in 2021 and 2020 is as follows:

Region	2021		2020	
	Revenue	Non-current assets	Revenue	Non-current assets
Taiwan	\$ 5,962,745	\$ 186,229	\$ 2,033,264	\$ 168,256
Asia	23,107,426	28,102	24,701,975	23,260
America	110,737	-	117,334	-
Europe	22,805	-	-	-
	<u>\$ 29,203,713</u>	<u>\$ 214,331</u>	<u>\$ 26,852,573</u>	<u>\$ 191,516</u>

Note: Revenue is classified based on the country of the customer; Asia refers to Asia excluding Taiwan.

#### (VI) Important Customer Information

The Group's important customer information in 2021 and 2020 is as follows:

	2021		2020	
	Sales	Division	Sales	Division
Customer A	\$ 3,739,038	CoAsia Taiwan Group	\$ 864,344	CoAsia Taiwan Group
Customer B	2,206,979	CoAsia Singapore Group	8,574,667	CoAsia Singapore Group

CoAsia Electronics Corp. and Its Subsidiaries  
Loans provided for others  
For the Year Ended December 31, 2021

Table 1

Unit: NT\$ thousand  
(unless stated otherwise)

No. (Note 1)	Financing Company	Borrower	Transaction Item	Related Party	Maximum outstanding balance for the period		Actual Amount		Nature for Financing (Note 2)	Business Transaction Amount	Reason for Short-term Financing	Allowance for Bad Debt	Collateral		Limit on Loans Provided to a Single Party (Note 3)	Total Limit on Loans Provided (Note 3)	Remark
					Ending balance	Drawn	Interest Rate	Name					Value				
0	CoAsia Electronics Corp.	CoAsia Korea Co., Ltd.	Other receivables - related party	Yes	\$ 83,580	\$ 83,040	\$ -	To comply with the contract	2	\$ -	Operating capital	\$ -	-	\$ -	\$ 248,380	\$ 993,520	
0	CoAsia Electronics Corp.	CoAsia Electronics Corporation (Hong Kong) Limited	Other receivables - related party	Yes	199,745	193,760	-	To comply with the contract	2	-	Operating capital	-	-	-	248,380	993,520	
0	CoAsia Electronics Corp.	CoAsia Electronics Corp. (Singapore) Pte. Ltd.	Other receivables - related party	Yes	199,745	193,760	-	To comply with the contract	2	-	Operating capital	-	-	-	248,380	993,520	
0	CoAsia Electronics Corp.	Studybank Co., Ltd.	Other receivables - related party	Yes	200	200	-	To comply with the contract	2	-	Operating capital	-	-	-	248,380	993,520	
0	CoAsia Electronics Corp.	Coasia Semi Taiwan Limited	Other receivables - related party	Yes	45,085	-	-	To comply with the contract	1	-	Operating capital	-	-	-	248,380	993,520	
1	CoAsia Electronics Corporation (Hong Kong) Limited	CoAsia Technology Co., Ltd.	Other receivables - related party	Yes	24,991	-	-	To comply with the contract	2	-	Accounts receivable beyond the normal credit period are transferred to be loans provided	-	-	-	639,702	639,702	
1	CoAsia Electronics Corporation (Hong Kong) Limited	CoAsia Electronics Corp. (Singapore) Pte. Ltd.	Other receivables - related party	Yes	142,675	138,400	-	To comply with the contract	2	-	Operating capital	-	-	-	639,702	639,702	
1	CoAsia Electronics Corporation (Hong Kong) Limited	CoAsia Electronics Corp.	Other receivables - related party	Yes	285,350	276,800	-	To comply with the contract	2	-	Operating capital	-	-	-	639,702	639,702	
1	CoAsia Electronics Corporation (Hong Kong) Limited	Coasia Semi Limited	Other receivables - related party	Yes	30,448	30,448	-	To comply with the contract	1	152,331	Operating capital	-	-	-	152,331	639,702	
2	CoAsia Electronics Corp. (Singapore) Pte. Ltd.	CoAsia Electronics Corporation (Hong Kong) Limited	Other receivables - related party	Yes	142,675	138,400	-	To comply with the contract	2	-	Operating capital	-	-	-	556,225	556,225	
2	CoAsia Electronics Corp. (Singapore) Pte. Ltd.	CoAsia Electronics Corp.	Other receivables - related party	Yes	142,675	138,400	-	To comply with the contract	2	-	Operating capital	-	-	-	556,225	556,225	

Note 1: The numbers filled are described as follows:

- (1). For the issuer, fill in 0.
- (2). The investee company is numbered sequentially starting from Arabic number 1 according to the company type.

Note 2: The nature of the loans provided are explained as follows:

- (1). Fill in 1 for those who has business relationship.
- (2). Fill in 2 for those who needs short-term financing.

Note 3: (1). The Company's aggregate amount of loans to others is limited to 40% of the net worth, and the amount of loans to others shall not exceed 10% of the net worth to an individual enterprise. Net worth amounted to 2,483,801 as of December 31, 2021.

(2). For the foreign companies with 100% voting shares directly and indirectly held by CoAsia Electronics Corporation (Hong Kong) Limited to the parent company of the group, the aggregate amount of loans to others is limited to 100% of the net worth, and the amount of loans to others shall not exceed 100% of the net worth to an individual enterprise.

(3). For the foreign companies with 100% voting shares directly and indirectly held by CoAsia Electronics Corp. (Singapore) Pte. Ltd to the parent company of the group, the aggregate amount of loans to others is limited to 100% of the net worth, and the amount of loans to others shall not exceed 100% of the net worth to an individual enterprise.

CoAsia Electronics Corp. and Its Subsidiaries  
Endorsements/Guarantees Provided for Others  
For the Year Ended December 31, 2021

Table 2

Unit: NT\$ thousand  
(unless stated otherwise)

No. (Note 1)	Endorser/ Guarantor	Endorsee/Guarantee		Limit on Endorsements/ Guarantees Provided for Single Entity	Maximum Endorsement/ Guarantee Balance for the Period	Endorsement and Guarantee Ending Balance	Actual Amount Drawn	Amount of Endorsements/ Guarantees Collateralized by Property	Ratio of Accumulated Endorsements/ Guarantees to Net Worth per Latest Financial Statements	Endorsement/ Guarantee Ceiling (Note 3)	Endorsements/ Guarantees Provided by Parent for Subsidiary	Endorsements/ Guarantees Provided by Parent	Endorsements/ Guarantees Provided for Subsidiary in Mainland China	Remark
		Name of Company	Relationship (Note 2)											
0	CoAsia Electronics Corporation (Hong Kong) Limited	CoAsia Electronics Corporation (Hong Kong) Limited	1, 3	\$ 2,483,801	\$ 1,624,440	\$ 1,624,440	\$ 849,400	\$ -	65.40%	\$ 3,725,702	Y	N	N	
0	CoAsia Electronics Corporation	CoAsia Electronics Corp. (Singapore) Pte. Ltd	1, 2	2,483,801	1,719,540	1,702,320	1,702,320	-	68.54%	3,725,702	Y	N	N	

Note 1: The numbers filled are described as follows:

- (1). For the issuer, fill in 0.
- (2). The investee company is numbered sequentially starting from Arabic number 1 according to the company type.

Note 2: The relationships between endorser/guarantors and endorsee/guarantees are categorized into the following 6 types. Please specify the type:

- (1). Companies with which the Company conducts business.
- (2). Subsidiaries in which the Group directly holds more than 50% of their common stocks.
- (3). Investee companies in which the Company and its subsidiaries collectively hold more than 50% of their common stocks.
- (4). The parent company which holds, directly or indirectly through a subsidiary, more than 50% of its outstanding common stocks.
- (5). Companies in same type of business and providing mutual endorsements/guarantees in favor of each other in accordance with the contractual obligations in order to fulfill the needs of the construction project.
- (6). Shareholders making endorsements/guarantees for their mutually invested company in proportion to their shareholding ratio.

Note 3: The Company's aggregate amount of limit of endorsement for external entities is limited to 150% of the net worth, and the amount of limit of endorsement for single enterprise shall not exceed 10% of the net worth to an individual enterprise while not more than 100% for a single affiliate.

Note 4: In 2021, the handling fee charged by the Company to CoAsia Electronics Corporation (Hong Kong) Limited for the above-mentioned endorsement guarantee amounted to \$7,737 (recorded as other income), and the outstanding amount as of December 31, 2021 amounted to \$2,072.

Note 5: In 2021, the handling fee charged by the Company to CoAsia Electronics Corp. (Singapore) Pte. Ltd. for the above-mentioned endorsement guarantee amounted to \$15,040 (recorded as other income), and the outstanding amount as of December 31, 2021 amounted to \$2,547.

CoAsia Electronics Corp. and Its Subsidiaries

Securities held at end of period (excluding investments in subsidiaries, associates, and joint ventures)

December 31, 2021

Table 3

Unit: NT\$ thousand  
(unless stated otherwise)

Company Holding Securities	Type and Name of Securities	Relationship with Issuer of Securities	Ledger Account	Ending Balance				Remark
				Number of Shares	Carrying amount	Shareholding %	Fair value	
CoAsia Electronics Corp.	Merian Global Dynamic Bond Fund B USD Acc	-	Financial assets at fair value through profit or loss - current	-	\$ 4,734	-	\$ 4,734	
CoAsia Electronics Corp.	Common and preferred stocks of Insignal Co. Ltd	-	Financial assets at fair value through profit or loss - non-current	10,770	21,685	12.5%	21,685	
CoAsia Korea Co. Ltd.	Stocks of Bobbintel Inc.	-	Financial assets at fair value through profit or loss - non-current	425,000	-	14%	-	



CoAsia Electronics Corp. and Its Subsidiaries  
Purchases or Sales with Related Parties Amounting to NT\$100 Million or 20% of Paid-up Capital or More  
For the Year Ended December 31, 2021

Table 4

Unit: NT\$ thousand  
(unless stated otherwise)

Purchasing (Selling) Company	Counterparty	Relationship	Transaction Situation			Unusual Transaction Terms and Reasons (Note 1)			Notes and Accounts Receivable (Payable)		(Notes 2)
			Purchases (Sales)	Amount	Percentage of Total Purchases (Sales)	Credit Period	Unit Price	Credit Period	Balance	Total Notes and Accounts Receivable (Payable)	
CoAsia Electronics Corp.	Shanghai Samsung Semiconductor Co., Ltd.	Other related party	Purchase of goods	\$ 7,866,222	52%	Prepayments for goods	The purchase price is based on the regional distribution price of other related parties	It refers to the transaction nature of a single purchasing vendor.	\$ -	-	
CoAsia Electronics Corp.	Samsung Electronics Taiwan Co., Ltd.	Other related party	Purchase of goods	5,634,487	37%	OA 1 day; prepayments for goods	The purchase price is based on the regional distribution price of other related parties	It refers to the transaction nature of a single purchasing vendor.	19,703	(9%)	
CoAsia Electronics Corporation (Hong Kong) Limited	Shanghai Samsung Semiconductor Co., Ltd.	Other related party	Purchase of goods	8,483,585	51%	Prepayments for goods	The purchase price is based on the regional distribution price of other related parties	It refers to the transaction nature of a single purchasing vendor.	-	-	
CoAsia Electronics Corp. (Singapore) Pte. Ltd.	Samsung Electronics Singapore Pte. Ltd.	Other related party	Purchase of goods	2,880,852	46%	OA 2 days	The purchase price is based on the regional distribution price of other related parties	It refers to the transaction nature of a single purchasing vendor.	316	(1%)	
CoAsia Electronics Corp. (Singapore) Pte. Ltd.	Samsung India Electronics Pvt Ltd.	Other related party	Purchase of goods	3,082,236	49%	OA 2 days	The purchase price is based on the regional distribution price of other related parties	It refers to the transaction nature of a single purchasing vendor.	-	-	
CoAsia Korea Co., Ltd	Samsung Electronics Co., Ltd.	Other related party	Purchase of goods	241,482	22%	75 days from end of month	The purchase price is based on the regional distribution price of other related parties	It refers to the transaction nature of a single purchasing vendor.	23,540	(10%)	
CoAsia Korea Co., Ltd	CoAsia CM Co., Ltd.	Other related party	Sales	( 930,154)	81%	30 days from end of month			( 105,827)	94%	
CoAsia Electronics Corporation (Hong Kong) Limited	Coasia Semi Limited	Other related party	Sales	( 152,331)	1%	90 days from end of month			( 111,696)	4%	
CoAsia Electronics Corporation (Hong Kong) Limited	CoAsia Electronics Corp. (Singapore) Pte. Ltd.	Sister company of the same group	Sales	( 221,208)	1%	60 days from end of month			( 43,350)	2%	
CoAsia Electronics Corp. (Singapore) Pte. Ltd.	CoAsia Electronics Corporation (Hong Kong) Limited	Sister company of the same group	Sales	( 1,696,951)	27%	60 days from end of month			( 570,836)	67%	
CoAsia Electronics Corp. (Singapore) Pte. Ltd.	CoAsia Electronics Corp.	Subsidiaries	Sales	( 140,820)	2%	60 days from end of month			( 36,012)	4%	
CoAsia Electronics Corp. (Singapore) Pte. Ltd.	CoAsia Korea Co., Ltd.	Sister company of the same group	Sales	( 726,532)	11%	40 days from end of month			( 202,377)	24%	
CoAsia Electronics Corp.	CoAsia Electronics Corporation (Hong Kong) Limited	Subsidiaries	Sales	( 6,237,530)	41%	60 days from end of month			( 1,509,061)	55%	

Note 1: If the related party transaction terms are different from the normal transaction terms, the differences and reasons shall be stated in the column of unit price and credit period.

Note 2: For those who have advance receipt (prepayment), the reason, contract terms, amount and the difference from the normal transaction type should be stated in the remarks column.

Note 3: The paid-in capital is the paid-in capital of the parent company. For issuers with shares of no-par value or of par value which is not NT\$10 per share, the regulation regarding the 20% of the paid-in capital is calculated by the 10% equity attributable to owners of the parent company on the balance sheet.

Note 4: The disclosure method of the transactions between the Company and its subsidiaries is in terms of assets and income, and its relative transactions are no longer disclosed.

CoAsia Electronics Corp. and Its Subsidiaries

Receivables from related parties reached NT\$ 100 million or 20% and above of paid-in capital

December 31, 2021

Table 5

Unit: NT\$ thousand

(unless stated otherwise)

Company recorded under account receivables	Counterparty	Relationship	Receivables from related parties (Note 1)	Turnover rate	Overdue receivables from related parties		Receivables from related parties (Note 3)	Allowance for Bad Debt
					Amount	Action taken		
CoAsia Electronics Corporation (Hong Kong) Limited	Coasia Semi Limited	Other related party	\$ 111,696	2.73	\$ -	-	\$ 9,210	\$ -
CoAsia Electronics Corp.	CoAsia Electronics Corporation (Hong Kong) Limited	Subsidiary	1,509,061	3.98	-	-	465,316	-
CoAsia Electronics Corp.(Singapore) Pte.Ltd.	CoAsia Electronics Corporation (Hong Kong) Limited	Sister company of the same group	570,836	2.64	-	-	-	-
CoAsia Electronics Corp.(Singapore) Pte.Ltd.	CoAsia Korea Co., Ltd.	Sister company of the same group	202,377	5.52	-	-	83,935	-
CoAsia Korea Co., Ltd.	CoAsia CM Co., Ltd.	Other related party	105,827	13.57	-	-	105,827	-

Note 1: Please fill in separately according to related party' s accounts receivable , notes receivable, other receivables...etc.

Note 2: The paid-in capital is the paid-in capital of the parent company. For issuers with shares of no-par value or of par value which is not NT\$10 per share, the regulation regarding the 20% of the paid-in capital is calculated by the 10% equity attributable to owners of the parent company on the balance sheet.

Note 3: It mainly refers to other receivables arising from the loan provided, so there is no need to calculate the turnover rate.

Note 4: It refers to the amount repatriated after the period as of February 16, 2022.

CoAsia Electronics Corp. and Its Subsidiaries

Intercompany Relationships and Significant Intercompany Transactions Between Parent and Subsidiaries and Between Subsidiaries

For the Year Ended December 31, 2021

Table 6

Unit: NT\$ thousand  
(unless stated otherwise)

No. (Note 1)	Name of Trader	Counterparty	Relationship with the Trader (Note 2)	Description of Transactions			Percentage of Consolidated Total Revenue or Total Assets (Note 3)
				Ledger Account	Amount	Transaction Term	
0	CoAsia Electronics Corp.	CoAsia Electronics Corporation (Hong Kong) Limited	1	Sales revenue (cost)	\$ 6,237,530	Same as normal transactions	21%
0	CoAsia Electronics Corp.	CoAsia Electronics Corporation (Hong Kong) Limited	1	Accounts receivable	1,509,061	Same as normal transactions	18%
1	CoAsia Electronics Corp. (Singapore) Pte.Ltd.	CoAsia Electronics Corporation (Hong Kong) Limited	3	Sales revenue (cost)	1,696,951	Same as normal transactions	6%
1	CoAsia Electronics Corp. (Singapore) Pte.Ltd.	CoAsia Electronics Corporation (Hong Kong) Limited	3	Accounts receivable	570,836	Same as normal transactions	7%
1	CoAsia Electronics Corp. (Singapore) Pte.Ltd.	CoAsia Korea Co., Ltd	3	Sales revenue (cost)	726,532	Same as normal transactions	2%

Note 1: The information on business dealings between the parent company and subsidiaries should be numbered according to the following method:

- (1). For the parent company, fill in 0.
- (2). Subsidiaries are numbered sequentially starting from Arabic number 1 according to the company type.

Note 2: Three types of the relationship with the trader as below and remark it by type only. (There is no need to repeat disclosure if it is the same transaction between parent and subsidiary or between subsidiaries. For example: For transactions between the parent company and subsidiaries, if the parent company has already disclosed, the subsidiary does not need to disclose it repeatedly; for transactions between subsidiaries and subsidiaries, if one of its subsidiaries has been disclosed, the other subsidiary does not need to disclose it repeatedly):

- (1). The parent company to subsidiaries.
- (2). Subsidiaries to the parent company.
- (3). Subsidiaries to subsidiaries.

Note 3: For calculation on the ratio of transaction amount to consolidated total revenue or total assets, ending balance to consolidated total assets is used to calculate for those belongs to items on the balance sheet; mid-term cumulative balance to consolidated total revenue is used to calculate for those belongs to items on the income statement.

Note 4: It is up to the company to decide whether the important transactions in this table should be listed or not based on the principle of materiality.

Note 5: Individual transactions not exceeding NT\$300 million will not be disclosed.

CoAsia Electronics Corp. and Its Subsidiaries  
Names, Locations And Relevant Information of Investee Companies (excluding mainland China investee companies)  
For the Year Ended December 31, 2021

Table 7

Unit: NT\$ thousand  
(unless stated otherwise)

Name of Investor	Name of Investee (Note 1, 2)	Location	Primary Business Activities	Initial Investment Amount		Ending Balance			Profit (Loss) of Investee for the Period (Note 2(2))	Investment Profit (Loss) Recognized for the Period (Note 2(3))	Remark
				Balance for the Period	End of last year	Number of Shares	Ratio	Carrying Amount			
CoAsia Electronics Corp.	CoAsia International Corp.	Mauritius	Professional investment company	\$ 432,977	\$ 432,977	1,329,612	100.00%	\$ 625,660	\$ 81,719	\$ 81,719	
CoAsia Electronics Corp.	Pointchips Co., Ltd.	South Korea	Semiconductor design	73,102	73,102	983,049	20.14%	( 5,395)	( 2,218)	-	
CoAsia Electronics Corp.	CoAsia Technology Co., Ltd.	Hong Kong	International trade, re-export trade	-	85,991	-	-	-	7,178	7,178	
CoAsia Electronics Corp.	CoAsia Korea Co., Ltd.	South Korea	Manufacturing and trading of peripheral products for semiconductors and development of software and hardware technologies, etc.	171,902	171,902	1,320,000	100.00%	61,511	( 28,896)	( 28,896)	
CoAsia Electronics Corp.	Studybank Co., Ltd.	Taiwan	Electronic equipment, data processing business and online learning courses, etc.	358,000	358,000	9,204,851	89.10%	13,072	567	505	
CoAsia Electronics Corp.	CoAsia Electronics Corp. (Singapore) Pte. Ltd.	Singapore	International trade, re-export trade	30,202	30,202	1,000,000	100.00%	558,279	66,254	68,806	
CoAsia Electronics Corp.	CoAsia Electronics (US) Corp.	USA	International trade, re-export trade	1,400	-	250,000	100.00%	1,324	( 61)	( 61)	
CoAsia International Corp.	CoAsia Electronics Corporation (Hong Kong)	Hong Kong	Wholesaling, designing and manufacturing of electronic components	435,837	435,837	10,293,200	100.00%	639,702	82,030	82,030	
Studybank Co., Ltd.	Taiwan Interactive Education Co., Ltd.	Taiwan	Academic tutoring, afterschool teaching, other sound recording and music publishing	50,000	50,000	1,600,000	100.00%	1,077	( 459)	( 459)	
CoAsia Electronics Corp. (Singapore) Pte. Ltd.	CoAsia Electronics Corp. LLP	India	International trade, re-export trade	4,623	4,623	-	100.00%	( 1,749)	( 2,048)	( 2,048)	Note 3

Note 1: A public offering company that has a foreign holding company and uses consolidated financial statements as its main financial statements in accordance with local laws and regulations may only disclose

Note 2: According to the following rules, fill in for those who are not in the situation described in Note 1:

(1) Fill in "Name of Investee", "Location", "Primary business" and "Original Investment Amount" and "Shareholding at the end of the period", etc. in order according to the reinvestment situation of the Company (public offering) and the reinvestment situation of each directly or indirectly controlled investee company, and indicate the relationship between each investee company and the Company (public offering) (if it is a subsidiary or a sub-company) in the remarks column.

(2) In the column of "Profit (Loss) of Investee for the Period", the profit (loss) for the period of each investee company should be filled in.

(3) The column of "Investment Profit (Loss) Recognized for the Period" only needs to be filled with the profit and loss amount of each subsidiary recognized by the Company (public offering) for direct reinvestment and each investee company accounted for using the equity method, and the rest is not required to be filled. When filling in "Profit (Loss) of Recognition of Each Subsidiary for Direct Reinvestment for the Period", it should be confirmed that the amount of profit and loss of each subsidiary for the period includes the investment profit and loss that should be recognized for reinvestment according to the regulations.

Note 3: CoAsia Electronics Corp. LLP is a limited partnership and no stocks are issued.

CoAsia Electronics Corp. and Its Subsidiaries  
Information on Investments in Mainland China - Basic Data  
For the Year Ended December 31, 2021

Table 8

Unit: NT\$ thousand  
(unless stated otherwise)

Investee Company	Primary Business Activities	Paid-in Capital	Method of Investments (Note 1)	Accumulated Amount of Investments Remitted from Taiwan at Beginning of Period	Amount of Investments Remitted or Repatriated for the Period		Accumulated Amount of Investments Remitted from Taiwan at End of Period	Profit (Loss) of Investee for the Period	The Company's Direct or Indirect Shareholding Ratio	Investment Profit (Loss) Recognized for the Period (Note 2. (2)B)	Carrying Amount of Investments at End of Period	Accumulated Investment Income Repatriated at End of Period	Remark
					Remitted	Repatriated							
CoAsia Electronics Corporation(Shanghai) Limited	International trade, re-export trade, and commercial simple processing in the bonded area	\$ 155,520	2	\$ 151,004	\$ -	\$ -	\$ 151,004	\$ 1,026	100.00%	\$ 1,026	\$ 32,764	\$ -	2.1
CoAsia Electronics Corporation (Shenzhen) Limited	International trade and re-export trade	31,291	2	20,082	-	-	20,082	( 5,844)	100.00%	( 5,844)	6,655	-	2.1
		Amount of Investments Authorized by Investment Commission, M. O. E. A.	Ceiling on Amount of Investments Stipulated by Investment Commission, M. O. E. A.										
Name of Company	Accumulated Amount of Investments Remitted from Taiwan to Mainland China at End of Period	Amount of Investments Authorized by Investment Commission, M. O. E. A.	Ceiling on Amount of Investments Stipulated by Investment Commission, M. O. E. A.										
CoAsia Electronics Corp.	\$ 171,086	\$ 171,086	\$ 1,490,281										

Note 1: Methods of investments are divided into the following three types:

- (1). Direct investment in mainland China
- (2). Reinvestment in Mainland China through companies registered in a third region. (please specify the investment company in a third region)
  - 2.1 Reinvest in the companies in the Mainland Chinese through CoAsia Electronics Corporation (Hong Kong) Limited established in third regions.
- (3). Others

Note 2: Investment profit (loss) recognized for the period:

- (1) Indicate if no investment profit (loss) is recognized as an investee is under preparation
- (2) Indicate if investment profit (loss) is recognized on the following three types of basis
  - A. Financial statements audited by international accounting firms cooperating with accounting firms in the Republic of China
  - B. Financial statements audited and certified by the parent company's certified public accountant in Taiwan
  - C. Others.

Note 3: Figures related to this table should be listed in New Taiwan Dollars.

CoAsia Electronics Corp.  
Information on Major Shareholders  
December 31, 2021

Table 9

Name of Major Shareholders	Shareholding	
	Number of Shares Held	Percentage of Ownership
Investment account of BSE Holdings Co., Ltd entrusted custody by CTBC Bank Co., Ltd.	17,739,028	12.21%
CoAsia Corporation of Korea Company	11,673,652	8.03%



**CoAsia Electronics Corp.**



**Chairman**

**Lee Hee Jun**

