

(Stock Code: 8096)



CoAsia Electronics Corp.

2022 Annual Report

Annual Report Website

Market Observation Post System: <http://mops.twse.com.tw/>

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Title: CFO

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Deputy Spokesperson

Name: Chen, Hung-Yi

Title: Deputy General Manager

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II. Contact Information of the Head Office, Branch Offices and Factories**Head office**

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Branch Offices and Factories: None

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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:

The COVID-19 epidemic has been somewhat relieved under the measures of large-scale vaccination in various countries in 2021, and the rapidly frozen economy is gradually recovering. However, two major events occurred simultaneously in the first quarter of 2022, resulting in cliff like order cutting for most industries in the second quarter of 2022, affecting revenue and inventory reduction in the second half of the year. The first of these two major events was the Russia-Ukraine war, while the second was China's ongoing COVID-19 clearance policy. The shortage of raw materials such as food and energy has stimulated the soaring prices of raw materials and energy, which has contributed to inflation. After the first shot was taken in the United States to raise interest rates in order to curb inflation, countries all over the world, whether to avoid the factor of interest rate difference between their own currencies and the United States dollar or to curb inflation in their own countries, took the same means to raise interest rates, because the rising interest rates led to the gradual rise of capital costs, which caused interference in the financial market, while the huge consumer market in China has been severely affected by the zero clearance policy, which has weakened consumer confidence in electronic communication and information products. As a result, in the second half of 2022, both mobile phones and consumer electronics, as well as some traditional industries, are facing high inventory issues. Our main products are closely related to the smart phone industry, so, due to this impact, our Company's performance in terms of revenue margin, operating profit, and post tax profit for the 2022 was not as good as in 2021.

I. Operating results in 2022

In 2022, the Company mainly sells Samsung electronic wafers and key components for mobile communication, such as AMOLED, CIS, Memory, CPU, small and medium-sized TFT-LCD, as well as various sensor components and driver ICs from other world-class manufacturers, mainly used in handheld mobile communication device solutions. The main business revenue and customers concentrate in communication products, with manufacturers of smart phones or downstream assembly and module factories being the main sources of revenue for our company. In 2022, the Company's consolidated operating revenue reached NT\$23.4 billion, an decrease of NT\$5.8 billion from 2021, representing a year-on-year decrease of approx. 19.86%. The gross operating profit is NT\$640 million, an decrease of NT\$320 million from 2021, representing a year-on-year decrease of

33.65%. The gross profit rate is 2.72%, the net profit attributable to the parent company is NT\$1.1 million, and the earnings per share is NT\$0.01.

II. Business plan overview for 2023

In 2023, the cost of capital is expected to increase gradually due to interest rate increase and the overall economic environment will become conservative due to the inflation problem. Therefore, the Company will strengthen the following items in order to cope with this trend:

- (I) Each production line sets an upper limit on the working capital consumed by accounts receivable and inventory according to the revenue scale and production line characteristics to save financial costs.
- (II) Due to the conservative nature of operations, the control of operating expenses will be strengthened.
- (III) In addition to adopting insurance measures to address accounts receivable risks, we will also strengthen credit control measures to avoid the expansion of accounts receivable risks.

In the first half of 2023, efforts will be made to clear inventory and reduce funding pressure, in order to exchange for space for revenue recovery and growth in the second half of the year.

III. Future Development Strategy

Under the influence of inflation in the short term, the confidence of end consumers is generally insufficient, and it is still necessary to take steps to avoid excessive inventory. The Company 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, and keep abreast of new product information and the trend of the industry, 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-Seo



Chapter 2 Company Profile

I. Company Profile

(I) Date of Incorporation: November 21, 1997

(II) Company History

Historical Events

1. 11/1997 COASIA MICROELECTRONICS CORP. was established in Taipei
2. 01/1998 it supplied 0.5 μm /0.35 μm GATE ARRAY and TANDARD CELL ASIC SERVICE
3. 03/1998 it successfully cooperated with American customers to develop 0.35 μm NOTEBOOK GRAPHICS CHIP containing 20MB ITSDRAM and RAMDAC, PLL IP CORES.
4. 03/1999 it provided 0.25 μm ASIC Service
5. 08/1999 it successfully cooperated with customers to develop a single chip of 0.35 μm 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. 08/1999 it cooperated with American customers to develop PC CAMERA CONTROLLER CHIP with USB IP CORE
7. 09/1999 it successfully cooperated with customers to develop 0.35 μm 8-PORT SWITCHING IC with 16MBIT SDRAM IPCORE
8. 01/2000 it began to provide FLASH EMBEDDED SOC DESIGN SERVICE and successfully cooperated with customers to develop 0.35 μm FLASH EMBEDDED SoC with 1 MBIT FLASH IPCORE
9. 03/2000 it began to provide 0.18 μm ASIC SERVICE
10. 04/2000 it successfully cooperated with customers to develop a single chip of 0.35 μm CCD CAMERA SOC system, with 10BIT CAMCODER ANALOG FRONT END IP CORE
11. 09/2000 issuance of ordinary shares for cash increased to NT\$15,000,000, and the capital increased to NT\$95,000,000
12. 10/2000 it began to provide 0.35 μm /0.25 μm ARM RISC CPU EMBEDDED SoC DESIGN SERVICE
13. 11/2000 Cash capitalization of NT\$105,000,000 and paid-in capital was NT\$200,000,000
14. 11/2000 CDIB Capital joined the CoAsia Board
15. 03/2001 it began to provide Network/PDA SOC Design Platform for SoC Design Service
16. 05/2001 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. 06/2001 it invested in COASIA INTERNATIONAL CORP.
18. 07/2001 the Company's shares were publicly issued
19. 08/2001 it invested in SILICON PLAZA LIMITED.

20. 09/2001 the Company's Hsinchu IP R&D Center was established
21. 02/2002 South Korea RD Center was established
22. 07/2002 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. 02/2003 the Board of Directors of the Company adopted a resolution to apply for the registration of shares for over-the-counter trading
24. 02/2003 it increased reinvestment in COASIA INTERNATIONAL CORP.US\$325,000 to buy stock equity of Silicon Plaza Limited.
25. 04/2003 listed on TPEx
26. 06/2003 shareholders' regular meeting passed the resolution that surplus and employee bonus transfer to capital increase was NT\$48,863,000
27. 09/2003 the Company issued a recognition of employee share options of 1,600 units
28. 01/2004 Application for stock listing was approved
29. 01/2004 it was authorized to become Microsoft Windows Embedded Partner member
30. 04/2004 the Company issued an recognition of employee share options of 1,600 units
31. 04/2004 an embedded system design team was established to obtain Samsung Electronics' first Mobile Solution Partner in the world
32. 06/2004 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. 06/2004 it increased reinvestment in COASIA INTERNATIONAL CORP. of US\$2,000,000 and increased capital of Silicon Plaza Limited.
34. 07/2004 the stock was officially listed on and traded at the TPEx
35. 07/2004 it completed the development and production of the E100 0.3MP color camera and mobile phone cover modules
36. 07/2004 it completed the development and production of the E500 1.3MP color camera and mobile phone cover modules
37. 11/2004 an embedded platform, namely CoAsia Embedded Platform – CEP2410, was successfully developed.
38. 11/2004 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. 03/2005 the stock was traded in financing trading in the upper counter market
40. 06/2005 shareholders' regular meeting passed the resolution that surplus and employee bonus transfer to capital increase was NT\$32,152,540
41. 08/2005 surplus and employee bonus transfer to capital increase was NT\$32,152,540

42. 08/2005 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. 09/2005 the second issuance of employee recognition of employees in 2003 began to change
44. 10/2005 it set up a 100% reinvestment in Mango Research Corp., with a paid-up capital of NT\$10,000 thousand
45. 12/2005 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. 03/2006 it increased the capital of Silicon Plaza Limited by US\$2 million by increasing reinvestment in COASIA INTERNATIONAL CORP.
47. 03/2006 it increased reinvestment in Mango Research Corp. of NT\$30,000 thousand
48. 06/2006 shareholders' regular meeting passed the resolution that surplus and employee bonus transfer to capital increase was NT\$56,863,590
49. 08/2006 it issued the second domestic unsecured convertible Bond of NT\$500 million
50. 08/2006 surplus and employee bonus transfer to capital increase was NT\$56,863,590
51. 11/2006 it increased reinvestment in Mango Research Corp. of NT\$51,000 thousand
52. 03/2007 it invested in Ubitrotech, South Korea with KRW279,000 thousand
53. 07/2007 it passed the NT\$660 million joint loan case through TC Bank and other banks
54. 09/2007 surplus and employee bonus transfer to capital increase was NT\$68,313,400
55. 10/2007 it increased the capital of Silicon Plaza Limited by US\$3,000 thousand by increasing reinvestment in COASIA INTERNATIONAL CORP.
56. 06/2008 shareholders' regular meeting passed the resolution that surplus and employee bonus transfer to capital increase was NT\$48,042,250
57. 08/2008 surplus and employee bonus transfer to capital increase was NT\$48,042,250
58. 08/2008 domestic second unsecured convertible corporate bonds bondholders exercise the second call back option
59. 08/2008 it invested in CoAsia Electronics, South Korea with KRW50,000 thousand
60. 07/2009 it invested in PointChips, South Korea with KRW2.8 billion
61. 07/2009 it invested in the research and development of touch panel-related technologies

62. 12/2009 it exercised the right to call back domestic second unsecured convertible corporate bonds in Taiwan and terminated its over-the-counter trading
63. 12/2009 it passed the NT\$1 billion joint loan case through TC Bank and other banks
64. 08/2010 the amount of joint loan case through TC Bank and other banks changed from NT\$1 billion to NT\$1.6 billion
65. 09/2010 it passed US\$210 million joint loan case through CTBC Bank and other banks
66. 02/2011 it completed cancellation of the treasury stock of NT\$40,000 thousand
67. 03/2011 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. 10/2011 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. 11/2011 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. 07/2012 it invested in CoAsia Korea Co., Ltd, South Korea with KRW500 million
71. 09/2012 surplus and employee bonus transfer to capital increase was NT\$59,476,880
72. 09/2012 memory products of HTC were sold directly by Taiwan Samsung
73. 08/2013 it passed US\$26 million joint loan case through TC Bank and other banks
74. 08/2013 it increased its investment to CoAsia Korea Co. Ltd, South Korea by KRW499,995 thousand
75. 09/2013 surplus and employee bonus transfer to capital increase was NT\$61,076,940
76. 11/2013 it invested in WELLDISPLAY with US\$890 thousand
77. 03/2014 a memory bank R&D Center was established in Shanghai
78. 05/2014 it invested in the establishment of CoAsia Microelectronic Corp.(Singapore) Pte. Ltd.
79. 06/2014 it increased its capital to WELL DISPLAY with US\$1 million
80. 05/2015 the Company developed its own brand product AIR MENTOR - comprehensive air quality detector, and won the Computex d&i awards 2015.
81. 05/2015 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

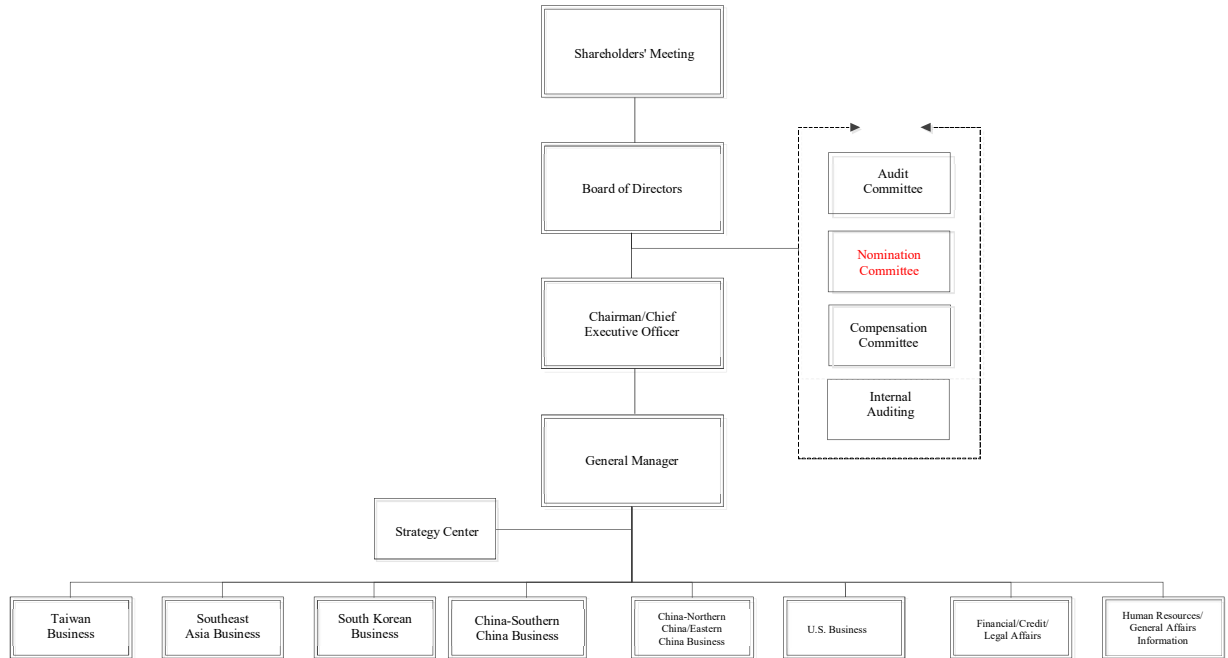
- (Shanghai) Co., Ltd. in the name of COASIA
MICROELECTRONICS CORPORATION (HONGKONG)
LIMITED
82. 06/2015 WELL DISPLAY increased its capital to Shenzhen Weidele Trading Co., Ltd. with US\$650 thousand
 83. 06/2015 Well Display was renamed as COASIA ELECTRONICS CORP LIMITED
 84. 07/2015 chairman Mr. Lee, Hee-Jun, transferred more than 1/2 of his shareholding at the time of his election, he shall be deemed to have resigned of course
 85. 08/2015 Mr. Hou, Ching-Chi was selected as the new chairman
 86. 09/2015 Extraordinary General Meeting of Shareholders re-elected director, representative of BSE HOLDINGS CO., LTD: Mr. Lee, Hee-Jun
 87. 09/2015 Mr. Hou, Ching-Chi resigned, and the Board of Directors selected representative of BSE HOLDINGS CO., LTD: Mr. Lee, Hee-Jun as the new Chairman
 88. 10/2015 the Investment Review Board passed the resolution to rename BSE HOLDINGS CO., LTD as COASIA HOLDINGS CO., LTD
 89. 04/2016 it invested NT\$ 20 million to set up COASIA BIOTECH CORP..
 90. 05/2016 the Company developed its own brand Air Mentor product Smart Alcohol Tester, and won the Computex d&i awards 2016
 91. 09/2016 Surplus capitalization of NT\$173,612,980
 92. 12/2016 it invested NT\$16 million to set up AIR MENTOR INTELLIGENCE CORP., Ltd.
 93. 03/2017 it increased its capital to STUDYBANK CO., LTD with NT\$186 million
 94. 04/2017 it increased its capital to COASIA BIOTECH CORP. with NT\$10 million
 95. 02/2018 it transferred all shares of COASIA BIOTECH CORP. to ATGEN
 96. 05/2019 the Investment Review Board passed the resolution to rename COASIA HOLDINGS CO., LTD as COASIA CORPORATION
 97. 07/2019 the Company name was renamed from COASIA MICROELECTRONICS CORP. to CoAsia Electronics Corp.
 98. 09/2019 it increased its capital to South Korea CoAsia Korea Co., Ltd. with US\$5 million
 99. 12/2019 it increased its capital to STUDYBANK CO., LTD with NT\$60 million
 100. 09/2020 Conversion of surplus into capital by NT\$27,924,790
 101. 12/2020 the Company's official website major revision was launched
 102. 02/2021 it sold the reinvested subsidiary STUDYBANK and Taiwan Interactive Education Corp. related business
 103. 05/2021 sub-subsidiary CoAsia Electronics Corp. (Hong Kong) Ltd. and subsidiary CoAsia Technology Corp. Limited were merged

- 104. 06/2021 it invested US\$50,000 to set up CoAsia Electronics (US) Corp.
- 105. 10/2021 Conversion of surplus into capital by NT\$28,483,290
- 106. 06/2022 The liquidation of sub-subsidiary Taiwan Interactive Education Corp. was completed
- 107. 09/2022 Surplus capitalization of NT\$36,316,190

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, Associate Managers and Heads of Departments and Branches:

(I) Directors' Information

1. Directors' Information

April 30, 2023

Title	Nationality/ Place of Incorporation	Name	Gender Age	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 ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relation	
Chairman	Republic of Korea	Lee, Hee- Jun (Note 1)	Male 61	2020.06.19	3 years	2015.09.21	28,270,550	20.25%	30,147,996	20.25%	0	0%	0	0%	(Note 2)	(Note 2)	—	—	—	(Note 3)
Vice- Chairmen	Republic of Korea	Shin, Dong-Soo	Male 57	2020.06.19	3 years	2017.06.22	0	0%	0	0%	0	0%	0	0%	(Note 2)	(Note 2)	—	—	—	(Note 3)
Independ ent Director	R.O.C.	Chen, Chien-Li	Male 53	2020.06.19	3 years	2020.06.19	0	0%	0	0%	0	0%	0	0%	(Note 2)	(Note 2)	—	—	—	(Note 3)
Independ ent Director	R.O.C.	Chou, Chih- Cheng	Male 69	2020.06.19	3 years	2020.06.19	0	0%	0	0%	0	0%	0	0%	(Note 2)	(Note 2)	—	—	—	(Note 3)
Independ ent Director	Republic of Korea	Hwang, Il- Suk	Male 53	2020.06.19	3 years	2020.06.19	0	0%	0	0%	0	0%	0	0%	(Note 2)	(Note 2)	—	—	—	(Note 3)

Note 1: Representative of CoAsia Corporation.

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 MIDAS Dreams 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 CoAsia SEMI (US), (HK), (KR)
Vice-Chairmen	Shin, Dong-Soo	Department of Electrical Engineering, Sungkyunkwan University Senior Associate 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 Corp.(Shanghai) Limited, 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 Hongjng 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, 2022

Name of the corporate shareholder	Major shareholders of corporate shareholders
CoAsia Corporation	1. Lee, Hee-Jun 19.52% 2. CoAsia Corporation(Treasury stock) 16.18% 3. SOCIETE GENERALE S.A 2.66% 4. YOON DONG YOOK 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:

Name	Condition	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, General Manager, 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, supervisor, managerial officer, 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 specific companies or institutions if they hold more than 20% but less than 50% of the outstanding shares of the Company or independent directors in the Company, its parent company, subsidiaries, or subsidiaries of the same parent company 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) General Manager, Deputy General Managers, Associate Managers, and Supervisors of All the Company's Divisions and Branch Units

April 30, 2023

Title	Nationality	Name	Gender	Date Elected (Appointed)	Shares Held		Shares Held by 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 ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relation	
CEO	Republic of Korea	Lee, Hee-Jun	Male	2004.08							(Note 16)	(Note 16)	—	—	—	(Note 17)
General Manager	Republic of Korea	Shin, Dong-Soo	Male	2017.01							(Note 16)	(Note 16)	—	—	—	—
Deputy General Manager (Head of Accounting)	R.O.C.	Wang, Peng-Cheng	Male	2018.01							(Note 16)	(Note 16)	—	—	—	—
Deputy General Manager	People's Republic of China	Cui, Ming-Gang	Male	2016.05							(Note 16)	(Note 16)	—	—	—	—
Deputy General Manager	R.O.C.	Chou, Pei-Ni	Female	2018.04	181	0%	1,365	0%	0	0	(Note 16)	(Note 16)	—	—	—	—
Deputy General Manager	Republic of Korea	Yi, Duk-Hyung	Male	2019.01							(Note 16)	(Note 16)	—	—	—	—
Deputy General Manager	Republic of Korea	Noh, Kyung-Heon	Male	2019.01							(Note 16)	(Note 16)	—	—	—	—
Deputy General Manager	Republic of Korea	Moon, Kyung-Mo	Male	2019.11							(Note 16)	(Note 16)	—	—	—	—
Deputy General Manager (Note 8)	Republic of Korea	Kim, Chang-Wan	Male	2020.03							(Note 16)	(Note 16)	—	—	—	—
Deputy General Manager (Note 3)	Republic of Korea	Cho, Kye-Young	Male	2020.11							(Note 16)	(Note 16)	—	—	—	—
Deputy General Manager	Republic of Korea	Lee, Jung-Won	Male	2021.01							(Note 16)	(Note 16)	—	—	—	—

Title	Nationality	Name	Gender	Date Elected (Appointed)	Shares Held		Shares Held by 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 ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relation	
Deputy General Manager (Note 4)	R.O.C.	Chen, Hsiao-Hsu	Male	2021.03	0	0%	0	0%	0	0%	(Note 16)	(Note 16)	—	—	—	—
Deputy General Manager (Note 7)	Republic of Korea	Lee, Seung-Rok	Male	2021.05	0	0%	0	0%	0	0%	(Note 16)	(Note 16)	—	—	—	—
Deputy General Manager (Note 9)	R.O.C.	Chen, Wei-Li	Female	2022.03	18,030	0%	0	0%	0	0%	(Note 16)	(Note 16)	—	—	—	—
Deputy General Manager (Note 10)	R.O.C.	Chen, Po-Kuang	Male	2022.06	0	0%	0	0%	0	0%	(Note 16)	(Note 16)	—	—	—	—
Deputy General Manager (Note 11)	Republic of Korea	Park, Gyong-Sok	Male	2023.01	0	0%	0	0%	0	0%	(Note 16)	(Note 16)	—	—	—	—
Deputy General Manager (Note 12)	Republic of Korea	Yoon, In-Young	Female	2023.01	0	0%	0	0%	0	0%	(Note 16)	(Note 16)	—	—	—	—
Deputy General Manager (Note 13)	R.O.C.	Chen, Hung-Yi	Male	2023.03	0	0%	0	0%	0	0%	(Note 16)	(Note 16)	—	—	—	—
Associate Manager (Note 5)	Republic of Korea.	Sim, Woo-Sup	Male	2020.03	0	0%	0	0%	0	0%	(Note 16)	(Note 16)	—	—	—	—
Associate Manager (Note 6)	R.O.C.	Wu, Chi-Chang	Male	2021.03	0	0%	0	0%	0	0%	(Note 16)	(Note 16)	—	—	—	—
Associate Manager	Republic of Korea	Kim, Myoung-Yi	Female	2021.03	0	0%	0	0%	0	0%	(Note 16)	(Note 16)	—	—	—	—
Associate Manager	Republic of Korea	Doh, Sang-Jin	Male	2021.03	0	0%	0	0%	0	0%	(Note 16)	(Note 16)	—	—	—	—

Title	Nationality	Name	Gender	Date Elected (Appointed)	Shares Held		Shares Held by 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 ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relation	
Associate Manager (Note 14)	R.O.C.	Wu, Ying-Chih	Male	2023.03	372	0%	0	0%	0	0%	(Note 16)	(Note 16)	—	—	—	—
Associate Manager (Note 15)	Republic of Korea	Lee, Min-II	Male	2023.03	0	0%	0	0%	0	0%	(Note 16)	(Note 16)	—	—	—	—

Note 1: Information regarding General Manager, Deputy General Managers, Associate Managers and heads 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. Cho, Kye-Young resigned on Nov. 30, 2022.

Note 4: Mr. Chen, Hsiao-Hsu resigned on Dec. 31, 2022.

Note 5: Mr. Sim, Woo-Sup resigned on Aug. 31, 2022.

Note 6: Mr. Wu, Chi-Chang resigned on Dec. 31, 2022.

Note 7: Mr. Lee, Seung-Rok resigned on Dec. 31, 2022.

Note 8: Mr. Kim, Chang-Wan resigned on Dec. 31, 2022.

Note 9: Ms. Chen, Wei-Li took office as Deputy General Manager on March 1, 2022.

Note 10: Mr. Chen, Po-Kuang took office as Deputy General Manager on Jun. 13, 2022 and left on Nov. 30, 2022.

Note 11: Mr. Park, Gyeong-Suk took office as Deputy General Manager on Jan. 1, 2023.

Note 12: Ms. Yoon, In-Young took office as Deputy General Manager on Jan. 1, 2023.

Note 13: Mr. Chen, Hung-Yi took office as Deputy General Manager on March 1, 2023.

Note 14: Mr. Wu, Ying-Chih took office as Associate Manager on Mar. 1, 2023.

Note 15: Mr. Lee, Min-II took office as Associate Manager on Mar. 6, 2023.

Note 16: Main experience (education) of General Manager, Deputy General Managers, Associate Managers and heads of departments and branches and concurrent positions held in other companies are listed in the attached table.

Note 17: In case that the General Manager or his/her equivalent (top manager) is assumed concurrently by the Chairman, or his/her spouse or a relative within one degree of kinship, the reason, rationality, necessity and corresponding measures (such as increasing the number of Independent Directors, and more than half of the Directors not concurrently serving as employees or managers) should be described:

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 MIDAS Dreams 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 CoAsia SEMI (US), (HK), (KR)
Vice-Chairmen	Shin, Dong-Soo	Department of Electrical Engineering, Sungkyunkwan University Senior Associate Manager, Samsung Electronics Co., Ltd. General Manager of CoAsia Electronics Corp.	Vice Chairman/General Manager/Director of the Company, Supervisor of CoAsia Electronics Corp.(Shanghai) Limited, 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 Corp.(Shanghai) Limited
Deputy General Manager	Chou, Pei-Ni	Banking and Insurance Division, Ming Chuan University NATIONAL NANO DEVICE LABORATORIES Deputy General Manager of CoAsia Electronics Corp.	Supervisor of STUDYBANK CO., LTD, Director of MIDAS Dreams Co., Ltd.
Deputy General Manager	Yi, Duk-Hyung	Department of Metal Materials Engineering, Kookmin University, Korea Samsung Display Marketing Manager Deputy General 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	Representative of CoAsia Semi (Shanghai) Co., Ltd.

Title	Name	Main education (experience)	Concurrent Positions Held in the Company and Other Companies
		Deputy General Manager of CoAsia Electronics Corp.	
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 / DDI Marketing 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 General 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 General Manager of CoAsia Electronics Corp.	Legal representative of CoAsia Electronics Corp.(Shenzhen) Limited
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 General 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	None

Title	Name	Main education (experience)	Concurrent Positions Held in the Company and Other Companies
		Samsung Electronics/ Principal Engineer Deputy General Manager of CoAsia Electronics Corp.	
Deputy General Manager	Chen, Wei-Li	Department of Cooperative Economics, National Chung Hsing University Special Assistant to Chairman of CoAsia Electronics Corp.	None
Deputy General Manager	Chen, Po-Kuang	Department of Business Management, Columbia University Deputy General Manager of CoAsia Electronics Corp.	None
Deputy General Manager	Park, Gyong-Sok	Department of Business Management, Kyungnam University Samsung Electronics/ Principal Professional University of Oregon, USA MBA Deputy General Manager of CoAsia Electronics Corp.	None
Deputy General 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 Manage Deputy General Manager of CoAsia Electronics Corp.	None
Deputy General 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. Deputy General Manager of CoAsia Electronics Corp.	None
Associate 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
Associate 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 Associate Manager of CoAsia Electronics Corp.	None
Associate 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. Associate Manager of CoAsia Electronics Corp.	None
Associate 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.	None

Title	Name	Main education (experience)	Concurrent Positions Held in the Company and Other Companies
		Deputy General Manager of Dual Corporation Associate Manager of CoAsia Electronics Corp.	
Associate Manager	Wu, Ying-Chih	Department of Electrical Engineering, Ming Chi University of Technology Test and Maintenance Engineer, Comtrend FAE, Amtek Semiconductors Associate Manager of CoAsia Electronics Corp.	None
Associate Manager	Lee, Min-Il	Department of Business Administration, National Taiwan University Project Manager of Corporate Strategy, AIG South Korea Head of Management and Innovation Department, Samsung Electronics Taiwan Co., Ltd. COO, Gong Cha International Co., Ltd. Associate Manager of CoAsia Electronics Corp.	None

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

1. Remuneration to Directors (including Independent Directors)

December 31, 2022, Unit: NT\$ thousands

Title	Name	Remuneration to directors								Percentage of the total of 4 items A, B, C and D to net income after taxes (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)				Salaries, Bonuses and Special Allowances (E) (Note 5)		Severance Pay (F)		Employee remuneration (G) (Note 6)								
		The Company	All companies in the financial statements (Note 7)	The Company	All companies in the financial statements (Note 7)	The Company	All companies in the financial statements (Note 7)	The Company	All companies in the financial statements (Note 7)	The Company	All companies in the financial statements (Note 7)	The Company	All companies in the financial statements (Note 7)	The Company	All companies in the financial statements (Note 7)	Cash amount	Stock amount	Cash amount	Stock amount	The Company	All companies in the financial statements			
Director	Chairman	Lee, Hee-Jun																						
	Director	Shin, Dong-Soo	0	0	0	0	75	75	46	46	10.85%	10.85%	11,002	28,759	0	44	284	0	284	0	1025.12%	2624.98%	None	
Independent Director	Director	Chou, Chih-Cheng																						
	Director	Chen, Chien-Li	2,160	2,160	0	0	112	112	138	138	216.6%	216.6%	0	0	0	0	0	0	0	0	216.6%	216.6%	None	
	Director	Hwang, Il-Suk																						

- 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:
 - 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 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.
 - Pursuant to Article 16 of the Articles of Incorporation, the Board of Directors has been delegated to determine the remuneration to Directors based on the 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.
- 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.

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 Financial Statements (Note 9) H	The Company (Note 8)	All companies in the financial statements (Note 9) I
Less than NT\$1,000,000	Lee, Hee-Jun, Shin, Dong-Soo, Chou, Chih-Cheng, Chen, Chien-Li, Hwang Il Suk	Lee, Hee-Jun, Shin, Dong-Soo, 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\$1,000,000 (inclusive) to NT\$2,000,000 (exclusive)				
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)				Lee, Hee-Jun, Shin, Dong-Soo
NT\$15,000,000 (inclusive) to NT\$30,000,000 (exclusive)				
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: 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 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.
- Note 5: Salary, job-related allowances, separation pay, various bonuses, incentives, transportation allowance, special allowance, various allowances, accommodation allowance and vehicle received by Directors who concurrently serve as employees (including general manager, deputy general managers, other managerial officers and employees) in the most recent fiscal 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. Furthermore, any compensation recognized in the IFRS 2 - "Share-Based Payment" section, including issuance of employee stock options, new restricted employee shares and capital increase by stock subscription, shall be included in the calculation of remuneration.
- Note 6: For Directors concurrently serving as employees (including general manager, deputy general manager, other managerial officers and employees) who receive employee rewards (including shares and cash), the amount of employee rewards that have been approved by the Board of Directors and are distributed to them in the most recent fiscal year shall be disclosed. If the amount of rewards cannot be estimated, the amount of rewards in the current fiscal year shall be calculated based on the ratio of the amount of rewards distributed in the previous fiscal year, and this amount shall also be filled in Table 1-3.
- 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 fiscal year. Where IFRS is 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 fiscal year.
- Note 11: a. This field shall clearly indicate the amount of remuneration received by the Company's Directors from investees other than a subsidiary or the parent company (if not, please fill in "none").
b. If a director of the company receives remuneration from investment companies other than subsidiaries, the amount of remuneration received by the director from investment companies other than subsidiaries should be combined into Column I of the table for ranges of remuneration, and this column should be renamed as "All Investment Companies".
c. Remuneration refers to the compensation, rewards (including rewards distributed to employees, directors and supervisors) and remuneration related to business expenses that are received by the company's directors who serve as directors, supervisors or managerial officers at investment companies other than subsidiaries.

*A different concept is used for the content of remuneration disclosed in this table compared to that in the Income Tax Act. This table is used for information disclosure, instead of taxation.

Remuneration paid to the General Managers and Deputy General Managers

December 31, 2022, Unit: NT\$ thousands

Title	Name	Salary (A) (Note 2)		Severance Pay (B)		Bonus and Allowances, etc. (C) (Note 3)		Employee Remuneration (D) (Note 4)				Percentage of the total of 4 items A, B, C and D on net income after tax (%) (Note 8)		Remuneration from an Invested Company Other than the Company's Subsidiary or the Parent Company (Note 9)
		The Company	All companies in the financial statements (Note 5)	The Company	All companies in the financial statements (Note 5)	The Company	All companies in the financial statements (Note 5)	The Company		All companies in the financial statements (Note 5)		The Company	All companies in the financial statements	
								Cash amount	Stock amount	Cash amount	Stock amount			
CEO	Lee, Hee-Jun	20,593	58,639	3,800	7,234	7,481	35,576	524	0	874	0	2,911.61%	9,195.93%	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	Chen, Wei-Li													
Deputy General Manager	Chen, Po-Kuang													
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													

* Regardless of titles, remunerations of employees with position equivalent to General Manager and Deputy General Manager (such as President, CEO, director) shall be disclosed.

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 Financial Statements (Note 7) E
Less than NT\$1,000,000		
NT\$1,000,000 (inclusive) to NT\$2,000,000 (exclusive)	Yi, Duk-Hyung	Lee, Hak-Yong
NT\$2,000,000 (inclusive) to NT\$3,500,000 (exclusive)	Shin, Dong-Soo, Chen, Po-Kuang, Chen, Wei-Li	Chen, Wei-Li, Chen, Po-Kuang
NT\$3,500,000 (inclusive) to NT\$5,000,000 (exclusive)	Chou, Pei-Ni,	Chou, Pei-Ni, Cui, Ming-Gang, Kim, Chang-Wan, Lee, Seung-Rok
NT\$5,000,000 (inclusive) to NT\$10,000,000 (exclusive)	Lee, Hee-Jun, Wang, Peng-Cheng, Chen, Hsiao-Hsu	Wang, Peng-Cheng, Cho, Kye-Young, Yi, Duk-Hyung, Noh, Kyung-Heon, Lee, Jung-Won, Chen, Hsiao-Hsu
NT\$10,000,000 (inclusive) to NT\$15,000,000 (exclusive)		Lee, Hee-Jun, Shin, Dong-Soo, Moon, Kyung-Mo
NT\$15,000,000 (inclusive) to NT\$30,000,000 (exclusive)		
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 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. Furthermore, any compensation recognized in the IFRS 2 - "Share-Based Payment" section, including issuance of employee stock options, new restricted employee shares and capital increase by stock subscription, shall be included in the calculation of 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 fiscal year. Where IFRS is 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 fiscal 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 General Manager and Deputy General Manager of the Company receives remuneration from investee companies other than subsidiaries, the amount of remuneration received by the General Manager and Deputy General Manager from investment companies other than subsidiaries shall be combined into Column E of the table for ranges of remuneration, and this column shall be renamed as "All Investment Companies".

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.

* A different concept is used for the content of remuneration disclosed in this table compared to that in the Income Tax Act. This table is used for information disclosure, instead of taxation.

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

March 31, 2023 Unit: NT\$ thousands

	Title (Note 1)	Name (Note 1)	Stock amount	Cash amount	Total	Ratio of Total Amount to Net Income (%)
Manager	CEO	Lee, Hee-Jun	0	1,174	1,174	105.58%
	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				
	Deputy General Manager	Chen, Hung-Yi				
	Deputy General Manager	Yoon, In-Young				
	Deputy General Manager	Park, Gyong-Sok				
	Associate Manager	Wu, Chi-Chang				
	Associate Manager	Kim, Myoung-Yi				
Associate Manager	Wu, Ying-Chih					
Associate Manager	Doh, Sang-Jin					

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 fiscal year. Where IFRS is 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 fiscal 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) Associate 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.

(IV) 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	
	2022		2021			
	The Company	All Companies in the Consolidated Financial Statements	The Company	All Companies in the Consolidated Financial Statements	The Company	All Companies in the Consolidated Financial Statements
Director	1241.72%	2841.58%	10.97%	32.08%	1230.75%	2809.50%
Supervisor	0%	0%	0%	0%	0%	0%
General Managers and Deputy General Managers	2911.61%	9195.93%	24.72%	76.42%	2886.89%	9119.51%

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 rewards to employees, and no more than 5% as remuneration to directors before deducting the rewards to employees and directors of the year; However, if the Company still has accumulated losses, it shall reserve the amount of coverage in advance. Employee rewards 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 rewards may only be paid in cash.

The rewards to employees and directors shall be paid 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 rewards to General Manager 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 held 5 Board meetings in the most recent year. The attendance of Directors and Supervisor is as follows:

Title	Name (Note 1)	Number of Actual Attendance B	Attendance by Proxy	Actual Attendance (Appearance) Rate (%) [B/A] [Note 2]	Remarks
Chairman	CoAsia Corporation Representative: Lee, Hee-Jun	5	0	100.00%	Reelected and reappointed on 06/19/2020
Director	Shin, Dong-Soo	5	0	100.00%	Reelected and reappointed on 06/19/2020
Independent Director	Chou, Chih-Cheng	5	0	100.00%	Reelected and appointed on 06/19/2020
Independent Director	Chen, Chien-Li	4	1	80.00%	Reelected and appointed on 06/19/2020
Independent Director	Hwang, Il-Suk	5	0	100.00%	Reelected and appointed on 06/19/2020

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.
Please refer to the following table "Matters referred to in Article 14-3 of the Securities and Exchange Act in 2020" for details.
 - (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. Evaluate the goals and implementation status of strengthening the functions of the Board of Directors in the current and most recent years, such as establishing a Nomination Committee, improving information transparency, etc.
[Note] (1) The Company has taken out directors and supervisors liability insurance for many years, with the latest policy effective from March 1, 2023 to March 1, 2024. 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 2022 annual performance evaluation and submitted to the Board of Directors on March 20, 2023.

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) Where a director or a supervisor resigns before the end of the fiscal year, the Remark column shall be filled with the director's or supervisor's resignation date, whereas his/her percentage of attendance in person (%) shall be calculated based on the number of Board of Directors' meetings held and the actual attendance in person during the period during his/her term of office.
- (2) If directors or supervisors are re-elected before the end of the fiscal year, incoming and outgoing directors or supervisors shall be listed accordingly, and the Remark column shall indicate whether the status of a director is "outgoing", "incoming" or "re-elected", and the date of re-election. 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) Execution of evaluation of the Board of Directors

Evaluation cycle	Evaluation period	Evaluation scope	Evaluation method	Evaluation contents
Once a year	From January 1, 2022 to December 31, 2022	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 in Article 14-3 of the Securities and Exchange Act in 2022

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 12th meeting of the 9th term 2022.03.08	1. Proposal on 'Evaluation for Effectiveness of Internal Control System' and 'Internal Control System Statement' for 2021	✓	No objection or qualified opinion
	2. Proposal on capitalization of surplus and issuance of new shares.	✓	No objection or qualified opinion
	3. Proposal on canceling loan limit of US\$3 million to subsidiary CoAsia Korea Co., Ltd.	✓	No objection or qualified opinion
	4. Proposal on loaning US\$6 million to subsidiary CoAsia Korea Co., Ltd.	✓	No objection or qualified opinion
	5. Proposal on the amendment to the "Process for Acquiring or Disposing of Asset" 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 13th meeting of the 9th term 2022.05.12	1. Proposal on replacement of PwC Taiwan as the financial report auditor of the Company.	✓	No objection or qualified opinion
	2. Proposal on new bank financing endorsement guarantee for the sub-subsidiary CoAsia Electronics Corp. (Hong Kong) Limited.	✓	No objection or qualified opinion
	3. Proposal on lowering bank financing endorsement guarantee for the subsidiary CoAsia Electronics Corp. (Singapore) Pte. Ltd.	✓	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 14th meeting of the 9th term 2022.08.05	1. Proposal on adding inter-company loan limit.	✓	No objection or qualified opinion
	2. Proposal on extending bank financing endorsement guarantee for the sub-subsidiary CoAsia Electronics Corp. (Hong Kong) Limited.	✓	No objection or qualified opinion
	3. Proposal on extending bank financing endorsement guarantee for the sub-subsidiary CoAsia Electronics Corp. (Hong Kong) Limited and the subsidiary CoAsia Electronics Corp. (Singapore) Pte. Ltd. with United Overseas Bank Limited, Hong Kong Branch.	✓	No objection or qualified opinion

	4. Proposal on re-recognize the accounts receivable of the Company's subsidiary, CoAsia Electronics Corp. (Singapore) Pte. Ltd., against the Company's sub-subsidiary, CoAsia Electronics Corp. (Hong Kong) Ltd., into capital loan.	✓	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 15th meeting of the 9th term 2022.11.08	1. Proposal on extending bank financing endorsement guarantee for the sub-subsidiary CoAsia Electronics Corp. (Hong Kong) Limited.	✓	No objection or qualified opinion
	2. Proposal on extending bank financing endorsement guarantee for the subsidiary CoAsia Electronics Corp. (Singapore) Pte. Ltd.	✓	No objection or qualified opinion
	3. Proposal on re-recognize the accounts receivable/other receivables of the Company's subsidiary, CoAsia Electronics Corp. (Singapore) Pte. Ltd., against the Company's sub-subsidiary, CoAsia Electronics Corp. (Hong Kong) Ltd., into capital loan.	✓	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 16th meeting of the 9th term 2022.12.30	1. Proposal on requesting the Board of Directors to adopt the Company's 2023 Audit Plan	✓	No objection or qualified opinion
	2. Proposal on requesting the Board of Directors to adopt the Company's 2023 Operation Plan	✓	No objection or qualified opinion
	3. Proposal on requesting the Board of Directors to adopt the Company's 2023 Financial Budget	✓	No objection or qualified opinion
	4. Amendment to the Company's Corporate Governance Best Practice Principles	✓	No objection or qualified opinion
	5. Amendment to the Company's Rules of Procedure of the Board of Directors	✓	No objection or qualified opinion
	6. Establishment of the Company's Risk Management Committee Charter	✓	No objection or qualified opinion
	7. Amendment to the Company's Measures for Preventing Insider Trading	✓	No objection or qualified opinion
	8. Proposal on requesting the Board of Directors to adopt the internal control system "Decision Authority Table"	✓	No objection or qualified opinion
	9. Formulate the Company's Succession Plan for Board Members and Succession Plan for Senior Management	✓	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 8 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 appearance rate (%)	Remarks
Independent Director	Chen, Chien-Li	8	100%	Convener
Independent Director	Chou, Chih-Cheng	8	100%	
Independent Director	Hwang, Il-Suk	8	100%	

Other mentionable items:

- 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
The 11th meeting of the 1st term 2022/03/08	<ol style="list-style-type: none"> 1. Adopt the proposal on 'Evaluation for Effectiveness of Internal Control System' and 'Internal Control System Statement' for 2021 2. Adopt the proposal on the Company's 2021 operating report. 3. Adopt the proposal on the Company's 2021 parent company only financial report and consolidated financial report. 4. Adopt the Company's earning distribution plan for 2021. 5. Adopt the proposal on the capitalization of surplus and the issuance of new shares 6. Adopt the proposal on the capitalization of surplus and the issuance of new shares 7. Adopt the proposal on canceling loan limit of US\$3 million to subsidiary CoAsia Korea Co., Ltd. 8. Adopt the proposal on loaning to the subsidiary CoAsia Korea Co., Ltd. 9. Adopt the proposal on amending the Process for Acquiring or Disposing of Asset of the Company.. 	Approved unanimously by all members of the Audit Committee	The resolutions of the Audit Committee are approved
The 12th meeting of the 1st term 2022/05/12	<ol style="list-style-type: none"> 1. Adopt the proposal on replacement of PwC Taiwan as the financial report auditor of the Company. 2. Adopt the proposal on the consolidated financial report of the Company for 2022 Q1. 3. Proposal on new bank financing endorsement guarantee for the sub-subsidiary CoAsia Electronics Corp. (Hong Kong) Limited. 4. Adopt the proposal on lowering bank financing endorsement guarantee for the subsidiary CoAsia Electronics Corp. (Singapore) Pte. Ltd. 	Approved unanimously by all members of the Audit Committee	The resolutions of the Audit Committee are approved
The 13th meeting of the 1st term 2022/08/05	<ol style="list-style-type: none"> 1. Adopt the proposal on the consolidated financial report of the Company for 2022 Q2 2. Adopt the proposal on adding inter-company loan limit. 3. Adopt the proposal on extending bank financing endorsement guarantee for the sub-subsidiary CoAsia Electronics Corp. (Hong Kong) Limited. 4. Adopt the proposal on extending bank financing endorsement guarantee for the sub-subsidiary CoAsia Electronics Corp. (Hong Kong) Limited 	Approved unanimously by all members of the Audit Committee	The resolutions of the Audit Committee are approved

	<p>and the subsidiary CoAsia Electronics Corp.(Singapore) Pte. Ltd. with United Overseas Bank Limited, Hong Kong Branch.</p> <p>5. Adopt the proposal on re-recognize the accounts receivable of the Company's subsidiary, CoAsia Electronics Corp. (Singapore) Pte. Ltd., against the Company's sub-subsidiary, CoAsia Electronics Corp. (Hong Kong) Ltd., into capital loan.</p>		
The 14th meeting of the 1st term 2022/11/08	<p>1. Adopt the proposal on the Company's 2022 Q3 Consolidated Financial Report</p> <p>2. Adopt the proposal on extending the bank financing endorsement guarantee for the sub-subsidiary CoAsia Electronics Corp. (Hong Kong) Limited.</p> <p>3. Adopt the proposal on extending bank financing endorsement guarantee for the subsidiary CoAsia Electronics Corp. (Singapore) Pte. Ltd.</p> <p>4. Proposal on re-recognize the accounts receivable/other receivables of the Company's subsidiary, CoAsia Electronics Corp. (Singapore) Pte. Ltd., against the Company's sub-subsidiary, CoAsia Electronics Corp. (Hong Kong) Ltd., into capital loan.</p>	<p>1.~3. were approved unanimously by all members of the Audit Committee</p> <p>4. was not approved</p>	<p>1.~ 3. The resolutions of the Audit Committee were approved</p> <p>4. CoAsia HK repaid to CoAsia SG on 11/09/2022</p>
The 15th meeting of the 1st term 2022/12/30	<p>1. Adopt the proposal on the Company's 2023 Audit Plan</p> <p>2. Adopt the proposal on the amendment to codes of practice on corporate governance.</p> <p>3. Adopt the proposal on the amendment to the Company's Rules of Procedure of the Board of Directors.</p> <p>4. Adopt the proposal on the establishment of the Company's Risk Management Committee Charter</p> <p>5. Adopt the proposal on the amendment to the Company's Measures for Preventing Insider Trading.</p> <p>6. Adopt the proposal on the 'Decision Authority Table' for Internal Control System</p>	Approved unanimously by all members of the Audit Committee	The resolutions of the Audit Committee are approved
The 16th meeting of the 1st term 2023/02/16	<p>1. Adopt the proposal on 'Evaluation for Effectiveness of Internal Control System' and 'Internal Control System Statement' for 2022</p> <p>2. Adopt the proposal on the Company's 2022 operating report.</p> <p>3. Adopt the proposal on the Company's 2022 parent company only financial report and consolidated financial report.</p> <p>4. Adopt the proposal on the independence evaluation of the CPAs of the Company.</p> <p>5. Adopt the proposed policy proposal on the pre-approval of the Company's CPAs of the year (2023) and their accounting firm (PwC Taiwan) and its affiliates to provide non-assurance services to the Company and its parent company and subsidiaries.</p> <p>6. Adopt the proposal on extending the loan to the subsidiary CoAsia Korea Co., Ltd.</p> <p>7. Adopt the proposal on adjusting the bank financing endorsement guarantee for the sub-subsidiary CoAsia Electronics Corp. (Hong Kong) Limited and the subsidiary CoAsia Electronics Corp.(Singapore) Pte. Ltd. with United Overseas Bank Limited, Hong Kong Branch.</p>	Approved unanimously by all members of the Audit Committee	The resolutions of the Audit Committee are approved
The 17th meeting of the 1st term 2023/03/30	<p>1. Adopt the Company's earning distribution plan for 2022.</p> <p>2. Adopt the proposal on the capitalization of surplus and the issuance of new shares</p>	Approved unanimously by all members of the Audit Committee	The resolutions of the Audit Committee are approved

The 18th meeting of the 1st term 2023/05/04	<ol style="list-style-type: none"> 1. Adopt the proposal on the Company's 1Q2023 Consolidated Financial Report 2. Adopt the proposal on the amendment to the Decision Authority Table for Internal Control System of the Company 3. Adopt the proposal on the amendment to the Company's Implementation Rules for Internal Audit 4. Adopt the proposal on the amendment to the Company's Procedures for Loaning of Funds to Others 5. Adopt the proposal on amending the Process for Acquiring or Disposing of Asset of the Company 6. Adopt the proposal on the amendment to the Company's Rules of Procedure of the Board of Directors 7. Adopt the proposal on the amendment to the Company's Measures for Preventing Insider Trading 8. Adopt the proposal on the sub-subsidiary CoAsia Electronics Corp. (Hong Kong) Limited's intention to cancel the loaning of funds to the Group 9. Adopt the proposal on re-recognizing the accounts receivable of the Company's sub-subsidiary, CoAsia Electronics Corp. (Hong Kong) Limited, against CoAsia Electronics Corp. into capital loan 	Approved unanimously by all members of the Audit Committee	The resolutions of the Audit Committee are approved
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- (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).
- (I) 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 Audit Committee and the Board of Directors, the internal audit unit will perform the audit properly. Any amendment shall be submitted to the Audit Committee and 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 General Manager 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 directors 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 directors. 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 2022 financial report, the internal control system, the internal audit operation, the governance situation and ESG sustainable development on Dec. 28, 2022 and Feb. 16, 2023. 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
2022/12/28	Independent Director Chen, Chien-Li Independent Director Chou, Chih-Cheng Independent Director Hwang, Il-Suk PwC Taiwan CPAs Feng, Min-Chuan Wu, Han-Chi Deputy General Manager, Kao, Lin-Ching Chief Internal Auditor, Wang, Cheng-Hsing	I. CPA report: PwC Taiwan's Audit Quality Indicators (AQI) Report regarding the accepted financial report of the Company in 2023. II. Report of the Chief Internal Auditor: Operation risk evaluation and annual audit plan for 2023	I. CPA Report: The independent director has no objection. II. Report of the Chief Internal Auditor: The independent director has no objection.
2023/2/16	Independent Director Chen, Chien-Li Independent Director Chou, Chih-Cheng Independent Director Hwang, Il-Suk CPA Wu, Han-Chi Deputy General Manager, Kao, Lin-Ching Group Supervisor, Chou, Yu-Chieh Chief Internal Auditor, Wang, Cheng-Hsing	I. CPA report: Communication (report) between the CPA and the audit committee (independent director) after audit on 2022 financial report II. Report of the Chief Internal Auditor: 1. Reference items for judgment on effectiveness of the internal control system for 2022 (self-evaluation of internal control system) 2. Audit on the 'Statement on Internal Control System' for 2022 3. Performance evaluation of the internal audit director for 2022	I. CPA Report The independent director has no objection. II. Report of the Chief Internal Auditor: The independent director has no objection.

Note 1: There is a attendance register to record the present independent director.

(II) 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 II)

(III) Corporate Governance Implementation and Deviations from the Corporate Governance Best-Practice Companies and Reasons:

Evaluation Item	Implementation Status (Note 1)		
	Yes	No	Summary
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 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 Feb. 17, 2023 and is available for download on the company website https://www.coasiaelec.com/zh-tw/ .
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		(I) The spokesman of the Company (Wang, Peng-Cheng), acting as the contact person (Chen, Hung-Yi), is responsible for the handling of shareholders' suggestions, doubts, disputes and lawsuits; In addition, the company website has also set up a stakeholders' area and shareholder service window for shareholders/investors to submit questions or suggestions.
(II) Does the Company possess the list of its major shareholders as well as the ultimate owners of those shareholders?	Yes		(II) The shareholdings of directors, managers and major shareholders holding more than 10% of the Company may be known by the financial statements through the stock agent at any time, and the list of major shareholders and their ultimate beneficiaries may be known and disclosed as required through the register of shareholders. In addition, the stock agent and investor relations unit maintain good relationship with shareholders and pay attention to the important issues of share changes.
(III) Does the Company establish and execute the risk management and firewall system within its conglomerate structure?	Yes		(III) 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 responsibilities of personnel, assets and financial management of subsidiaries and companies shall be clearly defined, and appropriate firewall measures and assessments shall be established. On November 6, 2020, the Board of Directors of the Company revised 15 rules of Standards of Business Related to Financial Business Between Related Enterprises, which standardizes matters such as purchase and sales transaction.

Evaluation Item	Implementation Status (Note 1)			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary	
(IV) Does the Company establish internal rules against insiders trading with undisclosed information?	Yes		disposed assets, asset endorsement guarantee and capital loan, between related enterprises. (IV) The Company adopted the Administrative Measures for Preventing Insider Transactions by resolution of the Board of Directors on December 28, 2021, and adopted the Internal Important Information Processing Procedures by resolution of the Board of Directors on December 28, 2021, which prevents the trading of securities by insiders using undisclosed information in the market. On June 21 and June 23, 2022, a total of 48 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		(I) 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 to be five, 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: <ol style="list-style-type: none"> 1. Operational judgment capabilities 2. Business management capabilities 3. Leadership/Decision-making capabilities 4. Industry expertise 5. International market outlook 6. Accounting and financial capabilities 7. Crisis management 	None

Evaluation Item	Implementation Status (Note 1)			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons																																																																																									
	Yes	No	Summary																																																																																										
(II) Other than Remuneration and Audit Committees which are required by laws, does the Company plan to set up other functional committees? (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? (IV) Has the Company periodically evaluate	Yes		<p>The implementation of the policy of diversity of all board members of the Company is as follows:</p> <table border="1"> <thead> <tr> <th rowspan="2">Director</th> <th colspan="11">Diversity program</th> </tr> <tr> <th>Name</th> <th>Nationality</th> <th>Gender</th> <th>Age</th> <th>Concurrent employee of the Company</th> <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>Director</td> <td>Lee, Hee-Jun</td> <td>Republic of Korea</td> <td>Male</td> <td>61</td> <td>v</td> <td>v</td> <td>v</td> <td>v</td> <td>v</td> <td>v</td> <td></td> <td>v</td> </tr> <tr> <td>Director</td> <td>Shin, Dong-Soo</td> <td>Republic of Korea</td> <td>Male</td> <td>57</td> <td>v</td> <td>v</td> <td>v</td> <td>v</td> <td>v</td> <td>v</td> <td></td> <td>v</td> </tr> <tr> <td>Independent Director</td> <td>Chou, Chih-Cheng</td> <td>R.O.C.</td> <td>Male</td> <td>69</td> <td></td> <td>v</td> <td>v</td> <td>v</td> <td>v</td> <td>v</td> <td>v</td> <td></td> </tr> <tr> <td>Independent Director</td> <td>Chen, Chien-Li</td> <td>R.O.C.</td> <td>Male</td> <td>53</td> <td></td> <td>v</td> <td>v</td> <td>v</td> <td></td> <td>v</td> <td>v</td> <td>v</td> </tr> <tr> <td>Independent Director</td> <td>Hwang, Il-Suk</td> <td>Republic of Korea</td> <td>Male</td> <td>53</td> <td></td> <td>v</td> <td>v</td> <td>v</td> <td>v</td> <td>v</td> <td></td> <td>v</td> </tr> </tbody> </table> <p>(II) In addition to the Audit Committee and the Remuneration Committee, the Company has established a Nominating Committee through the Board of Directors on May 12, 2022.</p> <p>(III) The Company has passed the resolution to formulate the Regulations Governing the Evaluation of the Performance of the Board of Directors on November 12, 2018, and has implemented annual performance evaluation. The annual director performance evaluation report in 2022 was made to the Board of Directors on March 30, 2023.</p>	Director	Diversity program											Name	Nationality	Gender	Age	Concurrent employee of the Company	Operational judgment capabilities	Business management capabilities	Leadership/Decision-making capabilities	Industry expertise	International market outlook	Accounting and financial capabilities	Crisis management	Director	Lee, Hee-Jun	Republic of Korea	Male	61	v	v	v	v	v	v		v	Director	Shin, Dong-Soo	Republic of Korea	Male	57	v	v	v	v	v	v		v	Independent Director	Chou, Chih-Cheng	R.O.C.	Male	69		v	v	v	v	v	v		Independent Director	Chen, Chien-Li	R.O.C.	Male	53		v	v	v		v	v	v	Independent Director	Hwang, Il-Suk	Republic of Korea	Male	53		v	v	v	v	v		v	None
	Director	Diversity program																																																																																											
		Name	Nationality	Gender	Age	Concurrent employee of the Company	Operational judgment capabilities	Business management capabilities	Leadership/Decision-making capabilities	Industry expertise	International market outlook	Accounting and financial capabilities	Crisis management																																																																																
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Independent Director	Hwang, Il-Suk	Republic of Korea	Male	53		v	v	v	v	v		v																																																																																	
	Yes			None																																																																																									
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Evaluation Item	Implementation Status (Note 1)			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons						
	Yes	No	Summary							
the independence of the CPAs?			<p>(IV)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. Feng, Min-Chuan and Wu, Han-Chi from PwC Taiwan has issued the statement of the role, responsibility and independence of the certified public accountant. The 2023 accountant independence evaluation has been approved by the Board of Directors on Feb 16, 2023. In the past seven years, the Company has appointed accountants to perform the financial reporting certification (as detailed in the table below). There have been no instances where the CPAs have not been changed for seven consecutive years or the appointed CPAs have been subject to disciplinary action, or where the independence has been compromised.</p> <p>The evaluation mechanism is as follows:</p> <ol style="list-style-type: none"> 1. Confirm that the CPAs of the Company is not a related party to the Company or its directors. 2. Comply with the Corporate Governance Best-Practice Principles to handle the replacement of CPAs. 3. In accordance with the Sarbanes-Oxley Act, CPA firms are required to obtain the pre-approval of the Audit Committee prior to the annual certification and the appointment for other cases. 4. According to the Sarbanes-Oxley Act, CPAs shall report quarterly to the Audit Committee on compliance in terms of review/audit content and independence, etc. 5. Obtain the Statement of Independence issued by the CPAs. <p>The evaluation results are summarized as follows: The independence between the CPAs and the Company comply with the CPA Act of the Republic of China, the Professional Ethics Code for CPAs, the SEC of the United States and the PCAOB as well as other relevant regulations.</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Appointed accounting firm</th> <th>CPA</th> </tr> </thead> <tbody> <tr> <td>2015</td> <td>PwC Taiwan</td> <td>Wu, Han-Chi, Hsu, Sheng-Chung</td> </tr> </tbody> </table>	Year	Appointed accounting firm	CPA	2015	PwC Taiwan	Wu, Han-Chi, Hsu, Sheng-Chung	
Year	Appointed accounting firm	CPA								
2015	PwC Taiwan	Wu, Han-Chi, Hsu, Sheng-Chung								

Evaluation Item	Implementation Status (Note 1)					Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary			
			2016	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-Chi	
			2022	PwC Taiwan	Feng, Min-Chuan, Wu, Han-Chi	
IV. Did the TWSE/TPEX listed company have designated appropriate personnel to handle corporate governance tasks and set up a governance supervisor as the top 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 governance supervisor and carry out business related to corporate governance. The main responsibilities of the governance supervisor 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"> 1. Immediate disclosure of major information. 2. The benign interaction and communication between the members of the Board of Directors and the operating team. 3. Maintain a certain proportion of independent directors. 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. 5. Cash dividend policy with a high earnings distribution ratio based on the Articles of Incorporation. 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. 7. Follow the standards of ethical conduct, uphold the principles of integrity and implement the internal audit mechanism. 8. Continue to promote and fulfill the policy of integrity and corporate social responsibility. The purpose is to implement the corporate governance, and 			None

Evaluation Item	Implementation Status (Note 1)			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary	
			pay attention to the changes of relevant laws and regulations, regularly publicize and report to the Board of Directors. 9. The Company registration and change registration is handled by the finance department.	
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 stakeholders are concerned with addressed appropriately by the Company?	Yes		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.	None
VI. Does the Company appoint a professional shareholder services agency to deal with shareholder affairs?	Yes		The Company appoints CAPITAL SECURITIES CORP. 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		(I) The Company discloses relevant financial business and corporate governance information on the Company's website: https://www.coasiaelec.com/zh-tw/ 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		(II) 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 announce and report annual financial statements within two			(III) 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	Evaluate the human resources of the

Evaluation Item	Implementation Status (Note 1)			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary	
months after the end of each fiscal year, and announce and report Q1, Q2, and Q3 financial statements, as well as monthly sales results, before the prescribed time limit?			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.	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		<p>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.</p> <p>The Company adheres to Labor Standards Law, <u>Employment Service Act</u>, 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 to check the Company's financial position and</p>	None

Evaluation Item	Implementation Status (Note 1)			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary	
			<p>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.</p> <p>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 Ethical Management Best Practice Principles, 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> <ol style="list-style-type: none"> 1. Risk management policy: <ol style="list-style-type: none"> (1) Market risk management: To manage the risks arising from market fluctuations and economic changes: <ol style="list-style-type: none"> A. Take account of customers and industrial dispersion: not only to achieve customer dispersion, but also to achieve diversified and complete product line layout. B. Separate R&D from normal operations: To ensure continuous supply of new requirements and technologies required by the market, separate R&D unit from normal operations to avoid resource conflict and unbalanced use, and provide professional technical support. (2) 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. (3) Operational risk management: timely establish, correct, and promote various standard operation processes. (4) Enterprise scale risk management: Promote the profit center system and sustainable management indicators, and strictly review the economic scale of each product line. 2. Risk management architecture: 	

Evaluation Item	Implementation Status (Note 1)			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary	
			<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>(1) 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>(2) Business: Responsible for marketing strategies, product promotion and mastering of market trends to reduce business operating risks.</p> <p>(3) 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>(4) 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>(5) 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>(6) 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 Ethical Management Best Practice Principles, and Operating Procedures and Behavior Guide for Ethical Management for customer</p>	

Evaluation Item	Implementation Status (Note 1)			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary	
			<p>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, 2023 to March 1, 2024.</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.

The Financial Supervisory Commission issued the New Corporate Governance Blueprint (2018~2020) and the Corporate Governance 3.0- Blueprint for Sustainable Development in 2018, and designated the Taiwan Stock Exchange to set up the Corporate Governance Center. Since the first corporate governance evaluation in 2014, the Company has conducted various corporate governance indicators, 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 2020, 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.

For all listed companies to conduct corporate governance evaluation, the year of 2022 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 27, 2023, and the score of the 9th corporate governance evaluation was 74.09, ranking among the top 6% to 20%. 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 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.

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

Summary of the training of directors, accounting supervisor, governance supervisor and internal auditors for the Year 2022:

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	2022/07/20~2022/07/20	Taipei Exchange	Sustainable Development Roadmap Industry Promotion Seminar	2 hours	Yes
		2022/08/25~2022/08/25	Taipei Exchange	Equity Promotion Seminar for Insider of Listed and Emerging Companies	3 hours	
		2022/10/11~2022/10/11	Taipei Exchange	Independent Directors and Audit Committee Reference Guideline Release and Director Advocacy Meeting	3 hours	
Vice-Chairmen	Shin, Dong-Soo	2022/07/20~2022/07/20	Taipei Exchange	Sustainable Development Roadmap Industry Promotion Seminar	2 hours	Yes
		2022/08/25~2022/08/25	Taipei Exchange	Equity Promotion Seminar for Insider of Listed and Emerging Companies	3 hours	
		2022/10/11~2022/10/11	Taipei Exchange	Independent Directors and Audit Committee Reference Guideline Release and Director Advocacy Meeting	3 hours	
Independent Director	Chou, Chih-Cheng	2022/03/10~2022/03/10	Taiwan Stock Exchange (TWSE)	An international perspective on independent directors and board supervision	1 hour	Yes
		2022/04/07~2022/04/07	Chinese Independent Directors Association	How to analyze financial statements to assess the business ability,	3 hours	

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
		2022/04/26~2022/04/26	Chinese Independent Directors Association	performance and risks of a company In-depth analysis of the insider trading and special crime of breach of trust and practical cases under the Securities and Exchange Act	3 hours	
		2022/06/08~2022/06/08	Taiwan Corporate Governance Association	Securities Laws and Regulations	3 hours	
		2022/06/09~2022/06/09	Taiwan Corporate Governance Association	Risk and Financial Management Issues in Corporate Governance 3.0	3 hours	
Independent Director	Chen, Chien-Li	2022/11/30~2022/11/30	Certified Public Accountant of Republic of China	Audit Standards Bulletin No. 75 - Identify and Assess the Risk of Material Misrepresentation	6 hours	Yes
Independent Director	Hwang, Il-Suk	2022/04/07~2022/04/07	Chinese Independent Directors Association	How to analyze financial statements to assess the business ability, performance and risks of a company	3 hours	Yes
		2022/08/30~2022/08/30	Taiwan Corporate Governance Association	The evaluation and execution of investment merger and acquisition from the legal point of view	3 hours	
Accounting Supervisor	Wang, Peng-Cheng	2022/09/29~2022/09/30	Accounting Research and Development Foundation	Continuing Training Class for Accounting Supervisors	12 hours	Yes

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
				of Issuers, Securities Firms, and Securities Exchanges		
Governance Supervisor	Wang, Peng-Cheng	2022/09/20~2022/09/20	Accounting Research and Development Foundation	Audit control practices of internal auditors for information security	6 hours	Yes
		2022/09/26~2022/09/27	Accounting Research and Development Foundation	Continuing Training Class for Accounting Supervisors of Issuers, Securities Firms, and Securities Exchanges	12 hours	
Internal Audit Supervisor	Wang, Cheng-Hsing	2022/11/15~2022/11/15	Securities and Futures Institute	How can an auditor write an impactful audit report	6 hours	Yes
		2022/11/17~2022/11/17	Securities and Futures Institute	Practical Workshop on Techniques of Financial Statement Fraud	6 hours	
Internal audit agent	Chen Chuan Hwa	2022/11/15~2022/11/15	Securities and Futures Institute	How can an auditor write an impactful audit report	6 hours	Yes
		2022/11/18~2022/11/18	Securities and Futures Institute	Workshop on Internal Audit and Internal Control	6 hours	

(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) Information regarding the members of the Remuneration Committee

April 30, 2023

Title (Note 1) Name	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
Independent Director (Convener)	Chou, Chih- Cheng	<ul style="list-style-type: none"> ● Date of office: August 06, 2020 ● Professional fields: business, finance, accounting. ● Work experience: Please refer to Page 13 of Attachment (1) Directors experience related content. 	<ul style="list-style-type: none"> ● 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. ● Where none of the circumstances in the subparagraphs of Article 30 of the Company Act applies 	2
Independent Director (Committee Member)	Chen, Chien- Li	<ul style="list-style-type: none"> ● Date of office: August 06, 2020 ● Professional fields: business, finance, accounting. ● Work experience: Please refer to Page 13 of Attachment (1) Directors experience related content. 		0
Independent Director (Committee Member)	Hwang, Il- Suk	<ul style="list-style-type: none"> ● Date of office: August 06, 2020 ● Professional fields: Business, intellectual property rights ● Work experience: Please refer to Page 13 of Attachment (1) Directors experience related content. 		1

Note 1: Please specify in the form the relevant working years, professional qualifications and experience and independence of the members of the Remuneration Committee. If they are independent directors, please indicate to refer to Schedule 1 on page 13 and the Directors and Supervisors (I) for details. 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(B)	Attendance by Proxy	Percentage of Attendance in Person [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 Remuneration Committee meetings and the Company's handling of members' opinions

Remuneration Committee	Contents of the Proposal and Follow-up Actions
The 7th meeting of the 4th term on March 8, 2022	<p>Proposal:</p> <ul style="list-style-type: none"> ● Proposal on the rewards of directors of the Company for 2021. ● Proposal on the rewards of employees of the Company for 2021. ● The Company's manager's promotion, etc. (including salary adjustment) ● Proposal on adjustment to the remuneration of managers of the Company and its subsidiaries from March 1, 2022 to February 28, 2023. <p>Members' opinion: No objection or reservation. Resolution result: Passed by all members present without objection. The Company's handling of the opinions of the Remuneration Committee: the proposal of the Board of Directors shall be approved by all the directors present.</p>
The 8th meeting of the 4th term on May 6, 2022	<p>Proposal:</p> <ul style="list-style-type: none"> ● Proposal on the distribution of director rewards of the Company for 2021. ● Proposal on the distribution of managerial employee rewards of the Company for 2021. ● The Company's senior manager personnel. <p>Members' opinion: No objection or reservation. Resolution result: Passed by all members present without objection. The Company's handling of the opinions of the Remuneration Committee: the proposal of the Board of Directors shall be approved by all the directors present.</p>
The 9th meeting of the 4th term on August 5, 2022	<p>Proposal:</p> <ul style="list-style-type: none"> ● Proposal for retention bonus for senior executives in the company. <p>Members' opinion: No objection or reservation. Resolution result: Passed by all members present without objection. The Company's handling of the opinions of the Remuneration Committee: the proposal of the Board of Directors shall be approved by all the directors present.</p>
The 10th meeting of the 4th term on December 30, 2022	<p>Proposal:</p> <ul style="list-style-type: none"> ● Korea senior managers promotion proposals of the Company and its subsidiaries <p>Members' opinion: No objection or reservation. Resolution result: Passed by all members present without objection. The Company's handling of the opinions of the Remuneration Committee: the proposal of the Board of Directors shall be approved by all the directors present.</p>

Note:

- (1) Where a member of the Remuneration Committee resigns before the end of the fiscal year, the Remark column shall be filled with the member's resignation date, whereas his/her rate of attendance in person (%) shall be calculated based on the number of meetings held by the Remuneration Committee and the actual number of meetings attended during his/her term of office.
- (2) If members of the Remuneration Committee are re-elected before the end of the fiscal year, incoming and outgoing members should be listed accordingly, and the "remark" column should indicate whether the status of a member is "outgoing", "incoming" or "re-elected", and the date of re-election. The Actual Attendance Rate (%) shall be calculated based on the number of members' actual participation of the Remuneration Committee.

(3) Membership and operation of the Nomination Committee

- I. State the qualifications and duties of the members of the Nomination Committee of the Company.
- (I) This Committee is composed of at least three directors recommended by the Board of Directors, with over half of the independent directors participating.
- (II) The Committee, under the authority of the Board of Directors, shall faithfully perform the following duties and responsibilities with good stewardship and shall submit its recommendations to the Board of Directors for discussion:
- Establish criteria for the diversity of backgrounds and independence in terms of expertise, skills, experience and gender required of directors and independent directors, and identify, review and nominate candidates for directors and independent directors accordingly.
 - Construct and develop the organizational structure of the Board of Directors and its committees, conduct performance evaluation of the Board of Directors and each director, and evaluate the independence of independent directors.
 - Establish or review the director education program.
 - Establish the Corporate Governance Best Practice Principles of the Company.
- II. Professional qualifications and experience of the members of the Nominating Committee and its operation:
- (I) The Company's Nomination Committee consists of 3 members.
- (II) Tenure of members: From May 12, 2022 to June 18, 2023, the Nomination Committee met three times (A) in the most recent year, and the professional qualifications and experience of the members, their attendance and the matters discussed are as follows:

Title	Name	Professional Qualification and Experience	Attendance in Person(B)	Attendance by Proxy	Actual Attendance Rate (%) [B/A] (Note)	Remarks
Convener	Hwang, Il-Suk	<ul style="list-style-type: none"> ● Date of office: August 06, 2020 ● Professional fields: Business, intellectual property rights ● Work experience: Please refer to page 13 of Attachment (1) Directors experience related content. 	3	0	100%	
Committee member	Chou, Chih-Cheng	<ul style="list-style-type: none"> ● Date of office: August 06, 2020 ● Professional fields: business, finance, accounting. ● Work experience: Please refer to page 13 of Attachment (1) Directors experience related content. 	3	0	100%	
Committee member	Chen, Chien-Li	<ul style="list-style-type: none"> ● Date of office: August 06, 2020 	2	1	66.67%	

		<ul style="list-style-type: none"> ● Professional fields: business, finance, accounting. ● Work experience: Please refer to page 13 of Attachment (1) Directors experience related content. 				
Other mentionable items:						
State the meeting date, session, content of the main proposals of the Nomination Committee, suggestions or objections from members of the Nomination Committee, resolution results of the Nomination Committee, and the Company's handling of the opinions of the Nomination Committee.						
Nomination Committee		Contents of the Proposal and Follow-up Actions				
First preparatory meeting May 12, 2022		Proposal: <ul style="list-style-type: none"> ● Election of the Convenor of the Nomination Committee Members' opinion: No objection or reservation. Resolution result: Passed by all members present without objection. Treatment of the Company on the opinion of the Nomination Committee the proposal of the Board of Directors shall be approved by all the directors present.				
The 1st meeting of the 1st term August 5, 2022		Proposal: <ul style="list-style-type: none"> ● Establishment of the Curriculum Plan for Directors' Education Map Members' opinion: No objection or reservation. Resolution result: Passed by all members present without objection. Treatment of the Company on the opinion of the Nomination Committee the proposal of the Board of Directors shall be approved by all the directors present.				
The 2nd meeting of the 1st term December 30, 2022		Proposal: <ul style="list-style-type: none"> ● Formulate the Company's Succession Plan for Board Members and Succession Plan for Senior Management. Members' opinion: No objection or reservation. Resolution result: Passed by all members present without objection. The Company's handling of the opinions of the Remuneration Committee: the proposal of the Board of Directors shall be approved by all the directors present.				

Note:

- (1) Where a member of Nomination Committee resigns before the end of the fiscal year, the Remarks column shall be filled with the member's resignation date, whereas his/her rate of attendance in person (%) shall be calculated based on the number of meetings held by Nomination Committee and the actual number of meetings attended during his/her term of office.
- (2) If members of the Nomination Committee are re-elected before the end of the fiscal year, incoming and outgoing members should be listed accordingly, and the "remarks" column should indicate whether the status of a member is "outgoing", "incoming" or "re-elected", and the date of re-election. Actual attendance rate (%) was calculated based on the number of meetings held during each member's term and the number of meetings actually attended by that member.

(V) Implementation of sustainable development and differences in practice guidelines with listed comp

Evaluation Item	Implementation Status (Note 1)		
	<u>Yes</u>	<u>No</u>	Summary (Note 2)
I. 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 environmental, social and corporate governance development. As a responsible corporate citizen, the Company makes more contributions to the national economy, improves the quality of life of employees and the society, and promotes its competitive advantage based on corporate social responsibility. On March 25, 2011, the Board of Directors approved the Corporate Social Responsibility Best Practice Principles and on March 25, 2019, the Board of Directors revised the Principles and on March 25, 2019, the Board of Directors approved the Corporate Social Responsibility Best Practice Principles with Sustainable Development Best Practice Principles in accordance with relevant laws and regulations, and was disclosed on the Mailbox Post System (www.coasiaelec.com/zh-tw/) for downloading.</p> <p>The Company established the Corporate Social Responsibility Best Practice Committee in 2011. The general manager serves as the convener. There are also several committees, which are composed of senior supervisors of various departments. The Admin Efficiency Department conducts co-ordination and integrates corporate social responsibility into the Company's business operations in accordance with the Sustainable Development Best Practice Principles. In a purposeful, systematic and organized way, the department promotes the planning and arrangement of employees to actively participate in social responsibility education and training.</p> <p>CoAsia Electronics Corp. upholds corporate social responsibility and addresses issues related to social care, public welfare and charity, uses various channels to practice social responsibility, and actively practices social participation to build good social relations (public relations), cares for the weak, promotes the sustainable development of local communities, and creates mutual benefits.</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>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 2022, CoAsia successively completed the following charity activities:</p> <ol style="list-style-type: none"> 1. In 2022, for the third 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. 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. 2. Keeping caring for the community, maintaining neighborhood ties and sponsoring schools has been our goal for many years. In 2022, we sponsored the school development funds of Nangang Vocational High School and Cheng Cheng Junior High School, and donated to support school celebrations to keep love lasting. 	
II. Does the Company conduct risk assessment in regards to	✓		(I) Environmental protection The Company is a professional semiconductor electronic parts	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)	
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>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.</p> <p>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</p> <ol style="list-style-type: none"> 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>(III) Product responsibility</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>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 RoHS¹ and REACH², 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 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 regard 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</p>	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>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>(V) 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 Ethical Management Best Practice Principles, Ethical Management Best Practice Principles, Operating Procedures and Behavior Guide for Ethical Management. 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>(VI) Customer privacy The Company strictly abides 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</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>Non-Disclosure Agreement (NDA), and has launched 5 measures of capital security risk protection to protect business secrets,</p> <p>(VII) 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 that business operations are environmentally friendly and ethical, and conduct in-house training courses to promote laws and regulations.</p>	None
<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"> 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. 2. The Company will comprehensively inspect and clean air-conditioning equipment and filter screen, adjust the configuration of 	<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>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.</p> <p>3. 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 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>4. 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</p>	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)																										
(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>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> <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/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;">2017</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> <tr> <td style="text-align: center;">2019</td> <td style="text-align: center;">105,544</td> <td style="text-align: center;">55.73</td> <td style="text-align: center;">0.24</td> <td style="text-align: center;">0.43%</td> </tr> <tr> <td style="text-align: center;">2020</td> <td style="text-align: center;">114,022</td> <td style="text-align: center;">60.20</td> <td style="text-align: center;">4.47</td> <td style="text-align: center;">8.03%</td> </tr> </tbody> </table>	Year of survey	Electricity consumption (kWh)	Emissions (metric tons)	Increase/decrease (metric tons)	Increase or decrease ratio (%)	2017	116,589	61.56	(Omitted)	(Omitted)	2017	105,087	55.49	-6.07	-9.87%	2019	105,544	55.73	0.24	0.43%	2020	114,022	60.20	4.47	8.03%	None
Year of survey	Electricity consumption (kWh)	Emissions (metric tons)	Increase/decrease (metric tons)	Increase or decrease ratio (%)																									
2017	116,589	61.56	(Omitted)	(Omitted)																									
2017	105,087	55.49	-6.07	-9.87%																									
2019	105,544	55.73	0.24	0.43%																									
2020	114,022	60.20	4.47	8.03%																									

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)				
			2021	98,654	52.04	-8.16	-13.56%
			2022	96,146	50.77	-1.27	-2.45%
			Water consumption discharge				
			Year of survey	Annual total water fee	Total kWh	Increase/decrease (metric tons)	Increase or decrease ratio (%)
			2019	49,918	1,898	----	----
			2020	47,563	1,808	-90	-4.74%
			2021	45,468	1,729	-79	-4.37%
			2022	47,501	1,806	77	4.45%
			Waste				
			Year of survey	Domestic waste (kg)	Increase or decrease (kg)	Increase or decrease ratio (%)	
			2019	1,795	----	----	
			2020	1,637	-158	-8.8%	
			2021	1,597	-40	-2.44%	
			2022	1,575	-22	-1.38%	
			<p>With regard to CoAsia's management policies for energy conservation and carbon reduction, greenhouse gas reduction, water consumption reduction and other wastes reduction, we have formulated the Company's environmental protection policies: "Compliance with Laws and Regulations, Energy Saving and Carbon Reduction, Resource Recycling, and Full Participation" Environmental protection concept: Concern about and implement environmental protection, environmental improvement and sustainable development and other related issues; Achieve</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 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"> 1. Take energy saving, waste reduction and resource recovery as action strategies. 2. Achieve implementation benefits by effective management, control and continuous improvement. 3. Implement sustainable development of environment with full participation, change and innovation. 	
<p>IV. Social Issues</p> <p>(I) Has the Company formulated relevant management policies and procedures in accordance with relevant laws and regulations and international human rights conventions?</p>	✓		<p>(I) With reference to internationally recognized human rights standards and principles such as the International Bill of Human Rights, the Core Labor Standards of the Basic Conventions of the 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 Sustainable Development Best Practice Principles, to protect the basic human rights of all colleagues, customers and interested parties and safeguard social welfare.</p> <ol style="list-style-type: none"> 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. 2. Create a gender equality environment 	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)	
(II) Does the Company establish and implement reasonable employee welfare measures (including salary, leave and other benefits) and appropriately reflect operational performance or results in employee compensation?	√		<p>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.</p> <p>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.</p> <p>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.</p> <p>(1) Report line: (02) 2655-7699 ext.663(Mr. K.S. Yeh, Legal Assistant)</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> <p>(II)</p> <p>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</p>	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)																														
(III) Does the Company provide employees with a safe and healthy working environment and regularly provide safety and health education for employees?	✓		<p>regularly assesses and pays performance bonuses, and shares surplus results with colleagues.</p> <p>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 measuring the performance of employees, so as for the Company to handle relevant salary adjustment and remuneration matters.</p>	None																													
			<table border="1"> <thead> <tr> <th colspan="8">Annual information of the Company</th> <th colspan="3">Companies of the same industry</th> </tr> <tr> <th>Year of report</th> <th>Employee welfare expenses (NT\$1,000)</th> <th>Salary expenses of employees (NT\$1,000)</th> <th>Number of employees</th> <th>Average employee welfare expenses (NT\$1,000/person)</th> <th>Average salary expenses of employees (NT\$1,000/person)</th> <th>Adjustment and change of average salary expenses of employees (%)</th> <th>Earnings per share (NT\$/share)</th> <th>Average employee welfare expenses (NT\$1,000/person)</th> <th>Average salary expenses of employees (NT\$1,000/person)</th> <th>Average earnings per share (NT\$/share)</th> </tr> </thead> <tbody> <tr> <td>2021</td> <td>133,171</td> <td>113,869</td> <td>62</td> <td>2,148</td> <td>1,837</td> <td>18.4%</td> <td>1.13</td> <td>1,029</td> <td>882</td> <td>1.27</td> </tr> </tbody> </table> <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</p>		Annual information of the Company								Companies of the same industry			Year of report	Employee welfare expenses (NT\$1,000)	Salary expenses of employees (NT\$1,000)	Number of employees	Average employee welfare expenses (NT\$1,000/person)	Average salary expenses of employees (NT\$1,000/person)	Adjustment and change of average salary expenses of employees (%)	Earnings per share (NT\$/share)	Average employee welfare expenses (NT\$1,000/person)	Average salary expenses of employees (NT\$1,000/person)	Average earnings per share (NT\$/share)	2021	133,171	113,869	62	2,148	1,837	18.4%
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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)	
(IV) Has the Company established an effective career competency development training plan for its employees?	√		<p>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: We hold regular health checkups for our employees, and the staff of the Health Screening Center receives consultation from our employees regarding the checkups, and after the checkups, we also provide health education on the results of the checkups and recommendations for improvement, and provide health consultation services.</p> <p>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.</p> <p>(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.</p>	None
(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?	√		<p>(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.</p>	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)	
(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.	None
V. Has the Company prepared reports that reveal non-financial information, such as sustainable development 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 sustainable development report, it still plans to prepare the sustainable development report in 2024. 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 Sustainable Development Best Practice Principles.	None
VI. If the Company has its own code of practice for sustainable development in accordance with the Sustainable Development Best Practice Principles of TWSE/TPEX-Listed Companies, please describe the differences between its operation and the code: the Company has formulated the Sustainable Development Best Practice Principles 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:				

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)	
(II) Environmental protection actions and certification:			<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>In 2022, 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.</p> <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", "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>"Community connections, CoAsia in campus"</p> <p>Keeping caring for the community, maintaining neighborhood ties and sponsoring schools has been our goal for many years. In 2022, we sponsored the school development funds of Nangang Vocational High School and Cheng Cheng Junior High School, and donated to support school celebrations to keep love lasting.</p> <p>"Purchase and Donate Rice and Provide Timely Help"</p> <p>In 2022, for the third 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>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 2022 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, Neihsu 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>	

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>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. The main spirit of the ISO 14001 environmental management system lies in: 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 functions for enterprises to adopt the ISO 14001 system 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> <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"> 1. Take energy saving, waste reduction and resource recovery as action strategies. 2. Achieve implementation benefits by effective management, control and continuous improvement. 3. Implement sustainable development of environment with full participation, change and innovation. 	
(III) Human rights:			<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>	

Based on the materiality principle of sustainable development, the Company conducts the relevant risk evaluation on the important issues and stipulates the relevant risk management policies or measures as follows according to the evaluated risks:

Major issues	Risk assessment projects	Risk management policies or strategies
Environment	Environmental protection and ecological conservation	<ol style="list-style-type: none"> 1. The Company is committed to environmental protection, using office environmental friendly and green non-toxic building materials. 2. Introduce ISO14001 environmental protection system, and ask the third party to verify it continuously every year. 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. 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.
Society	1. Occupational safety	<ol style="list-style-type: none"> 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.
	2. Product safety	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.
Corporate governance	Social economy and compliance with laws and regulations	<ol style="list-style-type: none"> 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. 2. Review compliance with operational regulations. 3. Apply for patents for the products developed by the Company to protect the rights and interests of the Company.
	Strengthen the functions of directors and implement their responsibilities	<ol style="list-style-type: none"> 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.

		<ol style="list-style-type: none"> 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.
	<p>Communication with interested parties</p>	<ol style="list-style-type: none"> 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. 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. 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.

The Company's climate change assessment and response measures:

The No.1 risk in the 2019 Global Risk Report(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 Ethical Management and implementation measures, and the differences between the Company's Ethical Management Best Practice Principles and that of the listed and TWSE/TPEX-listed companies and the reasons:

Evaluation Item	Implementation Status (Note 1)			Differences between the Company's Ethical Management Best Practice Principles and that of TWSE/TPEX-listed companies and reasons.
	Yes	No	Summary	
I. Formulate Ethical Management policies and plans				
(I) Has the Company formulated a Ethical Management policy approved by the Board of Directors, and clearly stated the policies and practices of Ethical Management 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 Ethical Management Best Practice Principles by resolution of the Board of Directors on Mar. 25, 2011, and the Operating Procedures and Behavior Guide for Ethical Management 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 (https:// www.coasiaelec.com/zh-tw/) for download and reference. The Company will inform all employees of the Company of the Ethical Management participation letters of major suppliers, and convey the Company's philosophy and efforts in performing Ethical Management 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	Yes		(II) In the Operating Procedures and Behavior Guide for Ethical Management, the Company clearly prohibits such dishonest behaviors as	None

Evaluation Item	Implementation Status (Note 1)			Differences between the Company's Ethical Management Best Practice Principles and that of TWSE/TPEX-listed companies and reasons.
	Yes	No	Summary	
<p>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 Ethical Management Best Practice Principles of TWSE/TPEX-listed Companies?</p> <p>(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?</p>	Yes		<p>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, training and advocacy have been implemented to implement the Ethical Management 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 Ethical Management policy, in accordance with the Ethical Management Best Practice Principles of TWSE/TPEX-listed Companies, the Board of Directors adopted the Operating Procedures and Behavior Guide for Ethical Management 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</p>	None

Evaluation Item	Implementation Status (Note 1)			Differences between the Company's Ethical Management Best Practice Principles and that of TWSE/TPEX-listed companies and reasons.
	Yes	No	Summary	
			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.	
II. Implementation of ethical management: (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?	Yes		(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.	None

Evaluation Item	Implementation Status (Note 1)			Differences between the Company's Ethical Management Best Practice Principles and that of TWSE/TPEX-listed companies and reasons.
	Yes	No	Summary	
(II) Has the Company established an exclusively dedicated unit supervised by the Board of Directors to be in charge of ethical corporate management and does it report to the Board of Directors the implementation of ethical corporate management policies and prevention programs on a regular basis (at least once a year)?	Yes		(II) In order to improve the management of ethical management, the Company has designated the Corporate Governance Supervisor as the top executive of the full-time unit to promote ethical management in accordance with the Ethical Management Best Practice Principles; In order to assist the Board of Directors in evaluating whether the Ethical Management precautions established by the Company are effective, the Company's performance of Ethical Management in 2022 was submitted to the Board of Directors by the Corporate Governance Supervisor on March 30, 2023 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	None

Evaluation Item	Implementation Status (Note 1)			Differences between the Company's Ethical Management Best Practice Principles and that of TWSE/TPEX-listed 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>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 2022, 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 Ethical Management Best Practice Principles and the Operating Procedures and Behavior Guide for Ethical Management. 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 Ethical Management Best Practice Principles which regulates the prevention of conflicts of interest of directors</p>	None

Evaluation Item	Implementation Status (Note 1)			Differences between the Company's Ethical Management Best Practice Principles and that of TWSE/TPEX-listed companies and reasons.
	Yes	No	Summary	
(IV) Has the Company established an effective accounting system and internal control system for the implementation of ethical management, and has the internal audit unit drawn up relevant audit plans according to the 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?	Yes		and managers and the provision of appropriate channels of representation. (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 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.	None
(V) Does the Company regularly hold internal and external education and training on Ethical Management?	Yes		(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 June 21 and June 23, 2022, 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 "Ethical	None

Evaluation Item	Implementation Status (Note 1)			Differences between the Company's Ethical Management Best Practice Principles and that of TWSE/TPEX-listed companies and reasons.
	Yes	No	Summary	
			Management Best Practice Principles". After the education and training, a test was implemented and included in the annual performance of employees.	
III. The operation of the Company's reporting system				
(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?	Yes		(I) Article 23 of the Company's Ethical Management Best Practice Principles and Article 21 of the Operating Procedures and Behavior Guide for Ethical Management 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 2022, there was no major internal and external report.	None
(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?	Yes		(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	None

Evaluation Item	Implementation Status (Note 1)			Differences between the Company's Ethical Management Best Practice Principles and that of TWSE/TPEX-listed 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>of the legal department. The head of the legal department shall keep confidential the identity of the informant and the contents of the 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 2022.</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 Ethical Management Best Practice Principles on its website and the Market Observation Post System?	Yes		The Company discloses the relevant information of Ethical Management on the Company's website (https://www.coasiaelec.com/zh-tw/), 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	None

Evaluation Item	Implementation Status (Note 1)			Differences between the Company's Ethical Management Best Practice Principles and that of TWSE/TPEX-listed companies and reasons.
	Yes	No	Summary	
			take into account the rights and interests of all interested parties and fulfill their commitments to suppliers, customers, employees, shareholders and society.	
<p>V. If the Company has formulated its own Ethical Management Best Practice Principles in accordance with the Ethical Management Best Practice Principles for TWSE/TPEX-listed Companies, please state the differences between its operation and the code:</p> <p>(I) The Company has formulated the Ethical Management Best Practice Principles, the Operating Procedures and Behavior Guide for Ethical Management and the Ethical Management Best Practice Principles to establish a corporate culture of Ethical Management 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 learn about the ethical management of the Company: (Such as review and amendment of the Company's Ethical Corporate Management Best Practice Principles):</p> <p>The Company keeps abreast of the development of standards related to ethical management at home and abroad, and encourages suppliers, customers, shareholders, creditors, directors, managers and employees to put forward suggestions for improving the ethical management of the Company, so as to enhance the positive image and effectiveness of the Company's ethical management.</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 Corporate Governance Best Practice Principles, Ethical Management Best Practice Principles, Ethical Management Best Practice Principles, Operating Procedures and Behavior Guide for Ethical Management, 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 Remuneration Committee, Nomination Committee Charter, Sustainable Development Best Practice Principles, 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 Corporate Governance Best Practice Principles 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:

1. The Deputy Financial Supervisor 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 Corporate Governance Supervisor is responsible for collecting corporate governance information and providing it to the Board of Directors as reference for corporate governance decision-making.
2. 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 Corporate Governance Best Practice Principles, the Method for Election of Directors and the Nomination Committee Charter, 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.
3. 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.	<p>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.</p> <p>Make necessary adjustments according to the findings of internal control inspection. The training course of "Talent Selection Basis" provided by the Company to the HR manager includes non-discrimination against the applicant.</p> <p>In the Company's internal interview notice, the interviewer will be specially reminded not to ask for personal information of</p>	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.	<p>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.</p> <p>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.</p>	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".

	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.
		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, biological and psychosocial diseases.	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.
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.

	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.
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](tel:+886-2-26557699) ext.660 Email Address : benjamin_wang@coasia.com

Acting spokesperson: Chen, Hung-Yi [Tel:+886-2-26557699](tel:+886-2-26557699) ext.671 Email Address : wilson_chen@coasia.com

Stock Department: Miss Chen 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, Lisa, Miss Hsiao or Mindy)
- ◆ Direct manager of each department
- ◆ Manager of Human Resources (Miss Yang, 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, 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 , 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 2022
Government and competent authorities	<ol style="list-style-type: none"> 1. Compliance with law 2. Customer protection and communication 3. Corporate governance 4. Risk management 5. Communication with the competent authority 	<ul style="list-style-type: none"> ◆ 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. Ye, Alvin) Email Address : alvin_yeh@coasia.com 	<ul style="list-style-type: none"> ◆ There has been no punishment for violating the law.
Employees	<ol style="list-style-type: none"> 1. Employee benefits 2. Employee assessment mechanism 3. Operational performance 4. Labor relations 5. Corporate image 	<ul style="list-style-type: none"> ◆ 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, 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, Michael) Email Address : michael_wang@coasia.com 	<ul style="list-style-type: none"> ◆ Realization of assistance and care for employees ◆ Internal promotion of staff welfare and training in 2022

Interested parties	Priority topics of concern	Communication channel, response mode and communication frequency	Communication with interested parties in 2022
Shareholders and investors:	<ol style="list-style-type: none"> 1. Corporate governance 2. Sustainable development strategy 3. Risk management 4. Shareholder participation 5. Operational performance 	<ul style="list-style-type: none"> ◆ 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 ◆ Hold a shareholders' meeting once a year and publish the annual report of the Company ◆ Set up a contact window for stock affairs and investor relations for two-way communication ◆ Receive visits from corporate analysts from time to time ◆ Participate in forums at home and abroad from time to time → Stock Affairs Department (Miss Chen, Jessica) Email Address : jessica@coasia.com 	<ul style="list-style-type: none"> ◆ Good communication with shareholders and investors
Customer	<ol style="list-style-type: none"> 1. Information security 2. Customer protection and communication 3. Information transparency 4. Service quality 5. Corporate governance 	<ul style="list-style-type: none"> ◆ Publicity and advertising, social media: Information is irregularly published. ◆ Provide customers with multiple communication channels: Including the website visitor message board, etc. ◆ Handle relevant complaints or disputes by special personnel to protect the rights and interests of customers → Contact window of business department (Miss Wu, Miranda) Email Address : miranda_wu@coasia.com 	<ul style="list-style-type: none"> ◆ Choose customers with sound financial position. ◆ Actively deal with problems raised by customers
Supplier	<ol style="list-style-type: none"> 1. Information security 2. Sustainable development strategy 3. Corporate image 4. Information transparency 5. Supplier management 	<ul style="list-style-type: none"> ◆ Invite suppliers to sign the corporate social responsibility commitment letter. → Contact window of business department (Miss Hsiao, Mindy) Email Address : stellar@coasia.com 	<ul style="list-style-type: none"> ◆ Choose suppliers with excellent reputation ◆ Ask suppliers to sign the corporate social responsibility commitment letter

Interested parties	Priority topics of concern	Communication channel, response mode and communication frequency	Communication with interested parties in 2022
Social organizations and community residents	<ol style="list-style-type: none"> 1. Corporate image 2. Employee diversity and labor benefits 3. Community care 4. Social participation 	<ul style="list-style-type: none"> ◆ Actively participate in forums and seminars held by non-governmental organizations and academic groups. → Communication channel with social organizations, and the contact window is the Executive Officer of Corporate Social Responsibility Committee (Mr. Chen, Karl) Email Address : karl@coasia.com 	<ul style="list-style-type: none"> ◆ Continued to subscribe for water-friendly farming rice in Xizhou & donate rice to Nangang Social Welfare Center of Social Bureau of Taipei Municipal Government. ◆ Sponsored the sports meetings of Nangang Vocational High School and Cheng Cheng Junior High School and other public welfare activities of caring for relatives, good neighborliness and community connection.

(IX) Implementation status of the internal control system:

1. Declaration of internal control

CoAsia Electronics Corp.

Declaration of Internal Control System

Date: February 16, 2023

Based on the results of the self-assessment of the Company's internal control system for 2022, the

Company declares the following:

- 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. The purpose of this system is to provide reasonable assurance regarding the effectiveness and efficiency of operations (including profitability, performance, and safeguarding assets), reliability of reporting, timeliness, transparency, and compliance with relevant regulations and laws and regulations.
- 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 results of the determination in the preceding paragraph, the Company is of the opinion that, as of December 31, 2022, the internal control system (including the supervision and management of subsidiaries), including the design and implementation of the internal control system relating to the effectiveness and efficiency of the operations, reliability, timeliness, and transparency of reporting, and compliance with applicable laws and regulations, is effective and can reasonably assure the achievement of the foregoing goals.
- VI. This statement will become the main content of the Company's annual report and prospectus, and will be publicly disclosed. 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 statement has been approved by the Board of Directors of the Company on February 16, 2023. Among the 5 directors present, 0 of them disagreed. The rest all agreed to the contents of this statement.

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	2022.06.24	<p>Contents and execution of major resolutions of the general shareholders' meeting for 2022</p> <ol style="list-style-type: none"> 1. Proposal on Approving the Consolidated Financial Report for 2021 (including individual financial report) 2. Proposal on Approving Profit Distribution of 2021 Execution: Aug. 29, 2022 is set as the ex-dividend base date. Sept. 27, 2022 is set as the release date. (Allocated cash dividend per share is NT\$0.25, and stock dividend is NT\$0.25) 3. Proposal on the amendment to the Corporate Governance Best Practice Principles of the Company Execution: The proposal has been announced at the Company's website, and the revised provisions apply. 4. 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. 5. Proposal on the amendments to some provisions of the Articles of Incorporation Execution: The proposal has been announced at the Company's website, and the revised provisions apply. 6. Proposal on the amendment to some provisions of the Process for Acquiring or Disposing of Asset of the Company Execution: The proposal has been announced at the Company's website, and the revised provisions apply. 7. Proposal on Conversion of Surplus into Capital and Issuance of New Shares Execution: Aug. 29, 2022 is set as the ex-right base date. Sept. 27, 2022 is set as the release date. (Allocated stock dividend per share is NT\$0.25)

2. Major resolutions of the board meeting

Shareholders' meeting\ board meeting	Date	Major resolutions
Board of Directors	2022.03.08	<ol style="list-style-type: none"> 1. Adopt the proposal on 'Evaluation for Effectiveness of Internal Control System' and 'Internal Control System Statement' for 2021 2. Adopt the proposal on the Company's 2021 business report, parent company only financial report and consolidated financial report. 3. Adopt the proposal on the remuneration of employees and directors of the Company for 2021. 4. Adopt the Company's earning distribution plan for 2021. 5. Adopt the proposal on the capitalization of surplus and the issuance of new shares 6. Proposal on the addition of financing line with financial institutions. 7. Adopt the proposal on loaning to the subsidiary CoAsia Korea Co., Ltd. 8. Adopt the proposal on the Company's manager's promotion, etc. (including remuneration adjustment) 9. Adopt the proposal on adjustment to the remuneration of managers of the Company and its subsidiaries from March 1, 2022 to February 28, 2023. 10. Adopt the proposal on the amendment to the Articles of Incorporation. 11. Adopt the proposal on the amendment to the Corporate Governance Best Practice Principles of the Company. 12. Adopt the proposal on the amendment to the Company's Key Points for Promotion of Continuing Education in Directors. 13. Adopt the proposal on amending the Process for Acquiring or Disposing of Asset of the Company. 14. Adopt the proposal on amending the Corporate Social Responsibility Best Practice Principles of the Company. 15. Adopt the proposal on the establishment of the Nomination Committee Charter of the Company 16. Adopt the proposal on the formulation of the Company's Guidelines for Information Security Control. 17. Matters relating to the convening of the 2022 annual general meeting of shareholders of the Company.
Board of Directors	2022.05.12	<ol style="list-style-type: none"> 1. Proposal on change of auditors from the PwC Taiwan auditing the Company's financial reports. 2. Adopt the proposal on the consolidated financial report of the Company for 1Q2022. 3. Adopt the proposal on appointing members of the 1st Nomination Committee of the Company. 4. Adopt the 2021 Annual Report on the Company's Promotion of sustainable development. 5. Proposal on the addition of financing line with financial institutions. 6. Proposal on the addition of financing line with non-financial institutions. 7. Adopt the proposal on the addition of financing line endorsement guarantee with Taishin International Bank for the sub-subsidiary CoAsia Electronics Corp. (Hong Kong) Limited. 8. Adopt the proposal on the addition of financing line endorsement guarantee with the Bank of Panhsin for the sub-subsidiary CoAsia Electronics Corp. (Hong Kong) Limited. 9. Adopt the proposal on the addition of financing line endorsement guarantee with the First Bank for the subsidiary CoAsia Electronics Corp. (Singapore) Pte. Ltd. 10. Adopt the proposal on the amendment to some provisions of the Corporate Governance Best Practice Principles of the Company. 11. Adopt the proposal on the amendments to the Rules of Procedure of the

Shareholders' meeting\ board meeting	Date	Major resolutions
		Shareholders' Meeting. 12. Adopt the proposal on the Company's distribution of remuneration for directors for 2021 13. Adopt the proposal on the distribution of managerial employee rewards of the Company for 2021. 14. Deliberate the proposal on the Company's senior managerial officers. 15. Adopt the proposal on the purchase of golf membership cards by CoAsia Korea Co., Ltd. for business development.
Board of Directors	2022.08.05	1. Adopt the proposal on the consolidated financial report of the Company for 2Q2022. 2. Decide on the ex-right and ex-dividend date in 2022 as well as relevant matters. 3. Adopt the proposal on adding inter-company loan limit. 4. Proposal on the addition of financing line with financial institutions. 5. Adopt the proposal on extending the financing line endorsement guarantee with Hua Nan Bank for the sub-subsidiary CoAsia Electronics Corp. (Hong Kong) Limited. 6. Adopt the proposal on extending the financing line endorsement guarantee with Shin Kong Bank for the sub-subsidiary CoAsia Electronics Corp. (Hong Kong) Limited. 7. Adopt the proposal on extending the financing line endorsement guarantee for the sub-subsidiary CoAsia Electronics Corp. (Hong Kong) Limited and the subsidiary CoAsia Electronics Corp. (Singapore) Pte. Ltd. with United Overseas Bank Limited, Hong Kong Branch. 8. Adopt the proposal on extending the financing line endorsement guarantee with Chang Hwa Bank for the sub-subsidiary CoAsia Electronics Corp. (Hong Kong) Limited. 9. Adopt the proposal on retention bonus for senior managers of the Company. 10. Adopt the proposal on re-recognize the accounts receivable of the Company's subsidiary, CoAsia Electronics Corp. (Singapore) Pte. Ltd., against the Company's sub-subsidiary, CoAsia Electronics Corp. (Hong Kong) Ltd., into capital loan.
Board of Directors	2022.11.08	1. Adopt the proposal on the Company's 3Q2021 Consolidated Financial Report. 2. Adopt the proposal on the amendment to the Company's Internal Procedures for Handling Material Information. 3. Adopt the proposal on the addition of the Company's Risk Management Best Practice Principles. 4. Proposal on the addition of financing line with financial institutions. 5. Adopt the proposal on extending the financing line endorsement guarantee with Taiwan Cooperative Bank for the sub-subsidiary CoAsia Electronics Corp. (Hong Kong) Limited. 6. Adopt the proposal on extending the financing line endorsement guarantee with CTBC Bank Hong Kong Branch for the sub-subsidiary CoAsia Electronics Corp. (Hong Kong) Limited and the issuance of the Letter of Support. 7. Adopt the proposal on extending the bank financing endorsement guarantee with CTBC Bank Singapore Branch for the subsidiary CoAsia Electronics Corp. (Singapore) Pte. Ltd. 8. Proposal on re-recognize the accounts receivable/other receivables of the Company's subsidiary, CoAsia Electronics Corp. (Singapore) Pte. Ltd., against the Company's sub-subsidiary, CoAsia Electronics Corp. (Hong Kong) Ltd., into capital loan. Resolutions: Not approved

Shareholders' meeting\ board meeting	Date	Major resolutions
Board of Directors	2022.12.30	<ol style="list-style-type: none"> 1. Adopt the proposal on the Company's 2023 audit plan. 2. Adopt the proposal on the Company's 2023 operation plan. 3. Adopt the proposal on the Company's 2023 financial budget. 4. Adopt the proposal on the amendment to the Corporate Governance Best Practice Principles of the Company. 5. Adopt the proposal on the amendment to the Company's Rules of Procedure of the Board of Directors. 6. Adopt the proposal on the addition of the Company's Risk Management Committee Charter. 7. Adopt the proposal on the amendment to the Company's Measures for Preventing Insider Trading. 8. Adopt the proposal on the 'Decision Authority Table' for Internal Control System 9. Adopt the proposal on the formulation of the Company's Succession Plan for Board Members and Succession Plan for Senior Management.
Board of Directors	2023.02.16	<ol style="list-style-type: none"> 1. Adopt the proposal on 'Evaluation for Effectiveness of Internal Control System' and 'Internal Control System Statement' for 2022 2. Adopt the proposal on the Company's 2022 operating report. 3. Adopt the proposal on the Company's 2022 parent company only financial report and consolidated financial report. 4. Adopt the proposal on the Company's remuneration of directors for 2022. 5. Adopt the proposal on the Company's distribution of rewards to employees for 2022. 6. Adopt the proposal on the regular independence evaluation of the CPAs of the Company. 7. Adopt the proposed policy proposal on the pre-approval of the Company's CPAs of the year (2023) and their accounting firm (PwC Taiwan) and its affiliates to provide non-assurance services to the Company and its parent company and subsidiaries. 8. Adopt the proposal on extending the loaning to the subsidiary CoAsia Korea Co., Ltd. 9. Adopt the proposal on the amendment to the Company's Sustainable Development Best Practice Principles. 10. Adopt the proposal on the amendment to the Corporate Governance Best Practice Principles of the Company. 11. Adopt the proposal on the Company's manager's promotion, etc. (including remuneration adjustment) 12. Adopt the proposal on adjusting the bank financing endorsement guarantee for the sub-subsidiary CoAsia Electronics Corp. (Hong Kong) Limited and the subsidiary CoAsia Electronics Corp.(Singapore) Pte. Ltd. with United Overseas Bank Limited, Hong Kong Branch.
Board of Directors	2023.03.30	<ol style="list-style-type: none"> 1. Adopt the Company's earning distribution plan for 2022. 2. Adopt the proposal on the capitalization of surplus and the issuance of new shares 3. Adopt the proposal on the amendment to the Articles of Incorporation. 4. Adopted the proposal on amending the "Rules of Procedure of the Shareholders' Meeting" of the Company. 5. Adopt the proposal on the general election of directors of the Company. 6. Adopt the proposal on lifting the non-competition restrictions for newly elected directors. 7. Adopt the proposal on matters relating to the convening of the 2023 annual general meeting of shareholders of the Company.

Shareholders ' meeting\ board meeting	Date	Major resolutions
Board of Directors	2023.05.04	<ol style="list-style-type: none"> 1. Adopt the proposal on the Company's 1Q2023 Consolidated Financial Report. 2. Adopt the proposal on the amendment to the Decision Authority Table for Internal Control System of the Company. 3. Adopt the proposal on the amendment to the Company's Implementation Rules for Internal Audit. 4. Adopt the proposal on the amendment to the Company's Procedures for Loaning of Funds to Others. 5. Adopt the proposal on amending the Process for Acquiring or Disposing of Asset of the Company. 6. Adopt the proposal on the amendment to the Company's Rules of Procedure of the Board of Directors. 7. Adopt the proposal on the amendment to the Company's Measures for Preventing Insider Trading. 8. Adopt the proposal on the amendment to the Articles of Incorporation. 9. Adopt the proposal on reviewing the list of director (including independent director) candidates nominated by shareholders holding over one percent of shares of the Company at the 2023 general meeting of shareholders. 10. Adopt the proposal on the Company's distribution of rewards to directors for 2022. 11. Adopt the proposal on the monthly remuneration of the Company's independent directors and functional committee members. 12. Proposal on the addition of financing line with financial institutions. 13. Adopt the proposal on matters relating to the convening of the 2023 annual general meeting of shareholders of the Company. 14. Adopt the proposal on the sub-subsidiary CoAsia Electronics Corp. (Hong Kong) Limited's intention to cancel the loaning of funds to the Group. 15. Adopt the proposal on re-recognizing the accounts receivable of the Company's sub-subsidiary, CoAsia Electronics Corp. (Hong Kong) Limited, against CoAsia Electronics Corp. into capital loan.

(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	Names of CPAs		Audit Period	Remarks
PwC Taiwan	Feng, Min-Chuan	Wu, Han-Chi	2022.01.01~2022.12.31	

Unit: In Thousands of New Taiwan Dollars

Public Fee Item		Audit Fee	Non-audit Fee	Total
Amount Range				
1	Below NT\$ 2,000			
2	NT\$ 2,000 (inclusive) ~ NT\$ 4,000		2,332	2,332
3	NT\$ 4,000 (inclusive) ~ NT\$ 6,000	4,290		4,290
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	Names of CPAs	Audit period	Audit Fee	Non-audit Fee					Remarks
				System Design	Industry and Commerce Registration	Human Resources	Others (Note 2)	Sub-total	
PwC Taiwan	Feng, Min-Chuan	2022.01.01~2022.12.31	4,290		57		2,275	6,622	Others: Transfer valuation and country report
	Wu, Han-Chi								

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. Information on Replacement of CPAs: 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 Wu, Han-Chi to Feng, Min-Chuan and Wu, Han-Chi, with effect from the first quarter of 2022.

VI. Any of the Company's Chairman, General Manager, or Managers in Charge of Finance or Accounting Held a Position in the Independent Auditors' Firm or Its Affiliates in the Most Recent Year, his/her name, professional title as well as the period of his/her employment in the Independent Auditors' Firm or Its Affiliates shall be disclosed: 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	2022		Current year up to April 30	
		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	443,475	0	0	0
Shareholders holding more than 10% of the shares (jointly acquired)	Korean business CoAsia Corporation (Note 1)	291,841	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	4	0	0	0
Deputy General Manager	Yi, Duk-Hyung	0	0	0	0
Deputy General Manager	Noh, Kyung-Heon	0	0	0	0
Deputy General Manager	Moon, Kyung Mo	0	0	0	0
Deputy General Manager (Note 3)	Kim, Chang-Wan	0	0	0	0
Deputy General Manager (Note 4)	Cho, Kye-Young	0	0	0	0
Deputy General Manager	Lee, Jung-Won	0	0	0	0
Deputy General Manager (Note 5)	Chen, Hsiao-Hsu	0	0	0	0
Deputy General Manager (Note 6)	Lee, Seung-Rok	0	0	0	0
Vice President (Note 7)	Chen, Wei-Li	439	0	0	0
Vice President (Note 8)	Chen, Po-Kuang	0	0	0	0
Vice President (Note 9)	Park, Gyong-Sok	0	0	0	0
Vice President (Note 10)	Yoon, In-Young	0	0	0	0
Vice President (Note 11)	Chen, Hung-Yi	0	0	0	0
Senior Manager (Note 12)	Sim, Woo-Sup	0	0	0	0
Senior Manager (Note 13)	Wu, Chi-Chang	0	0	0	0
Associate Manager	Kim, Myoung-Yi	0	0	0	0
Associate Manager	Doh, Sang-Jin	0	0	0	0
Senior Manager (Note 14)	Wu, Ying-Chih	9	0	0	0
Senior Manager (Note 15)	Lee, Min-Il	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. Kim, Chang-Wan resigned on Dec. 31, 2022.

Note 4: Mr. Cho, Kye-Young resigned on Nov. 30, 2022.

Note 5: Mr. Chen, Hsiao-Hsu resigned on Dec. 31, 2022.

Note 6: Mr. Lee, Seung-Rok resigned on Dec. 31, 2022.

Note 7: Ms. Chen, Wei-Li took office as Deputy General Manager on March 1, 2022.

Note 8: Mr. Chen, Po-Kuang took office as Deputy General Manager on Jun. 13, 2022 and left on Nov. 30, 2022.

Note 9: Mr. Park, Gyeong-Suk took office as Deputy General Manager on Jan. 1, 2023.

Note 10: Ms. Yoon, In-Young took office as Deputy General Manager on Jan. 1, 2023.

Note 11: Mr. Chen, Hung-Yi took office as Deputy General Manager on March 1, 2023.

Note 12: Mr. Sim, Woo-Sup resigned on Aug. 31, 2022.

Note 13: Mr. Wu, Chi-Chang resigned on Dec. 31, 2022.

Note 14: Mr. Wu Ying-Chih took office as Associate Manager on Mar. 1, 2023.

Note 15: Mr. Lee, Lee, Min-Il took office as Associate Manager on Mar. 6, 2023.

(II) Equity transfer information: not applicable.

(III) Information regarding pledging of shares: not applicable.

VIII. Top 10 Shareholders Who are Related Parties, Spouses, or within Second Degree of Kinship to Each Other:

April 30, 2023/Unit: Shares; %

NAME	SHARES HELD BY ONESELF		SHARES HELD BY SPOUSE AND UNDERAGE 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.		REMARKS
	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Name	Relation	
Special investment account of Bishengyi Holding Co., Ltd. entrusted by CTBC Bank of Taiwan	18,182,503	12.21%	0	0	0	0	None	None	
CoAsia Corporation Representative: Mr. Lee, Hee-Jun	11,965,493	8.04%	0	0	0	0	None	None	
	0	0	0	0	0	0	None	None	
Nien, Yung-Wen	2,229,512	1.50%	0	0	0	0	None	None	
Chen, Kuan-Yung	883,779	0.59%	0	0	0	0	None	None	
Chen, Shu-Chuan	659,688	0.44%	0	0	0	0	None	None	
Chiang, Ping-Chu	625,250	0.42%	0	0	0	0	None	None	
Special investment account of JP Morgan Asset Management (Taiwan) Limited in custody of JP Morgan Chase Bank Taipei Branch	614,203	0.41%	0	0	0	0	None	None	
Yin, Tsan-Cheng	607,100	0.41%	0	0	0	0	None	None	
CHEN, SHU-HUI	602,542	0.40%	0	0	0	0	None	None	
Cheng, Hui-Chun	550,000	0.37%	0	0	0	0	None	None	

IX. Total Number of shares and Total Equity Stake Held in any Single Enterprise by the Company, Its Directors and Supervisors, Managerial Officers, and Any Companies Controlled Either Directly or Indirectly by the Company.

Aggregate Ownership Percentage

March 31, 2023 Unit: Thousands of shares; %

Transfer to investment	Investment of the Company		Investments of directors, the supervisors, the managers and directly or indirectly controlled		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) Limited	10,293	100%	0	0%	10,293	100%
CoAsia Electronics Corp. (Shanghai) Limited	Capital contribution certificate (US\$5,000,000)	100%	0	0%	Capital contribution certificate (US\$5,000,000)	100%
CoAsia Electronics Corp. (Shenzhen) Limited	Paid-in Capital (US\$1,000,000)	100%	0	0%	Paid-in Capital (US\$1,000,000)	100%
Taiwan Interactive 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 Shares

(I) Sources of Capital

Unit: Shares/ NT\$

YYYY. MM	Issuing Price	Authorized Capital		Paid-up Capital		Remarks		
		Number of shares	Amount	Number of shares	Amount	Sources of Capital	Payment for shares in form of properties other than cash	Others
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

YYYY. MM	Issuing Price	Authorized Capital		Paid-up Capital		Remarks		
		Number of shares	Amount	Number of shares	Amount	Sources of Capital	Payment for shares in form of properties other than cash	Others
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
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	200,000,000	2,000,000,000	142,416,429	1,424,164,290	Conversion of surplus into capital by NT\$27,924,790	None	Note 31
2021.09	10	200,000,000	2,000,000,000	145,264,758	1,452,647,580	Conversion of surplus into capital by NT\$28,483,290	None	Note 32
2022.09	10	200,000,000	2,000,000,000	148,896,377	1,488,963,770	Surplus capitalization of NT\$36,316,190	None	Note 33

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

Note 2: Number of Approval for Issuance of Ordinary Shares for Cash: Investment Commission, MOEA: 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 TCZYX No. 0910134627

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

Note 6: Number of Approval for Conversion of Surplus into Capital: FSC 930808 JGZYX No. 0930135080

Note 7: Number of Approval for Conversion of Surplus into Capital: FSC 940728 JGZYX 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: FSC 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: FSC 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: FSC 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 960725 JSSZ No. 09601171460
- Note 17: Number of Approval for Conversion of Surplus into Capital: FSC 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: FSC 970709 JGZYZ No. 0970034413
Department of Commerce under Ministry of Economic Affairs 2008.09.17 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: FSC 1001017 JGZYZ No. 1000049218
Department of Commerce under Ministry of Economic Affairs 1001121 JSSZ No. 10001264210
- Note 28: Number of Approval for Conversion of Surplus into Capital: FSC 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: FSC 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
- Note 33: Number of Approval for Conversion of Surplus into Capital: Department of Commerce under Ministry of Economic Affairs 1110913 JSSZ No. 11101173840

Types of shares

April 30, 2023; Unit: Shares

Types of shares	Authorized Capital			Remarks
	Outstanding shares	Unreleased shares	Total	
ordinary stock	148,896,377	51,103,623	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 30, 2023; Unit: Shares

Shareholder structure Number	Government agencies	Financial institutions	Other legal persons	Foreign institutions and foreigners	Individual	Total
Number of person	0	0	243	73	55,086	55,402
Number of shares held	0	0	1,954,882	32,379,863	114,561,632	148,896,377
Shareholding ratio	0.00%	0.00%	1.31%	21.75%	76.94%	100.00%

(III) Shareholding distribution status

1. Dispersion of ordinary shares:

The par value of each share is NT\$10; April 30, 2023

Shareholding classification	Number of shareholders	Number of shares held	Shareholding ratio
1 to 999	42,627	1,724,253	1.16%
1,000 to 5,000	8,394	17,288,946	11.61%
5,001 to 10,000	1,972	13,355,988	8.97%
10,001 to 15,000	963	11,163,659	7.50%
15,001 to 20,000	348	5,948,231	4.00%
20,001 to 30,000	457	10,691,821	7.18%
30,001 to 40,000	190	6,531,141	4.39%
40,001 to 50,000	93	4,163,500	2.80%
50,001 to 100,000	207	13,936,351	9.36%
100,001 to 200,000	97	13,122,031	8.81%
200,001 to 400,000	33	8,752,474	5.88%
400,001 to 600,000	12	5,847,912	3.93%
600,001 to 800,000	5	3,108,783	2.08%
From 800,001 to 1,000,000	1	883,779	0.59%
Above 1,000,001	3	32,377,508	21.74%
Total	55,402	148,896,377	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 30, 2023

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		18,182,503	12.21%
Korean business CoAsia Corporation		11,965,493	8.04%
Nien, Yung-Wen		2,229,512	1.50%
Chen, Kuan-Yung		883,779	0.59%
Chen, Shu-Chuan		659,688	0.44%
Chiang, Ping-Chu		625,250	0.42%
Special investment account of JP Morgan Asset Management (Taiwan) Limited in custody of JP Morgan Chase Bank Taipei Branch		614,203	0.41%
Yin, Tsan-Cheng		607,100	0.41%
CHEN, SHU-HUI		602,542	0.40%
Cheng, Hui-Chun		550,000	0.37%

(V) Market Price, Net Asset, Earnings, Dividends Per Share and Related Information in the Most Recent Two Fiscal Years

Unit: New Taiwan dollars; Thousand shares

Item	Year		2021	2022	Current year up to March 31, 2023 (Note 7)
	Market price per share (Note 1)	Highest		16.55	16.40
	Lowest		10.35	10.70	11.10
	Average		13.49	12.98	11.74
Net worth per share (Note 2)	Before allocation		17.10	17.25	16.56
	After allocation		16.85	Note 7	-
Earnings per share	The weighted average number of shares		145,265	148,896	148,896
	Earnings per share (Note 3)	before adjustment	1.10	0.01	-0.60
		after adjustment	1.09	Note 7	
Dividend per share	Cash dividends		0.25	Note 7	-
	Free allotment	Earnings allotment	0.25	Note 7	-
		Capital reserve	0	Note 7	-
	Accumulated unpaid dividends		0	Note 7	-
Investment return analysis	Price-to-earning ratio (Note 4)		12.26	1,298	-
	Price-to-dividend ratio (Note 5)		53.96	Note 7	-
	Cash dividend yield (Note 6)		1.85%	Note 7	-

Note 1: The highest and lowest market prices of the common stock for each fiscal year are listed, along with the average market price calculated based on the trading value and volume for each year.

Note 2: Please fill in the column in accordance with the number of shares issued for the fiscal year and the distribution decided by the board of directors or at the next year's shareholder meeting.

Note 3: If a retrospective adjustment is needed due to situations such as stock dividends, both the pre-adjustment and post-adjustment earnings per share should be listed.

Note 4: The Price-Earnings Ratio (P/E ratio) is calculated as the average closing price per share for the fiscal year divided by the earnings per share.

Note 5: The Price-Dividend Ratio (P/D ratio) is calculated as the average closing price per share for the fiscal year divided by the cash dividends per share.

Note 6: The Dividend Yield is calculated as cash dividends per share divided by the average closing price per share for the fiscal year.

Note 7: The earnings distribution in 2021 is a cash dividend of NT\$ 0.03 per share and a stock dividend of NT\$ 0.03 per share under the resolution of the board of directors on March 30, 2023, which will be finalized after the resolution of the shareholders' meeting.

(VI) Dividend Policy and Its Implementation

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 30, 2023.

(1) The statement of earnings distribution is as follows:

2022

Unit: New Taiwan dollars

Undistributed earnings at the beginning of the period	38,872,095
Plus: net profit after tax of the current period	1,112,541
Less: provision of 10% legal earnings reserve	111,254
Current distributable earnings	39,873,382
Distribution items:	
Shareholder bonus -cash (NT\$ 0.03 per share)	4,466,890
Shareholder bonus -shares (NT\$ 0.03 per share)	4,466,890
Undistributed earnings at the end of the period	30,939,602

(2) The cash dividend calculates as NT\$4,466,890, and the proposed allotment is NT\$ 0.03 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 148,896,377 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 2023, 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. Employee rewards can be paid in stock or in cash. The recipients include employees of subordinate companies who meet certain conditions. Directors' remuneration may only be paid 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 2022. The relevant information is as follows:

Unit: NT\$ thousands

Distribution situation	The board of directors approved the distribution of remuneration
Employee compensation	1,869
Directors' remuneration	187

4. Distribution of earnings and remuneration to employees in the previous year. In 2022, the Company distributed NT\$ 20,797 thousand of employee rewards and NT\$ 2,286 thousand of director rewards in cash for 2021, which is the same as the amount recognized by the Company for 2021.

(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	2021		2022	
	Sales value	Ratio	Sales value	Ratio
Mobile communication device components revenue	24,510,945	83.93%	17,081,965	72.94%
Other products	4,692,628	16.07%	6,335,781	27.06%
Service revenue	0	0.00%	0	0.00%
Other operating income	140	0.00%	0	0.00%
Total	29,203,713	100.00%	23,417,746	100.00%

(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) Foundry products

Samsung Semiconductor provides various forms of process technology, IP services, advanced manufacturing processes and comprehensive wafer foundry one-stop solutions to meet the diverse needs of customers around the world. With the rapid development of 5G, artificial intelligence, unmanned driving and high-performance computers, the demand for high-end chips is growing rapidly. Samsung Semiconductor's advantages are particularly prominent, especially in advanced technologies.

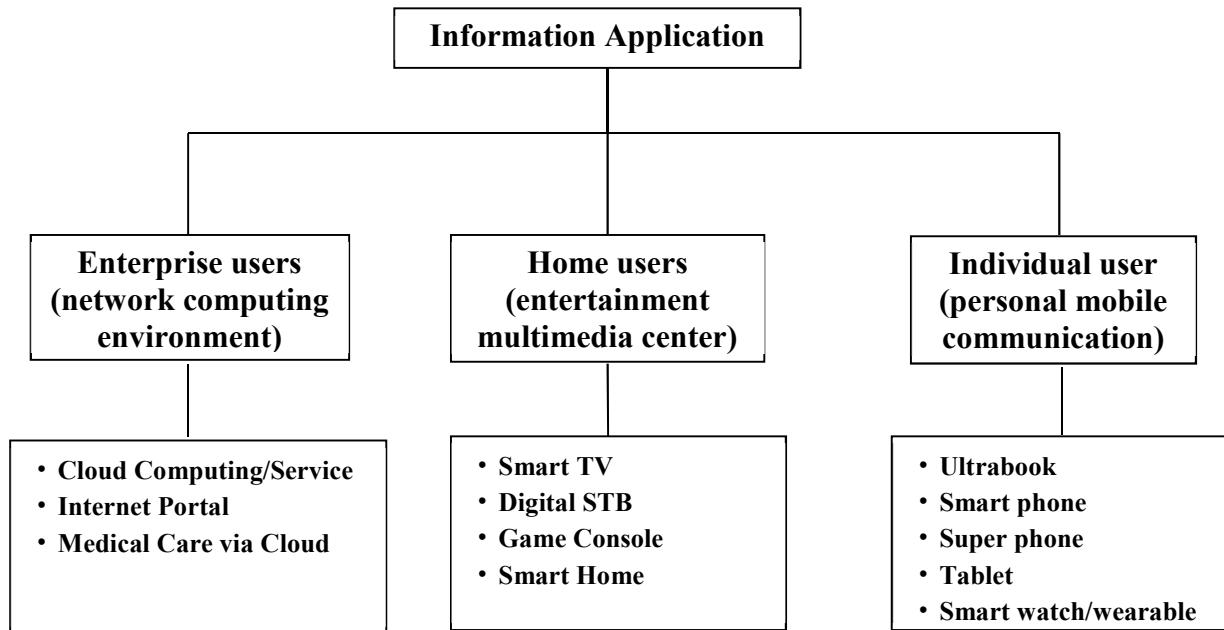
(5) New business products

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 + (1920x1080), while the resolution of the highest-level model dominates by WQ HD + (3200x1440). The improvement of AMOLED's production capacity, price competitiveness and market recognition will also broaden the application scope of the market. Except for the existing mobile device market, It will also gradually increase the future 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 Photo Diode, 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). Despite the great market volatility in 2022, thanks to the market demand for remote office and virtual learning, the memory business of Samsung 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 Q4.21. 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: No such occurrences
2. Successfully developed technology or product

Date	Research and development achievements
03/2006	Wireless area network telephone -system hardware design verification (DVT)
03/2006	Wireless LAN telephony -Application Software (β Release)
10/2006	Mass production of photographic navigation reference design platform

Date	Research and development achievements
11/2006	The size of the 25x23 satellite navigation chip module is not equal to that of the 15x13
12/2006	C340 development platform integrating sound effect chip and navigation chip
5/2007	The engineering prototype of the vehicle traffic monitoring system
5/2007	Mass production of photographic navigation reference design platform supporting multi-layer cell (MLC) flash memory
7/2007	Embedded system development platform C343 platform design v.1
8/2007	Application of GPS software to the C343 platform
10/2007	7" Design of digital picture frame reference platform
12/2007	Embedded system development platform C343 Linux BSP
1/2008	ARM11 level embedded system development platform C640 platform
4/2008	Development of auxiliary positioning software for vehicle navigation system - client E.E
2/2009	Specification development of CMO sensor and lens of ultra-thin NB cam module
6/2009	The standard module design of HD NB Cam with high pixel and ultra-high Frame Rate
8/2009	Cooperative development of CSP like packaging technology for CIS embedded IR glass -Design Verification and trial production of Tera Pak and NeonPak
9/2009	Integration of wafer-level CSP-like packaging and glass coating technology - NeoPAC cooperative design and trial production
10/2009	Packaging technology of a new generation CMOS sensor without Dam process - cooperative development of ELCC
12/2009	Embedded information navigation device with built-in capacitive touch panel
12/2009	4.3" 600*272 2D touch Window XP OS was developed
12/2009	7.0" 800*600 1D touch Linux OS was developed
1/2010	10.1" 800*600 2D touch Window7 stand alone was developed
2/2010	4.3" one single glass(non cutting stress) was developed
3/2010	3.5" 2D touch standard was developed
4/2010	4.8 "capacitive touch and WSVGATFT module
7/2010	7 "USB ultra-thin touch panel module
8/2010	10.1 "USB ultra-thin touch panel module
2/2011	2.4" one layer sensor
10/2011	MagicLEGO-4210 reference design, mobile communication product solution, using Android 2.3 and Samsung ARM Cortex A9 dual-core.
4/2012	MagicLEGO-4x12 physical machine specification, mobile communication product solution, with Android 4.0 and Samsung 32nm ARM Cortex A9 multi-core.
5/2013	MagicLEGO-5x50 physical machine specification, tablet computer product solution, using Android 4 X and Samsung 32nm ARM Cortex -A15 dual-core
10/2013	MagicLEGO-4412 physical machine specification, tablet computer product solution, software upgrade, Android version 4.2.2.
2/2015	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.
4/2016	AIR MENTOR has accumulated four patent certificates.
5/2016	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 plans

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. E.g., 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) Supply 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

1. Continuing to introduce high-margin key components related to the existing business; Provide customers with One-Stop Shopping solutions, shorten customer R&D time, and achieve win-win results with customers.
2. 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. Overview of Market, Production and Sales:

(I) Market analysis

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

Unit: NT\$/ thousand;%

Sales area		2021		2022	
		Amount	Proportion (%)	Amount	Proportion (%)
Domestic sales		5,962,745	20.42%	2,437,835	10.41%
Export sales	Asia	23,107,426	79.12%	20,931,057	89.38%
	America	110,737	0.38%	48,854	0.21%
	Europe	22,805	0.08%	-	-
Total		29,203,713	100.00%	23,417,746	100.00%

2. Market share

The net consolidated operating income of the group in 2022 was NT\$23.4 billion, an increase of 5.8 billion (-19.86%) over NT\$29.2 billion in 2021. 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:

- (1) 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.

(2) 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. 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.

(3) 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 major 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\$ thousands

Item	2021				2022				As of the previous quarter of 2023 (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	Customer A	2,861,512	9.80%	None	Customer A	2,998,979	12.81%	None	Customer A	24,800	0.68%	None
2	Customer B	119,472	0.41%	None	Customer B	2,414,644	10.31%	None	Customer B	838,690	23.05%	None
3	Customer C	3,739,038	12.80%	None	Customer C	453,035	1.93%	None	Customer C	50,902	1.40%	None
4												
5												
6												
7												
8												
9												
10												
	Others	22,483,691	76.99%		Others	17,551,088	74.95%		Others	2,724,667	74.87%	
	Net sales	29,203,713	100.00%		Net sales	23,417,746	100.00%		Net sales	3,639,059	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

Item	2021				2022				As of the previous quarter of 2023 (Note 2)			
	Name	Amount	The proportion of net purchase for the whole year [%]	Relationship with the issuer	Name	Amount	The proportion of net purchase for the whole year [%]	Relationship with the issuer	Name	Amount	Percentage to current year's net purchases up to the previous quarter [%]	Relationship with the issuer
1	Shanghai Samsung	16,349,807	54.38%	Substantially related person	Shanghai Samsung	12,557,974	57.02%	Substantially related person	Shanghai Samsung	1,800,999	55.39%	Substantially related person
2	Samsung Taiwan	5,634,487	18.74%	Substantially related person	Samsung Asia	2,426,518	11.02%	Substantially related person	Samsung Taiwan	637,450	19.60%	Substantially related person
3	SIEL	3,082,236	10.25%	Substantially related person	Samsung Taiwan	2,185,806	9.92%	Substantially related person	Samsung Singapore	181,760	5.59%	Substantially related person
4	Samsung Asia	2,880,852	9.58%	Substantially related person	SIEL	1,587,135	7.21%	Substantially related person	SIEL	146,645	4.51%	Substantially related person
5												
6												
7												
8												
9												
10												
	Others	2,118,217	7.05%		Others	3,266,824	14.83%		Others	484,778	14.91%	
	Net purchase	30,065,599	100.00%		Net purchase	22,024,257	100.00%		Net purchase	3,251,632	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 volume and value in the most recent two fiscal years

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

Production volume Main product (Or by department)	Year	2021			2022		
		Capacity (note)	Volume	Output value	Capacity (note)	Volume	Output value
Mobile communication device components			478,043	25,457,645		210,925	15,838,869
Others			25,615	4,607,954		11,891	6,185,388
Total			503,658	30,065,599		222,816	22,024,257

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

(VI) Sales volume in the most recent two years

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

Sales value Main product (Or by department)	Year	2021				2022			
		Domestic sales		Export sales		Domestic sales		Export sales	
		Sales volume	Value	Sales volume	Value	Sales volume	Value	Sales volume	Value
Mobile communication device components		12,626	4,915,926	351,598	19,595,019	5,957	1,284,828	210,271	15,797,137
Other products		80	1,046,679	25,255	3,645,949	5,786	1,153,007	9,874	5,182,774
Other operating income		1	140						
Service revenue					0				
Total		12,707	5,962,745	376,853	23,240,968	11,743	2,437,835	220,145	20,979,911

III. Number of employees in the most recent two years

Unit: Employees; %

Year		2021	2022	Current year up to March 31, 2023
Number of employees	Manager	21	21	18
	R&D personnel	0	0	0
	Business marketing personnel	65	53	43
	Administrative staff	69	73	66
	Total	155	147	127
Average age		39.05	40.12	40.56
Average years of service		6.16	6.81	6.87
Academic distribution ratio	PhD	0.00%	0.00%	0.00%
	Master	10.97%	14.29%	13.39%
	College	87.74%	84.35%	85.83%
	High school	1.29%	1.36%	0.79%
	Below high school	0.00%	0.00%	0.00%

IV. Expenditure Related to Environmental Protection

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

Item		Number of shifts	Total person-time	Total hours
Internal training	Initial training	20	20	80
	Professional function training	22	813	40
External training		14	8	8

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) Business 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. In the most recent years as of the publication date of the annual report, the losses suffered by the Company due to the labor disputes (including matters with labor inspection results that violate the *Labor Standards Act*, the punishment date, the punishment font size, the provisions of the statute violated, the content of the statute violated, and the punishment content are listed), and the current and future estimated amounts and responding measures shall be estimated. If it cannot be estimated reasonably, state the fact that it cannot be estimated reasonably: None.
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. Employee rewards 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. Directors' remuneration may only be paid in cash. The remuneration of employees and directors shall be paid 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."
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 Contracts

Nature of contract	Party	Contract start and end date	Main content	Restrictive clause
Agency contract	SAMSUNG ELECTRONICS TAIWAN CO., LTD.	2023.03.01~2024.02.28	Acting semiconductor parts	<ol style="list-style-type: none"> 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 2. Obligation of confidentiality 3. It shall not be transferred, pledged, or disposed of by the agency.
Agency contract	SHANGHAI SAMSUNG SEMICONDUCTOR Co, Ltd.	2023.03.01~2024.02.28	Acting semiconductor parts	<ol style="list-style-type: none"> 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 2. Obligation of confidentiality 3. It shall not be transferred, pledged, or disposed of by the agency.
Agency contract	SAMSUNG SEMICONDUCTOR (Xi'an) Co, Ltd	2023.03.01~2024.02.28	Acting semiconductor parts	<ol style="list-style-type: none"> 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 2. Obligation of confidentiality 3. The proxy right shall not be transferred, pledged, or disposed of.
Joint credit deed	<ol style="list-style-type: none"> 1. Taiwan Shin Kong Commercial Bank Co., Ltd. 2. Entie Bank 3. Shanghai Commercial Bank 4. Taichung Bank (TCB) 5. Bank SinoPac Company Limited 	<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"> 1. Joint and several guarantors 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).

Chapter 6 Financial Information

I. Condensed Balance Sheet, Consolidated Profit and Loss Account of the Most Recent Five Years, Name of Certified Accountant and Audit Opinion

(I) Condensed balance sheet

1. Independent condensed balance sheet -IFRS

Unit: NT\$ thousands

		Year	Financial data for the past five years (Note 1)				
			2018	2019	2020	2021	2022
Item							
Current assets			2,633,569	2,994,355	3,316,107	3,840,713	3,219,968
Property, plant and equipment			131,498	129,242	127,525	150,061	183,914
Intangible assets			4,995	34,285	32,905	30,610	31,582
Other assets			880,583	1,151,692	1,285,915	1,327,440	1,248,193
Total assets			3,650,645	4,309,574	4,762,452	5,348,824	4,683,657
Current liabilities	Before allocation		1,347,682	1,931,780	2,344,548	2,856,311	2,101,612
	After allocation		1,347,682	1,931,780	2,373,031	2,892,627	(Note 2)
Non current liabilities			5,745	13,176	14,166	8,712	13,084
Total liabilities	Before allocation		1,353,427	1,944,956	2,358,714	2,865,023	2,114,696
	After allocation		1,353,427	1,944,956	2,387,197	2,901,339	(Note 2)
Equity attributable to shareholders of the parent			2,297,218	2,364,618	2,403,738	2,483,801	2,568,961
Equity			1,396,240	1,396,240	1,424,165	1,452,648	1,488,964
Capital reserve			836,817	836,817	836,817	837,054	837,054
Retained surplus	Before allocation		100,504	181,929	227,164	334,515	262,996
	After allocation		100,504	181,929	170,198	261,883	(Note 2)
Other equity			(36,343)	(50,368)	(84,408)	(140,416)	(20,053)
Treasury stock			0	0	0	0	0
Non-controlling interest			0	0	0	0	0
Total equity	Before allocation		2,297,218	2,364,618	2,403,738	2,483,801	2,568,961
	After allocation		2,297,218	2,364,618	2,375,255	2,447,485	(Note 2)

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

Note 2: The proposal on 2022 earnings distribution plan is to be recognized at the general meeting of shareholders.

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

Unit: NT\$ thousands

Year Item	Financial data for the past five years (Note 1)				
	2018	2019	2020	2021	2022
Operation income	8,298,577	7,905,296	9,855,383	14,564,375	9,589,512
Gross operating profit	187,256	172,965	216,879	341,839	304,117
Operating income/(loss)	(12,036)	(24,919)	13,246	92,716	127,983
Non-operating income and expense	(125,343)	106,833	75,270	92,171	(111,349)
Net profit before tax	(137,379)	81,914	88,516	184,887	16,634
Net profit from continuing operations in the current period	(123,741)	81,425	101,085	164,317	1,113
Loss of discontinued unit	0	0	0	0	0
Current net profit (loss)	(123,741)	81,425	101,085	164,317	1,113
Other comprehensive income/(loss) in the current period (net of tax)	16,251	(14,025)	(34,040)	(56,008)	120,363
Total comprehensive income/(loss) for the current period	(107,490)	67,400	67,045	108,309	121,476
The net profit belongs to the owner of the parent company	(123,741)	81,425	101,085	164,317	1,113
Net profit attributable to non-controlling interests	0	0	0	0	0
Total comprehensive income/(loss) attributable to the owner of the parent company	(107,490)	67,400	67,045	108,309	121,476
Total comprehensive income/(loss) attributable to non-controlling interests	0	0	0	0	0
Earnings per share	(0.89)	0.58	0.71	1.13	0.01

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

3. Consolidated condensed balance sheet - IFRS

Unit: NT\$ thousands

Item	Year	Financial data for the past five years (Note 1)					Financial data for the current year as of March 31, 2023 (Note 3)
		2018	2019	2020	2021	2022	
Current assets		5,470,750	5,769,889	6,038,220	8,010,264	6,120,380	6,778,278
Property, plant and equipment		138,579	132,110	130,745	152,035	194,443	192,255
Intangible assets		71,594	91,106	33,537	30,977	31,707	31,439
Other assets		97,325	95,930	116,848	89,866	116,557	125,230
Total assets		5,778,248	6,089,035	6,319,350	8,283,142	6,463,087	7,127,202
Current liabilities	Before allocation	3,465,534	3,697,954	3,895,154	5,787,581	3,876,209	4,649,573
	After allocation	3,465,534	3,697,954	3,923,637	5,823,897	(Note 2)	(Note 2)
Non current liabilities		13,039	26,245	25,205	16,445	22,503	16,367
Total liabilities	Before allocation	3,478,573	3,724,199	3,920,359	5,804,026	3,898,712	4,665,940
	After allocation	3,478,573	3,724,199	3,948,842	5,840,342	(Note 2)	(Note 2)
Equity attributable to shareholders of the parent		2,297,218	2,364,618	2,403,738	2,483,801	2,568,961	2,465,821
Equity		1,396,240	1,396,240	1,424,165	1,452,648	1,488,964	1,488,964
Capital reserve		836,817	836,817	836,817	837,054	837,054	837,054
Retained surplus	Before allocation	100,504	181,929	227,164	334,515	262,996	168,718
	After allocation	100,504	181,929	170,198	261,883	(Note 2)	(Note 2)
Other equity		(36,343)	(50,368)	(84,408)	(140,416)	(20,053)	(28,915)
Treasury stock		0	0	0	0	0	0
Non-controlling interest		2,457	218	(4,747)	(4,685)	(4,586)	(4,559)
Total equity	Before allocation	2,299,675	2,364,836	2,398,991	2,479,116	2,564,375	2,461,262
	After allocation	2,299,675	2,364,836	2,370,508	2,442,800	(Note 2)	(Note 2)

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

Note 2: The proposal on 2022 earnings distribution plan is to be recognized at the general meeting of shareholders.

Note 3: It refers to the financial data for 1Q2023 reviewed by the CPAs.

4. Consolidated condensed statement of comprehensive income -IFRS

Unit: NT\$ thousands

Item \ Year	Financial data for the past five years (Note 1)					Financial data for the current year as of March 31, 2023 (Note 2)
	2018	2019	2020	2021	2022	
Operation income	26,262,030	22,771,188	26,852,573	29,203,713	23,417,746	3,639,059
Gross operating profit	626,996	739,743	840,293	959,305	636,511	73,968
Operating income/(loss)	(18,115)	156,937	271,296	279,266	36,255	(62,262)
Non-operating income and expense	(120,530)	(55,975)	(142,580)	(64,196)	(30,825)	(46,003)
Net profit before tax	(138,645)	100,962	128,716	215,070	5,430	(108,265)
Net profit from continuing operations in the current period	(139,544)	79,186	96,120	164,379	1,212	(89,784)
Loss of discontinued unit	0	0	0	0	0	0
Current net profit (loss)	(139,544)	79,186	96,120	164,379	1,212	(89,784)
Other comprehensive income/(loss) in the current period (net of tax)	16,251	(14,025)	(34,040)	(56,008)	120,363	(8,862)
Total comprehensive income/(loss) for the current period	(123,293)	65,161	62,080	108,371	121,575	(98,646)
The net profit belongs to the owner of the parent company	(123,741)	81,425	101,085	164,317	1,113	(89,811)
Net profit attributable to non-controlling interests	(15,803)	(2,239)	(4,965)	62	99	27
Total comprehensive income/(loss) attributable to the owner of the parent company	(107,490)	67,400	67,045	108,309	121,476	(98,673)
Total comprehensive income/(loss) attributable to non-controlling interests	(15,803)	(2,239)	(4,965)	62	99	27
Earnings per share	(0.89)	0.58	0.71	1.13	0.01	(0.60)

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

Note 2: It refers to the financial data for 1Q2023 reviewed by the CPAs.

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

Certified year	Name of accounting firm	Names of CPAs	Audit 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
2022	PwC Taiwan	Feng, Min-Chuan, Wu, Han-Chi	Unqualified opinion

II. Financial analysis data for the past five years

1. Independent financial analysis -International Financial Reporting Standards

Analyzed Item		Year	Financial data for the past five years (Note 1)					
			2018	2019	2020	2021	2022	
Financial Structure (%)	The ratio of liabilities to assets		37.07	45.13	49.53	53.56	45.15	
	The ratio of long-term capital to property, plant, and equipment		1,751.33	1,839.80	1,896.02	1,661.00	1403.94	
Solvency (%)	Current ratio		195.41	155.00	141.44	134.46	153.21	
	Quick ratio		168.14	136.23	116.86	120.60	138.91	
	Interest cover		(1.08)	2.46	3.34	6.00	1.23	
Operating capacity	The turnover rate of accounts receivable (Times)		4.51	4.31	4.18	5.56	3.85	
	Average cash collection days		80.93	84.68	87.32	65.65	94.81	
	Inventory turnover rate (Times)		25.10	28.97	34.62	38.00	27.57	
	The turnover rate of accounts payable (Times)		186.93	147.91	94.11	78.12	73.35	
	Average sales days		14.54	12.60	10.54	9.61	13.24	
	The turnover rate of property, plant, and equipment (Times)		62.34	60.64	76.77	104.94	57.43	
	Total asset turnover rate (Times)		2.15	1.99	2.17	2.88	1.91	
Profitability	Return on assets (%)		(1.69)	3.46	3.18	3.90	0.12	
	Return on Equity (%)		(5.27)	3.49	4.24	6.72	0.04	
	Ratio to paid-in capital (%)	Operation interests		(0.86)	(1.78)	0.93	6.38	8.60
		Net profit before tax		(9.84)	5.87	6.22	12.73	1.12
	Net profit margin (%)		(1.49)	1.03	1.03	1.13	0.01	
	Earnings per share (NT\$)		(0.89)	0.58	0.71	1.13	0.01	
Cash flows	Cash flow ratio (%)		(6.38)	(13.58)	(20.36)	(10.42)	48.25	
	Cash flow adequacy ratio (%)		7.49	(74.63)	(46.82)	66.28	(13.83)	
	Cash reinvestment ratio (%)		(3.70)	(11.22)	(21.43)	(13.28)	38.21	
Leverage	Operating leverage		(8.66)	(4.24)	9.59	2.53	1.74	
	Financial leverage		0.19	0.31	(0.54)	1.66	2.33	

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

1. Interest coverage ratio:

Due to the increase of the interest rate of the FED in 2022, the increase of working capital cost, and the substantial loss of the subsidiaries accounted for by equity method, the net profit before tax decreased, so the interest coverage ratio decreased compared to the previous period.

2. Receivables turnover rate; average collection days; inventory turnover; average days of sales; property, plant, and equipment turnover rate; and total asset turnover rate:

All operating performance indicators decreased due to the decrease in operating revenue in 2022.

3. Return on assets; return on equity; ratio of operating profits (pre-tax profits) to paid-in capital; net profit margin; and earnings per share: Profitability decreased over the previous period due to the changes in customer structure in 2022.

4. Cash flow ratio; cash flow adequacy ratio; and cash reinvestment ratio:

The net cash inflow from the Group's operating activities increased in 2022, causing the cash flow ratio and cash flow reinvestment ratio to increase from the previous period; the net cash flow from operating activities in the last five years decreased, causing the cash flow adequacy ratio to decrease from the previous period.

5. Operating leverage: The operating incomes in 2022 decreased, causing the operating leverage to decrease from the previous period.

6. Financial leverage: The operating profits increased in 2022, causing the financial leverage to increase from the previous period.

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

Consolidated financial analysis -International Financial Reporting Standards

Analysis Item (Note 2)		Year	Financial data for the past five years (Note 1)					Current year up to March 31, 2023 (Note 2)
		2018	2019	2020	2021	2022		
Financial Structure (%)	The ratio of liabilities to assets	60.20	61.16	62.04	70.07	60.32	65.47	
	The ratio of long-term capital to property, plant, and equipment	1,668.88	1,809.75	1,857.77	1,644.52	1,332.76	1,291.08	
Solvency (%)	Current ratio	157.86	156.03	155.02	138.40	157.90	145.78	
	Quick ratio	94.05	113.17	106.88	96.27	109.93	113.11	
	Interest cover	-0.05	1.88	2.71	4.11	1.03	-2.02	
Operating capacity	The turnover rate of accounts receivable (Times)	9.68	8.27	9.15	8.30	6.84	5.36	
	Average cash collection days	37.70	44.13	39.89	43.97	53.36	68.09	
	Inventory turnover rate (Times)	12.65	12.54	18.50	14.81	10.87	8.27	
	The turnover rate of accounts payable (Times)	121.82	132.91	223.72	162.00	153.74	213.01	
	Average sales days	28.85	29.10	19.72	24.64	33.57	44.13	
	The turnover rate of property, plant, and equipment (Times)	183.30	168.25	204.31	206.55	135.18	75.28	
	Total asset turnover rate (Times)	4.30	3.84	4.33	4.00	3.18	2.14	
Profitability	Return on assets (%)	-0.10	3.68	2.46	3.42	0.51	-0.88	
	Return on Equity (%)	-5.94	3.40	4.03	6.73	0.05	-3.57	
	Percentage to the paid-in capital (%)	Operation interests	-1.30	11.24	19.05	19.22	2.43	-4.18
		Net profit before tax	-9.93	7.23	9.04	14.81	0.36	-7.27
	Net profit margin (%)	-0.53	0.35	0.36	0.56	0.01	-2.47	
	Earnings per share (NT\$)	-0.89	0.58	0.71	1.13	0.01	-0.60	
Cash flows	Cash flow ratio (%)	1.35	6.78	-2.49	-16.78	39.35	18.94	
	Cash flow adequacy ratio (%)	-175.68	-167.10	-55.78	76.93	47.29	NA	
	Cash reinvestment ratio (%)	2.06	11.64	-5.34	-41.17	59.20	36.69	
Leverage	Operating leverage	-18.11	3.33	2.28	2.59	9.18	-0.11	
	Financial leverage	0.12	3.70	1.38	1.33	-0.28	0.63	

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

1. Interest coverage ratio:

Due to the increase of the interest rate of the FED in 2022, the increase of working capital cost has caused decrease of interest coverage ratio compared to the previous period.

2. Average collection days; inventory turnover; average days of sales; property, plant, and equipment turnover rate; and total asset turnover rate:

Due to the decrease in market demand and operating revenue in 4Q2022, the average collection days and average days of sales increased from the previous period; the inventory turnover, the property, plant, and equipment turnover rate, and the total asset turnover rate decreased from the previous period.

3. Return on assets; return on equity; ratio of operating profits (pre-tax profits) to paid-in capital; net profit margin; and earnings per share:

Due to the decline in the Group's revenue and the decrease in the gross operating margin in 2022, the profitability of various items declined compared with the previous period.

4. Cash flow ratio; cash flow adequacy ratio; and cash reinvestment ratio:
The net cash inflow from the Group's operating activities increased in 2022, causing the cash flow ratio and cash flow reinvestment ratio to increase from the previous period; the net cash flow from operating activities in the last five years decreased, causing the cash flow adequacy ratio to decrease from the previous period.
5. Operating leverage: The operating profits decreased in 2022, causing the operating leverage to increase from the previous period.
6. Financial leverage: The operating profits increased and the interest expenses increased in 2022, causing the financial leverage to decrease 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 for 1Q2023 reviewed by the CPAs.

Note 3:

1. Financial structure
 - (1) Debt-to-asset ratio = total liabilities / total assets.
 - (2) Proportion of long-term capital in property, plant, and equipment = (Total equities + non-current liabilities) / (Total net value of property, plant, and equipment).
2. Solvency
 - (1) Current ratio = current assets / current liabilities.
 - (2) Quick ratio = (current assets - inventory - prepaid expenses) / current liabilities.
 - (3) Interest coverage ratio = net profit before income tax and interest expense / interest expense of the period.
3. Operating capacity
 - (1) Receivables (including accounts receivable and notes receivable due to business operations) turnover ratio = Net sales / Balance of average receivables (including accounts receivable and notes receivable due to business operations).
 - (2) Average cash collection days = 365 / turnover rate of accounts receivable.
 - (3) Inventory turnover rate = cost of goods sold / average inventory amount.
 - (4) Payables (including accounts payable and notes payable due to business operations) turnover ratio = Cost of goods sold / Balance of average payables (including accounts payable and notes payable due to business operations).
 - (5) Average sales days = 365 / inventory turnover rate.
 - (6) Turnover rate of property, plant, and equipment = net sales / average net property, plant, and equipment.
 - (7) Total asset turnover = net sales / average total assets.
4. Profitability
 - (1) Return on assets = [Net income + Interest expenses × (1-Tax rate)] / Average total assets.
 - (2) Return on equity = income/(loss) after tax / total average equity.
 - (3) Net profit rate = after-tax income/(loss) / net sales.
 - (4) Earnings per share = (income/(loss) attributable to the owner of the parent company - special stock dividend) / weighted average number of issued shares. (Note A)
5. Cash Flows
 - (1) Cash flow ratio = net cash flow from operating activities / current liabilities.
 - (2) Fair ratio of net cash flow = net cash flow from operating activities in the last five years / the last five years (capital expenditure + inventory increase + cash dividend).
 - (3) Cash reinvestment ratio = (net cash flow from operating activities - cash dividends) / (gross amount of property, plant and equipment + long-term investment + other non-current assets + working capital). (Note 5)
6. Leverage:
 - (1) Operating leverage = (net operating income - variable operating costs and expenses) / operating profit (Note B).
 - (2) Degree of financial leverage = Operating gain / (Operating gain - 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's Review Report of the Most Recent Annual Financial Report

CoAsia Electronics Corp. Audit Committee Review Report

The Board of directors submitted the business report and financial reports (including parent company only and consolidated ones) of the Company for the year 2022. The financial reports (including parent company only and consolidated ones) have been reviewed and concluded by the appointed CPAs Feng, Min-Chuan and Wu, Han-Chi from PwC Taiwan, and audit reports have been issued.

The above mentioned reports and statements produced and submitted by the Board of Directors have been audited by the Audit Committee and are found conforming, so are hereby submitted for review in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act.

Sincerely

The general meeting of shareholders of the Company in 2023

CoAsia Electronics Corp.



Convener of the Audit Committee: Chen, Chien-Li



February 16, 2023

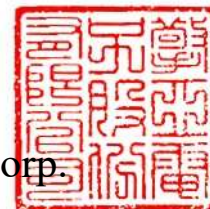
**CoAsia Electronics Corp.
Audit Committee Review Report**

The Board of Directors has submitted a statement of distribution of the Company's earnings for 2022. The aforementioned distribution of earnings has been examined by the Audit Committee and found to be in compliance with Paragraph 4, Article 14 of the Securities Exchange Act and Articles 219 and 228 of the Company Act.

Yours Sincerely

2023 Annual General Shareholders Meeting of the Company

CoAsia Electronics Corp.



Convener of the Audit Committee: Chen, Chien-Li



March 30, 2023

IV. Financial Statements of the Most Recent Year (see page 162 to page 234 for details).

V. Audited and Certified Consolidated Financial Statements of the Most Recent Year
(see page 235 to page 315 for details).

VI. Financial Difficulties Experienced by the Company and Its Affiliates: None.

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

I. Financial Status:

Comparative analysis of financial status

Unit: NT\$1000

Item	Year	2022	2021	Difference	
				Amount	%
Current assets		6,120,380	8,010,264	-1,889,884	-23.59%
Funds and long-term investments		0	0	0	-
Fixed assets		194,443	152,035	42,408	27.89%
Other assets		148,264	120,843	27,421	22.69%
Total assets		6,463,087	8,283,142	-1,820,055	-21.97%
Current liabilities		3,876,209	5,787,581	-1,911,372	-33.03%
Long-term liabilities		0	0	0	-
Other liabilities		22,503	16,445	6,058	36.84%
Total liabilities		3,898,712	5,804,026	-1,905,314	-32.83%
Equity		1,488,964	1,452,648	36,316	2.50%
Capital reserve		837,054	837,054	0	0.00%
Retained surplus		262,996	334,515	-71,519	-21.38%
Other equity		-20,053	-140,416	120,363	-85.72%
Non-controlling interest		-4,586	-4,685	99	-2.11%
Total equity		2,564,375	2,479,116	85,259	3.44%

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. Current assets and total assets: Mainly due to the decrease of operating revenue in 4Q and the decrease of accounts receivable and inventory from the previous period
2. Fixed assets: Mainly due to the purchase of land and buildings in the period, causing increase of fixed assets.
3. Other assets: Mainly due to the purchase of golf membership cards and increase in refundable deposits.
4. Current liabilities and total liabilities: Mainly due to the decrease of operating revenue in 4Q and the decrease of demand for working capital, causing decrease of short-term borrowings from the previous period.
5. Retained earnings: Mainly due to the decrease in annual turnover and operating profits.
6. Other equity: Due to the recovery of the conversion difference of the financial statements of foreign operating institutions resulting from the exchange rate changes in the current period.

II. Financial Performance:

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

Unit: NT\$ thousands

Item \ Year	2022	2021	Increase (decrease) amount	Change, %
Net operating income	23,417,746	29,203,713	(5,785,967)	-19.81%
Operating costs	(22,781,235)	(28,244,408)	5,463,173	-19.34%
Gross operating profit	636,511	959,305	(322,794)	-33.65%
Operating expenses	(600,256)	(680,039)	79,783	-11.73%
Operating (loss) interest	36,255	279,266	(243,011)	-87.02%
Non-operating income and expense	(30,825)	(64,196)	33,371	-51.98%
Net income before tax	5,430	215,070	(209,640)	-97.48%
Income tax expense	(4,218)	(50,691)	46,473	-91.68%
Net income (loss)	1,212	164,379	(163,167)	-99.26%
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. Operating revenue, operating cost, operating margin and operating profit: The operating revenue, operating cost, operating margin and operating profit decreased as a result of the decrease in demand for consumer electronic products in the second half of the year.				
2. Non-operating income and expense: Mainly due to the increase of foreign currency exchange rate evaluation gains caused by exchange rate changes compared with the previous period.				
3. Net profit before tax (net loss): Mainly due to the decrease in gross operating margin in the current period.				
4. Income tax expense: Due to the decrease of income tax expenses calculated according to the Tax Act over the pre-tax profit of the period than the previous period.				
5. Current (net loss) net profit: The net profit of the period decreased due to the decrease of the net operating revenue of 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 2023. 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 2023.

III. Cash Flows

(I) Liquidity analysis for the past two years:

Unit: NT\$ thousands

Item	Year	December 31, 2022	December 31, 2021	Increase (decrease) ratio (%)
	Cash flow ratio (%)		39.35	(16.78)
Cash flow allowance ratio (%)		47.29	76.93	(38.53%)
Cash reinvestment ratio (%)		59.20	(41.17)	243.79%
Description of changes in terms of percentage:				
1. Cash flow ratio and cash reinvestment ratio: Due to the increase in net cash inflow from operating activities resulting from the decrease in accounts receivable.				
2. Cash flow adequacy ratio: Due to the decrease in net cash flow from operating activities in the last five years.				

(II) Cash liquidity analysis in the next year:

Unit: NT\$ thousands

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
718,472	(235,722)	156,629	639,379	-	-
Analysis of cash flow changes this year:					
1. Operating activities: The Company expects the market demand to recover and the accounts receivable to increase due to the growth of performance in the second half of 2023, so it is estimated that the net cash flow from operating activities will flow out NT\$235,722 thousand.					

IV. Major Capital Expenditures in the Most Recent Year and Their Impacts on the Company's Finance and Operations:

The Company has no major capital expenditure in 2022.

V. Reinvestment Policy For The Most Recent Fiscal Year, The Main Reasons for The Profits/Losses Generated Thereby, the Plan for Improving Re-Investment Profitability, And Investment Plans for The Coming Year:

December 31, 2022, Unit: NT\$ thousands

Item	Description	Policy	Investment amount	Current (loss) profit of the invested company	Main reasons for profit or loss	Improvement project	Investment plan for the upcoming year
Studybank Co., Ltd.	Electronic equipment, data processing operations, online learning courses, etc		358,000	908	Settlement proceeds present a profit	Liquidation of Studybank to achieve effective tax project.	None
CoAsia International Corp.	International Trade and transit trade		432,977	(100,684)	Slowing demand for consumer electronics in the second half of the year affected market prices and resulted in an annual operating loss.	Actively develop customers to improve revenue	None
CoAsia Electronics (US) Corp.	International Trade and transit trade		1,400	(528)	At the initial stage of market development in the United States, it has not yet reached the scale of operating	Actively develop customers to improve revenue	None

Item	Description	Policy	Investment amount	Current (loss) profit of the invested company	Main reasons for profit or loss	Improvement project	Investment plan for the upcoming year
					economy, resulting in losses		
CoAsia Electronics Corp. (Singapore) Pte. Ltd.		International Trade and transit trade	30,202	(98,839)	Slowing demand for consumer electronics in the second half of the year affected market prices and resulted in an annual operating loss.	Actively develop customers to improve revenue	None
CoAsia Korea Co.,Ltd.		International Trade and transit trade	171,902	(14,362)	Invested in 2012, it has not yet 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\$ 30,067 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.

The expected future investment in R&D costs is NT\$0.

(IV) The impact of changes in important domestic and foreign policies and laws on the Company's finance and business, and the corresponding measures

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) Impact of changes in technology and industry on the Company's financial business and countermeasures

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) The impact of changes in corporate image on the enterprise crisis management and the responding measures

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 of merger & acquisition and the countermeasures

As the Company has no merger and acquisition project at present, there is no such risk.
(VIII) Expected benefits and possible risks of expansion of plants and the countermeasures

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

(IX) (IX) Risks associated with centralized procurement or sales operations:

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 2022, the total sales amount accounted for 23.12% 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) Impact and risks relating to major equity transfer or exchange events involving Directors, Supervisors, or major shareholders holding more than 10% of the Company's shares

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 "Chapter 3: 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) Impact and risks of changes in management right on the company's operations

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.

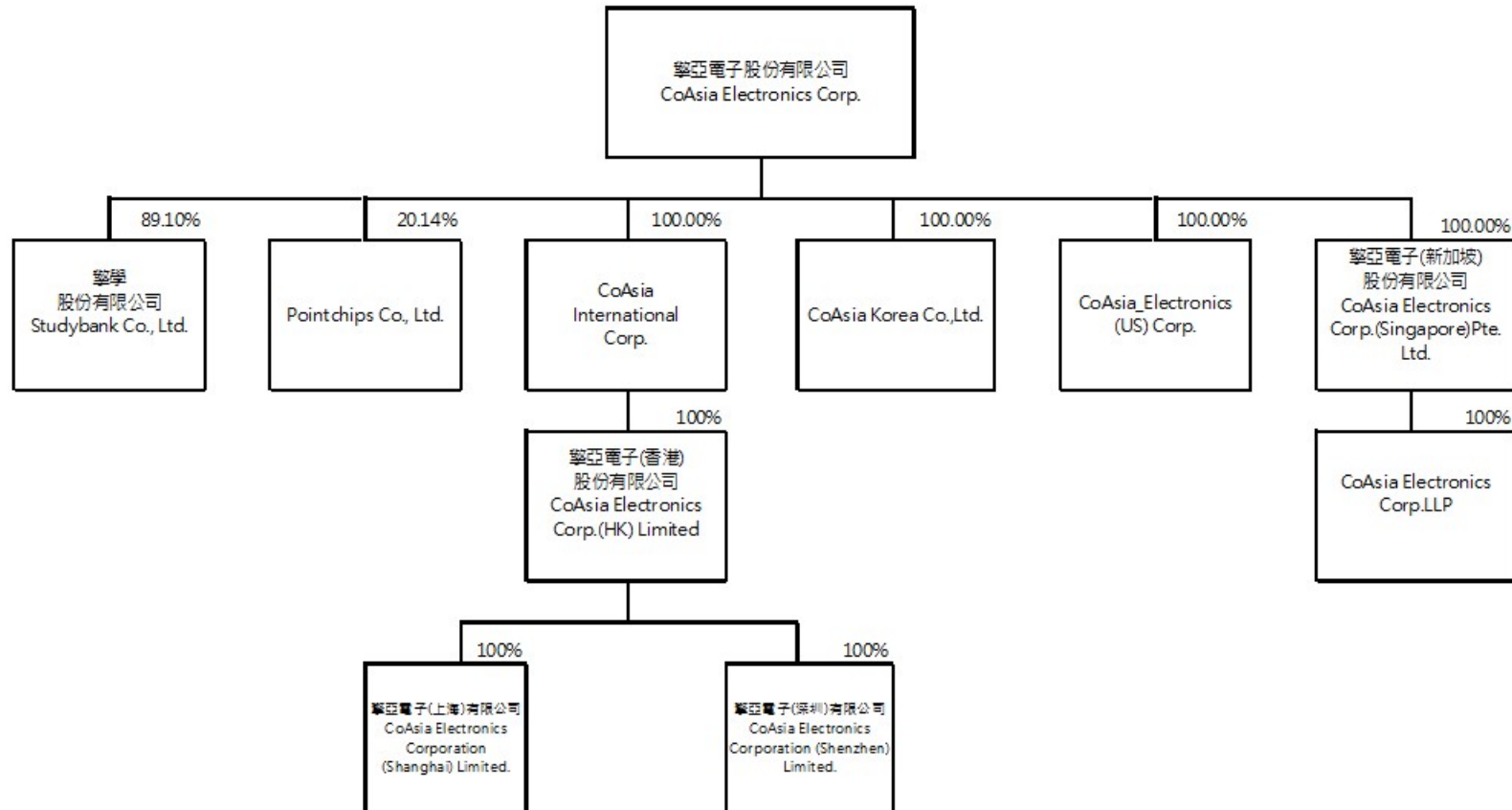
- (7) To formulate standard procedures for response and notification of information security incidents to properly deal with information security incidents in real-time and avoid the expansion of harm.
 - (8) All colleagues shall comply with the legal norms and information security policy requirements, 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 Material Matters: None.

Chapter 8 Special Disclosure

I. Related information of affiliated enterprises:

(I) Enterprise relationship chart: (12/31/2022)



※The liquidation of Taiwan Interactive Education Co., Ltd. was completed on June 24, 2022

(II) Basic information on related enterprises

As of December 31, 2022

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 Street, Port Louis, Mauritius	USD	13,296,120	Professional investment company
CoAsia Electronics Corp. (Singapore) Pte. Ltd	2014.05	60 Paya Lebar Road, #10-10 Paya Lebar Square, Singapore (409051)	SGD	1,251,800	International trade industry, international trade, and transit trade
CoAsia Electronics Corp. (Hong Kong) 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	13 F., No. 3-2, Park St., Nangang Dist., 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, Hi-tech Zone, Yuehai Sub-district, Nanshan District, Shenzhen	RMB	6,312,160	International trade industry, international trade, and transit trade
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. (Hong Kong) 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 software,	Not applicable
Studybank Co., Ltd.	Electronic equipment, data processing operations, online learning courses,	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
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, 2023

Enterprise name	Title	Name or representative	Shares Held	
			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. (Hong Kong) 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: Cho, Kye-Young		
	Supervisor	CoAsia Electronics Co., Ltd. Representative: Kim, 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 MIDAS Dreams 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%
CoAsia Electronics Corp. LLP	Director	CoAsia Electronics Corp. (Singapore) Pte. Ltd Representative: Noh, Kyung-Heon	Capital contribution certificate (US\$198,700)	100%
	Director	RAJAT SINGH		

(VI) Financial status and operating results of affiliated enterprises

December 31, 2022

Unit: NT\$ thousands

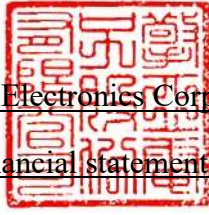
Enterprise name	Capital amount	Total assets	Total liabilities	Net value	Operation income	Operation interests	Income/(loss) of the current	Earnings per share
CoAsia International Corp.	432,977	601,232	0	601,232	0	-118	-100,684	-75.72
CoAsia Electronics Corp. (Hong Kong) Limited	435,837	3,981,486	3,380,407	601,079	14,516,909	-55,281	-100,566	-9.77
CoAsia Electronics Corp. (Shanghai) Limited	155,520	52,465	10,017	41,448	44,649	6,123	8,242	NA
CoAsia Electronics Corp. (Singapore) Pte. Ltd	30,202	797,931	280,687	517,244	4,654,395	-53,244	-98,839	-98.84
CoAsia Electronics Corp. LLP	4,623	3,545	1,015	2,530	9,406	4,408	4,371	NA
CoAsia Korea Co. Ltd.	171,902	328,152	278,985	49,166	1,551,931	-10,543	-14,362	-10.88
CoAsia Electronics (US) Corp.	1,400	31,635	30,710	925	1,570	-528	-528	-2.11
CoAsia Electronics Corp. (Shenzhen) Limited	31,291	36,879	15,174	21,705	110,839	16,871	15,009	NA
Studybank Co., Ltd.	89,900	9,984	689	9,296	0	-146	908	0.09

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

(VIII) Related enterprise report: Not applicable

CoAsia Electronics Corp.

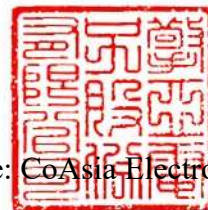
Statement of consolidated financial statements of related enterprises



In 2022 (from January 1, 2022 to December 31, 2022), 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.

It is hereby declared.

Company name: CoAsia Electronics Corp.



Person in charge: LEE, HEE-JUN



February 16, 2023

II. Private placement of securities of the most recent year up to the publication date of this report: None.

III. Holding or disposal of shares in the Company by the Company's subsidiaries during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report: None.

IV. Other Matters that Require Additional Description: None.

Chapter 9 Events with Significant Impact

- I. Events in the Most Recent Year up to the Publication Date of This Annual Report that had Significant Impacts on Shareholders' Right or Security Prices as Stated in Subparagraph 2 of Paragraph 2 of Article 36 of the Securities and Exchange Act:**

None.

Independent Auditors' Report

(112) C.S.B.Z. No. 22004034

To: CoAsia Electronics Corp.,

Opinions

The Parent Company Only Balance Sheets of CoAsia Electronics Corp. (hereinafter "CoAsia Electronics Corp.") as of December 31, 2022 and 2021, in addition to the Parent Company Only Statements of Comprehensive Income, Parent Company Only Statements of Changes in Equity, Parent Company Only Statements of Cash Flows, and Notes to the Parent Company Only Financial Statements (including a summary of significant accounting policies) from January 1 to December 31, 2022 and 2021, have been audited by the CPAs.

In the opinion of the CPAs, the above Parent Company Only 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 Corp. as at December 31, 2022 and 2021, and the financial performance and cash flow from January 1 to December 31, 2022 and 2021.

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 Corp. 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 Parent Company Only Financial Statements of CoAsia Electronics Corp. for the year 2022. These matters were addressed in the context of our audit of the Parent Company Only Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matters of the Parent Company Only Financial Statements of CoAsia Electronics Corp. for the year 2022 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 Corp. on December 31, 2022 was NT\$261,941 thousand (including NT\$47,157 thousand after deducting allowance for inventory impairment loss).

CoAsia Electronics Corp. 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 Corp.'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 Corp. 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 Corp. 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 Corp. 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 Corp.'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 Corp., 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 Corp. 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 Corp.
4. Execute the verification of the calculation logic of the net realizable value of inventories, and then evaluate the rationality of the allow for impairment loss determined by CoAsia Electronics Corp.

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 Corp. as at December 31, 2022 was NT\$2,245,415 thousand (including the deducted allowance for loss of NT\$166 thousand).

The accounts receivable of CoAsia Electronics Corp. 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 Corp. 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 Corp. 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 Corp. 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 Corp. 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 Corp. is mainly engaged in the wholesale sales of electronic components and is an agent of Samsung Electronics. The sales revenue in 2022 was NT\$9,589,512 thousand. CoAsia Electronics Corp.'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 Parent Company Only Financial Statements. Therefore, the CPAs considers that the authenticity of CoAsia Electronics Corp.'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 Corp. 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 Corp. 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 Parent Company Only Financial Statements do not contain material misstatements caused by fraud or errors, the management is responsible for preparing prudent Parent Company Only Financial Statements in accordance with the Financial Reporting Standards for Securities Issuers and for preparing and maintaining necessary internal control procedures pertaining to the Parent Company Only Financial Statements.

In preparing the accompanying Parent Company Only Financial Statements, the management is responsible for assessing CoAsia Electronics Corp.'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 Corp. or to cease operations, or has no realistic alternative but to do so.

Those in charge with CoAsia Electronics Corp.'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 Parent Company Only 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 and 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 Parent Company Only 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 Corp.'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 Corp.'s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Parent Company Only Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause CoAsia Electronics Corp. to cease to continue as a going concern.
5. Evaluate the overall expression, structure and contents of the Parent Company Only Financial Statements (including relevant Notes), and whether the Parent Company Only 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 Corp. to express an opinion on the Parent Company Only Financial Statements. We are responsible for the direction, supervision, and performance of the audit and for expressing an opinion on the Parent Company Only Financial Statements.

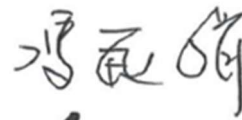
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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 Parent Company Only Financial Statements of CoAsia Electronics Corp. for 2022. 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

Feng, Min-Chuan



CPA

Wu, Han-Chi




Former Securities and Futures Bureau, Financial
Supervisory Commission, Executive Yuan

Approval File No.: Financial-Supervisory-Securities-Six-
0960038033

Former Securities and Futures Commission of the Ministry
of Finance

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


February 16, 2023


 CoAsia Electronics Corp.
 Parent Company Only Balance Sheets
 December 31, 2022 and 2021

Unit: NT\$ thousand

Assets	Note	December 31, 2022		December 31, 2021		
		Amount	%	Amount	%	
Current Assets						
1100	Cash and Cash Equivalents	VI(I)	\$ 231,025	5	\$ 82,947	2
1110	Financial assets at fair value through profit or loss - current	VI(V)	-	-	4,734	-
1136	Financial assets at amortized cost - current	VI(VII) and VIII	126,218	3	122,003	2
1170	Accounts receivable, net	VI(II)(III) and VIII	523,386	11	1,230,807	23
1180	Accounts receivable - related parties, net	VII	1,722,029	37	1,509,061	28
1200	Other receivables	VI(III)	2,775	-	28,509	1
1210	Other receivables - related parties	VII	165,214	3	5,972	-
130X	Inventories	VI(IV)	261,941	6	348,297	6
1410	Prepayments	VII	38,702	1	47,600	1
1470	Other Current Assets	VI(VIII)	148,678	3	460,783	9
11XX	Total current assets		<u>3,219,968</u>	<u>69</u>	<u>3,840,713</u>	<u>72</u>
Non-current assets						
1510	Financial assets at fair value through profit or loss - non-current	VI(V)	26,807	-	21,685	-
1550	Investments Accounted for Using the Equity Method	VI(VI) and VII	1,178,230	25	1,259,846	23
1600	Property, Plant, and Equipment	VI(IX) and VIII	183,914	4	150,061	3
1755	Right-of-use assets	VI(X)	5,738	-	5,233	-
1780	Intangible Assets	VI(XI)	31,582	1	30,610	1
1840	Deferred income tax assets	VI(XXII)	27,562	1	36,288	1
1900	Other non-current assets		9,856	-	4,388	-
15XX	Total non-current assets		<u>1,463,689</u>	<u>31</u>	<u>1,508,111</u>	<u>28</u>
1XXX	Total assets		<u>\$ 4,683,657</u>	<u>100</u>	<u>\$ 5,348,824</u>	<u>100</u>

(Continued on the next page)


 CoAsia Electronics Corp.
 Parent Company Only Balance Sheets
 December 31, 2022 and 2021

Unit: NT\$ thousand

Liabilities and Equity	Note	December 31, 2022		December 31, 2021		
		Amount	%	Amount	%	
Current Liabilities						
2100	Short-term Loans	VI(XII) and VIII	\$ 1,794,496	38	\$ 2,350,465	44
2110	Short-term notes and bills payable		40,000	1	100,000	2
2130	Contract liabilities - current	VI(XVIII)	11,072	-	51,859	1
2170	Accounts Payable		36,787	1	132,661	2
2180	Accounts payable - related parties	VII	-	-	83,738	2
2200	Other payables	VI(XIII)	211,666	5	133,067	3
2220	Others payables - related parties	VII	711	-	174	-
2230	Current income tax liabilities	VI(XXII)	909	-	30	-
2280	Lease liabilities - current		3,770	-	2,657	-
2300	Other current liabilities		2,201	-	1,660	-
21XX	Total current liabilities		<u>2,101,612</u>	<u>45</u>	<u>2,856,311</u>	<u>54</u>
Non-current liabilities						
2570	Deferred income tax liabilities	VI(XXII)	5,613	-	632	-
2580	Lease liabilities - non-current		2,076	-	2,685	-
2600	Other non-current liabilities	VI(VI)	5,395	-	5,395	-
25XX	Total non-current liabilities		<u>13,084</u>	<u>-</u>	<u>8,712</u>	<u>-</u>
2XXX	Total liabilities		<u>2,114,696</u>	<u>45</u>	<u>2,865,023</u>	<u>54</u>
Equity						
Capital Stock						
3110	Capital stock - common shares	VI(XV)	1,488,964	32	1,452,648	27
Capital Surplus						
3200	Capital Surplus	VI(XVI)	837,054	18	837,054	16
Retained Earnings						
3310	Legal reserve	VI(XVII)	82,593	2	66,161	1
3320	Special reserve		140,416	3	84,408	2
3350	Unappropriated earnings		39,987	1	183,946	3
Other equity						
3400	Other equity		(20,053)	(1)	(140,416)	(3)
3XXX	Total equity		<u>2,568,961</u>	<u>55</u>	<u>2,483,801</u>	<u>46</u>
Significant Contingent Liabilities and Unrecognized Contract Commitments						
3X2X	Total liabilities and equity		<u>\$ 4,683,657</u>	<u>100</u>	<u>\$ 5,348,824</u>	<u>100</u>

Please also refer to the accompanying Notes to the Parent Company Only Financial Statements, which are an integral part of the Parent Company Only Financial Statements.

Chairman:
Lee, Hee-Jun

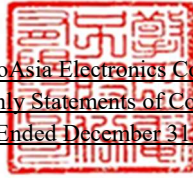


Managerial Officer:
Shin, Dong-Soo



Accounting Manager:
Wang, Peng-Cheng





CoAsia Electronics Corp.
Parent Company Only Statements of Comprehensive Income
For the Years Ended December 31, 2022 and 2021

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

Item	Note	2022		2021	
		Amount	%	Amount	%
4000 Operating Revenue	VI(XVIII) and VII	\$ 9,589,512	100	\$ 14,564,375	100
5000 Operating Costs	VI(IV) and VII	(9,285,395)	(97)	(14,222,536)	(97)
5900 Gross profit		304,117	3	341,839	3
5910 Unrealized sales profits	VI(VI)	(4,238)	-	(14,289)	-
5920 Realized gains from sales	VI(VI)	14,289	-	11,151	-
5950 Gross profit, net		314,168	3	338,701	3
Operating expenses	VI(XX) (XXI) and VII				
6100 Selling and Marketing Expenses		(70,104)	(1)	(111,422)	(1)
6200 General and Administrative Expenses		(116,219)	(1)	(116,660)	(1)
6300 Research and development expenses		-	-	(17,927)	-
6450 Expected credit impairment benefit	XII(II)	138	-	24	-
6000 Total operating expenses		(186,185)	(2)	(245,985)	(2)
6900 Operating gains		127,983	1	92,716	1
Non-operating income and expenses					
7100 Interest income	VII	8,459	-	1,176	-
7010 Other income	VII	32,670	-	37,698	-
7020 Other gains or losses	VI(XIX)	136,208	2	(38,994)	(1)
7050 Finance costs	VII	(73,047)	(1)	(36,960)	-
7070 Share of profit or loss of subsidiaries, associates, and joint ventures recognized using the equity method	VI(VI)	(215,639)	(2)	129,251	1
7000 Total non-operating income and expenses		(111,349)	(1)	92,171	-
7900 Net income before tax		16,634	-	184,887	1
7950 Income tax expenses	VI(XXII)	(15,521)	-	(20,570)	-
8200 Net profit for the period		\$ 1,113	-	\$ 164,317	1
Other comprehensive income (net)					
Components that may be reclassified to profit or loss					
8361 Exchange differences on translation of financial statements of foreign operations		\$ 120,363	1	(\$ 56,008)	-
8300 Other comprehensive income (net)		\$ 120,363	1	(\$ 56,008)	-
8500 Total comprehensive income (loss) for the period		\$ 121,476	1	\$ 108,309	1
Basic earnings per share					
9750 Net profit for the period	VI(XXIII)	\$	0.01	\$	1.10
Diluted earnings per share					
9850 Net profit for the period	VI(XXIII)	\$	0.01	\$	1.09

Please also refer to the accompanying Notes to the Parent Company Only Financial Statements, which are an integral part of the Parent Company Only Financial Statements.

Chairman:
Lee, Hee-Jun




Managerial Officer:
Shin, Dong-Soo



Accounting Manager:
Wang, Peng-Cheng




 CoAsia Electronics Corp.
 Parent Company Only Statements of Changes in Equity
 For the Years Ended December 31, 2022 and 2021

Unit: NT\$ thousand										
Note	Capital Surplus					Retained Earnings			Other equity	Total Equity
	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>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
Appropriation and 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 VI(XV)	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
<u>2022</u>										
Balance as of January 1, 2022	\$ 1,452,648	\$ 744,222	\$ 60,466	\$ 32,129	\$ 237	\$ 66,161	\$ 84,408	\$ 183,946	(\$ 140,416)	\$ 2,483,801
Net income in 2022	-	-	-	-	-	-	-	1,113	-	1,113
Other comprehensive income in 2022	-	-	-	-	-	-	-	-	120,363	120,363
Total comprehensive income (loss) for the period	-	-	-	-	-	-	-	1,113	120,363	121,476
Appropriation and distribution of earnings in 2021: VI(XVII)										
Legal reserve	-	-	-	-	-	16,432	-	(16,432)	-	-
Provision of special reserve	-	-	-	-	-	-	56,008	(56,008)	-	-
Cash dividends	-	-	-	-	-	-	-	(36,316)	-	(36,316)
Stock dividends VI(XV)	36,316	-	-	-	-	-	-	(36,316)	-	-
Balance as of December 31, 2022	\$ 1,488,964	\$ 744,222	\$ 60,466	\$ 32,129	\$ 237	\$ 82,593	\$ 140,416	\$ 39,987	(\$ 20,053)	\$ 2,568,961

Please also refer to the accompanying Notes to the Parent Company Only Financial Statements, which are an integral part of the Parent Company Only 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, 2022 and 2021

	Note	From January 1 to December 31, 2022	Unit: NT\$ thousand From January 1 to December 31, 2021
<u>Cash flows from operating activities</u>			
Net profit before tax of the period		\$ 16,634	\$ 184,887
Adjustment item			
Income (expense) items			
Depreciation expenses (including right-of-use assets)	VI(IX)(X)(XX)	9,758	7,551
Amortization expenses	VI(XI)(XX)	7,104	5,810
Expected credit impairment benefit	XII(II)	(138)	(24)
Interest expenses		73,047	36,960
Interest income		(8,459)	(1,176)
Net loss (gain) on financial assets at fair value through profit or loss	VI(XIX)	(5,234)	3,942
Share of losses (gains) of subsidiaries, affiliates, and joint ventures recognized using the equity method	VI(VI)	215,639	(129,251)
Net loss on disposal of property, plant, and equipment	VI(XIX)	-	173
Unrealized sales profits	VI(VI)	4,238	14,289
Realized gains from sales	VI(VI)	(14,289)	(11,151)
Changes in operating assets and liabilities			
Net change in assets related to operating activities			
Accounts receivable		707,559	(362,314)
Accounts receivable - related parties		(212,968)	118,556
Other receivables		25,858	(15,640)
Other receivables - related parties		(5,692)	2,397
Inventories		86,356	12,356
Prepayments		8,898	167,968
Other Current Assets		312,105	(459,881)
Net change in liabilities related to operating activities			
Contract Liabilities		(59,725)	(35)
Accounts Payable		(95,874)	57,676
Accounts payable - related parties		(83,738)	10,987
Other payables		93,675	95,908
Other payables - related parties		537	(1,064)
Other current liabilities		541	(205)
Cash inflow (outflow) generated from operations		1,075,832	(261,281)
Interest received		8,335	1,177
Interest paid		(69,101)	(36,501)
Income tax paid		(935)	(944)
Net cash inflow (outflow) generated from operating activities		1,014,131	(297,549)

(Continued on the next page)



CoAsia Electronics Corp.

Parent Company Only Statements of Cash Flows
For the Years Ended December 31, 2022 and 2021

Unit: NT\$ thousand
From January 1
to December 31, 2021

	Note	From January 1 to December 31, 2022	From January 1 to December 31, 2021
<u>Cash flows from investing activities</u>			
Decrease (increase) in other receivables - related parties		(\$ 153,550)	\$ 31,328
Increase in financial assets at amortized cost		(4,215)	(42,352)
Acquisition of investments accounted for using the equity method	VI(VI)	-	(1,400)
Acquisition of property, plant, and equipment	VI(IX)	(39,978)	(27,146)
Acquisition of financial assets at fair value through profit or loss - non-current		(610)	-
Disposal of financial assets at fair value through profit or loss - current		5,456	-
Price of asset disposal		-	15,631
Proceeds from disposal of property, plant, and equipment		-	2
Acquisition of intangible assets	VI(XI)	(8,054)	(3,524)
Increase in prepayments for equipment		(4,184)	(326)
Increase in refundable deposits		(1,284)	-
Net cash flows used in investing activities		(206,419)	(27,787)
<u>Cash flows from financing activities</u>			
Increase (decrease) in short-term loans	VI(XXIV)	(555,969)	356,714
Increase (decrease) in short-term notes and bills payable	VI(XXIV)	(60,000)	100,000
Repayment of the principal portion of leases	VI(XXIV)	(3,718)	(3,103)
Decrease in other payables - related parties		-	(108,224)
Cash dividends paid	VI(XVII)	(36,316)	(28,483)
Dividends not received by shareholders beyond the time limit converted to capital surplus		-	237
Net cash (outflows) inflows from financing activities		(656,003)	317,141
Effect of exchange rate		(3,631)	973
Increase (decrease) in cash and cash equivalents for the current period		148,078	(7,222)
Beginning balance of cash and cash equivalents	VI(I)	82,947	90,169
Ending balance of cash and cash equivalents	VI(I)	\$ 231,025	\$ 82,947

Please also refer to the accompanying Notes to the Parent Company Only Financial Statements, which are an integral part of the Parent Company Only Financial Statements.

Chairman:
Lee, Hee-Jun



Managerial Officer:
Shin, Dong-Soo



Accounting Manager:
Wang, Peng-Cheng




CoAsia Electronics Corp.
Notes to Parent Company Only Financial Statements
For the Years Ended December 31, 2022 and 2021

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 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.

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

The Parent Company Only Financial Statements were adopted and issued by the Corporation's Board of Directors on February 16, 2023.

III. Application of New and Amended Standards and Interpretations

(I) The impact of adopting new and amended IFRSs as endorsed and issued into effect by the Financial Supervisory Commission ("FSC")

The following table summarizes the new, amended and revised standards and interpretations of the applicable IFRSs for 2022 as endorsed and issued into effect 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

The Corporation found through assessment that the above standards and interpretations have no material impact on the Corporation'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 2023 endorsed by the FSC:

<u>New/Revised/Amended Standards and Interpretations</u>	<u>Effective Date of Issuance by the IASB</u>
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 Corporation found through assessment that the above standards and interpretations have no material impact on the Corporation'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 IFRSs and interpretations published by the IASB but not yet endorsed by the FSC:

<u>New/Revised/Amended Standards and Interpretations</u>	<u>Effective Date of Issuance by the 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
Amendments to IFRS 16 "Lease Liability in a Sale and Leaseback"	January 1, 2024
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 17 and IFRS 9 - Comparative Information"	January 1, 2023
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	January 1, 2024
Amendments to IAS 1 "Non-current Liabilities with Covenants"	January 1, 2024

The Corporation found through assessment that the above standards and interpretations have no material impact on the Corporation's 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 the Corporation's 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 the Corporation are measured in the currency of the primary economic environment in which the Corporation operates (i.e., the functional currency). The 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 such transactions are recognized as current profit and loss.
- (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 differences arising from the adjustment shall be recognized as current profit and loss.
- (3) The balance of non-monetary assets and liabilities denominated in foreign currencies, which are measured at fair value through profit or loss, is adjusted according to the spot exchange rate on the balance sheet date, and the exchange differences arising from the adjustment is recognized as the current profit and loss; for those measured at fair value through other comprehensive income, the adjustment is evaluated at the spot exchange rate on the balance sheet date, and the exchange differences arising from the adjustment is recognized in other comprehensive income; 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 income statement.

2. Translation of foreign operating entities

- (1) For all entities and affiliates of the Corporation whose functional currency is different from the presentation currency, the operating results and financial position are converted into the presentation currency in the following manner:
 - A. Assets and liabilities presented on each balance sheet are translated at the closing exchange rate on that balance sheet date;

- B. The gains or losses presented 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 comprehensive income.
- (2) When a foreign operating entity that is partially disposed of or sold is an affiliate, the exchange difference under other comprehensive income will be reclassified as the current profit and loss proportionally as part of the gains or losses on sale. However, if the Corporation 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 foreign operating entity partially disposed or sold is a subsidiary, the accumulated exchange differences recognized as other comprehensive income shall be re-attributed to the non-controlling interests of the foreign operating entity on a pro rata basis. However, if the Corporation still retains part of the rights and interests in the former subsidiary, but has lost its control over the foreign operating organization that is an 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 a cash equivalents, unless the assets are restricted from being exchanged or used to pay off liabilities at least 12 months after the balance sheet date.

The Corporation 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 paid off in the normal operating cycle;
- (2) Those held primarily for trading purposes.
- (3) Those expected to be paid off within 12 months after the balance sheet date.
- (4) Those of which the settlement term cannot be deferred unconditionally to at least 12 months after the balance sheet date. The terms of a liability which may result in the settlement of an equity instrument at the option of the counterparty will not affect its classification.

The Corporation classifies all liabilities that do not meet the above criteria as non-current.

(V) Cash Equivalents

Cash equivalents refer to short-term investments with highly liquidity that can be converted into quota cash at any time with little risk of change 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 comprehensive income.
2. The Corporation uses trade-date accounting for financial assets at fair value through profit or loss in customary transactions.
3. The Corporation measures them at fair value at the time of initial recognition, with the relevant transaction costs recognized as profit and loss, and subsequently measured at fair value, with its benefits or losses recognized as profit and loss.
4. The Corporation recognizes dividend income in profit or loss when the right to receive dividends is established, it is probable that the economic benefits associated with the dividend will flow in and the amount of dividends 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 for the purpose to collect contract 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 Corporation uses trade date accounting for financial assets measured at amortized cost in accordance with trading conventions.
3. The Corporation 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 at the investment amount.

(VIII) Accounts Receivable

1. Refer to the account with 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 without interest paid which are measured by the Corporation 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 profit or loss whose credit risk has not increased significantly since the original recognition, the Group measures the allowance loss at 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 Corporation measures the allowance loss at the expected credit loss amount during the duration; for accounts receivable that do not include significant financial components, the allowance losses are measured at the expected credit loss amount during the duration.

(X) Derecognition of Financial Assets

The Corporation 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 is not retained.

(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 of the estimated selling price in the normal course of business deducting the estimated cost to be invested until completion and estimated cost of completion of sale.

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

1. Subsidiary means an entity (including structured entity) that is controlled by the Corporation when the Corporation 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 the Corporation 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 the Corporation.
3. The Corporation recognizes the share of profit and loss of the subsidiaries after acquisition

as current profit and loss, and recognizes the share of other comprehensive income as other comprehensive income. When the shares of losses of a subsidiary recognized by the Corporation equal or exceed its equity in that subsidiary, the Corporation continues recognizing its losses in proportion to its holdings.

4. Affiliates refer to all entities over which the Corporation has significant influence but without control, generally holding more than 20% of their voting shares directly or indirectly. The Corporation's investment in affiliates is treated by equity method and is recognized according to cost at the time of acquisition.
5. The Corporation recognizes the share of profit and loss of the affiliates after acquisition as current profit and loss, and recognizes the share of other comprehensive income as other comprehensive income. If the Corporation's share of loss to any affiliate equals or exceeds its equity in that affiliate (including any other unsecured receivables), the Corporation does not recognize further losses unless the Corporation 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 profit or loss or other comprehensive income, which does not affect the shareholding ratio in the affiliate, the Group recognizes the change in equity attributable to the Corporation's share in the affiliate as "capital surplus" according to the shareholding ratio.
7. Unrealized gains or losses arising from transactions between the Corporation 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 Corporation.
8. According to the provisions of the Regulations Governing the Preparation of Financial Reports by Securities Issuers, the current profit and loss and other comprehensive income of the Parent Company Only Financial Statements shall be the same as the apportionment of the current profit and loss and other comprehensive income attributable to the owners of the parent company in the financial statements prepared on a consolidated basis, and the owner's equity of the Parent Company Only Financial Statements shall be the same as the equity attributable to the owners of the parent company in the financial statements prepared on a consolidated basis.

(XIII) 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 Corporation and the cost of the item can be measured reliably. The carrying amount of the replacement part shall be derecognized. All other maintenance costs shall be recognized as current profit or loss when incurred.

3. Property, plant and equipment shall be subsequently measured by the cost model, and shall be depreciated by the straight-line method based on the estimated useful life except for land. The depreciation of each component of property, plant and equipment is provided separately if it is significant.
4. The Corporation 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, it shall be treated in accordance with the provisions of IAS 8 "Changes in Accounting Policies, Estimates and Errors" for changes in accounting estimates since the date of the 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

(XIV) 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 Corporation. When the lease contract is for a short-term lease or a lease of a low-value underlying asset, the lease payment is recognized as an expense by the straight-line method during the lease term,
2. With respect to lease liabilities, the outstanding lease payments shall be recognized on the commencement date of the lease at the present value after discounting at the interest rate of the Corporation's incremental loan. The lease payments include fixed payments minus any lease inducements that may be collected.

The lease liabilities shall be measured by the interest method and the amortized cost method subsequently, and the provision for interest expense shall be made during the lease term. The lease liabilities will be reassessed and the remeasurement amount will be adjusted to right-of-use asset 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 initial measurement amount of the lease liability.
- (2) Any lease payments paid on or before the commencement date.

Right-of-use assets are subsequently measured by cost model. The depreciation provision for right-of-use assets shall be made on at the end of the useful life of the assets or the end of the lease term, whichever is earlier. When the lease liability is reassessed, the right-of-use assets will be adjusted to 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 the carrying amount and the remeasured amount of the lease liability as profit or loss.

(XV) 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.

(XVI) Impairment of Non-Financial Assets

The Corporation 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. When the impairment of an asset recognized in previous years does not exist or decreases, the impairment loss shall be reversed, provided that the increase in the carrying amount of the asset resulting from the reversal of the impairment loss shall not exceed the carrying amount of the asset after deducting depreciation or amortization if the impairment loss is not recognized.

(XVII) Loans

Short-term loans from banks. They are measured by the Corporation 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 profit or loss during the circulation period by the effective interest method according to the amortization procedures.

(XVIII) 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 Corporation at the original invoice amount as the effect of discounting is insignificant.

(XIX) Derecognition of Financial Liabilities

The Corporation derecognizes financial liabilities when its contractual obligations are fulfilled, cancelled or expired.

(XX) 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.

(XXI) Financial Guarantee Contract

A financial guarantee contract entered into by the Corporation refers to a contract whereby the Corporation is obliged to make a specific payment to cover the loss incurred by the holder of the debt if the specific debtor is unable to repay the debt at maturity in accordance with the terms of the original or modified debt instrument. It is measured at the fair value on the trading day adjusted for transaction cost at the time of the original recognition, and subsequently measured at the higher of the best estimate of the expenditure required to pay off the current obligations at the balance sheet date and the amount of the original recognition.

(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 the Corporation's offer of benefits in exchange for termination of employment. The Corporation 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 shall 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 shall be recognized in profit and loss, except that income tax related to items included in other comprehensive income or directly included in equity shall be separately included in other comprehensive income or directly included in equity.
2. The Corporation 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 at temporary differences arising from the tax bases of assets and liabilities and their carrying amounts in the parent company only 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 paid off.
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 are recognized by the net of income tax as a deduction in equity.

(XXV) 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. Cash dividends are recognized as liabilities, while stock dividends are recognized as undistributed stock dividends and are rerecognized as ordinary shares on the base date of issuance.

(XXVI) Revenue Recognition

1. The Corporation 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 Corporation 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, 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 Corporation based on historical experience and relevant agreements with customers. The revenue shall be recognized to the extent that there will be no highly probable 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 refund liability (listed as other payables in the statements).
3. Accounts receivable are recognized when the goods are delivered to the customer, as the Corporation has an unconditional right to the contract price from that point on, and it only takes time to receive the consideration from the customer.

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

In preparing the financial statements of the Corporation, 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 by 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 Corporation determines that the nature of its commitment to customers is its own performance obligation to provide specific goods (that is, the Corporation as the principal), or it is a performance obligation to arrange for the supply of such goods for another party (i.e., the Corporation as the agent). When the Corporation controls specific goods before it transfers it to a customer, the Corporation 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 Corporation does not have control over the specific goods prior to their transfer to the customer, the Corporation 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 Corporation 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 Corporation 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 Corporation 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 Corporation's inventory on December 31, 2022 was \$261,941.

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 Corporation's accounts receivable on December 31, 2022 was \$2,245,415.

VI. Details of Significant Accounts

(I) Cash and Cash Equivalents

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Cash on Hand and Petty Cash	\$ 694	\$ 685
Time Deposits	21,804	19,653
Demand Deposits	<u>334,745</u>	<u>184,612</u>
	357,243	204,950
Rerecognized Financial Assets at Amortized Cost	<u>(126,218)</u>	<u>(122,003)</u>
	<u>\$ 231,025</u>	<u>\$ 82,947</u>

1. The financial institutions with which the Corporation is engaged with are of good credit standing, and the Corporation 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, 2022 and 2021, the time deposits (with annual interest rates of 2.75% and 0.10%, respectively) and demand deposits of the Corporation, which are provided as guarantee margin for short-term borrowing facilities, had been rerecognized to financial assets measured at amortized cost according to their natures.
3. Please refer to Note VIII for the details of the cash and cash equivalents provided by the Corporation as pledged guarantee.

(II) Accounts Receivable

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Accounts Receivable	\$ 523,552	\$ 1,231,111
Less: Loss allowances	<u>(166)</u>	<u>(304)</u>
	<u>\$ 523,386</u>	<u>\$ 1,230,807</u>

1. Please refer to Note XII(II) for the aging analysis of the Corporation's accounts receivable and related credit risk information.
2. The balances of accounts receivable as of December 31, 2022 and 2021 all arose from customer contracts, and the balances of notes receivable from customer contracts as of January 1, 2021 was \$868,797.
3. Please refer to Note VIII for information on guarantees provided by accounts receivable.

(III) Transfer of Financial Assets

1. Transferred financial assets derecognized as a whole

The Corporation has signed accounts receivable sales contracts with domestic financial institutions. According to the contracts, the Corporation 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 Corporation has not engaged in such transferred receivables in any way, so the Group derecognizes such accounts receivable for sale and the relevant information about them not yet due is as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Factored accounts receivable (derecognized amount)	<u>\$ 26,426</u>	<u>\$ 142,498</u>
Advanced price	<u>\$ 23,783</u>	<u>\$ 113,998</u>
Unadvanced price ("Other receivables" listed in the statement)	<u>\$ 2,643</u>	<u>\$ 28,500</u>

- (1) The financial institutions with which the Corporation is engaged with are of good credit standing, and the Corporation has contacts with a number of financial institutions to diversify credit risks, so the possibility of default is expected to be low. In addition, the eligible receivables factored by the Corporation have been rerecognized as other receivables.
- (2) As of December 31, 2022 and 2021, the amounts of accounts receivable factoring contracts signed by the Corporation with banks were \$2,610,350 and \$3,321,600, respectively.
- (3) As of December 31, 2022 and 2021, the Corporation had issued promissory notes of

\$2,395,380 and \$3,321,600 respectively as agreed with banks as a guarantee against failure to perform the contracts due to commercial disputes.

2. Transferred financial assets not derecognized as a whole

- (1) The Corporation has signed accounts receivable factoring contracts with domestic financial institutions. According to the contracts, each bank still has recourse rights for these financial assets. Therefore, the Corporation does not derecognize the accounts receivable factored as a whole. The relevant advance payments are recognized under short-term borrowings.
- (2) As of December 31, 2022 and 2021, the Corporation continued to recognize the related information and fair value of the transferred factored accounts receivable as follows, and within the scope of the Corporation's continued participation, the total carrying amount of the transferred factored receivables recognized as original assets before transfer (i.e., the carrying amount of the continuously recognized assets) and the carrying amount of related liabilities are the same as the fair value of the factored accounts receivable and the fair value of the advanced price.

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Book value of factored accounts receivable (fair value)	\$ 121,750	\$ 360,503
Book value of advanced price (fair value)	<u>(109,543)</u>	<u>(324,437)</u>
Net position	<u>\$ 12,207</u>	<u>\$ 36,066</u>

3. As of December 31, 2022 and 2021, the accounts receivable of \$69,322 and \$162,083 for which the Corporation had entered into contracts and is expected to factor in the future are financial assets measured at fair value through other comprehensive income (presented under accounts receivable).

(IV) Inventories

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Inventory	\$ 309,098	\$ 364,566
Allowance for inventory impairment loss	<u>(47,157)</u>	<u>(16,269)</u>
	<u>\$ 261,941</u>	<u>\$ 348,297</u>

Cost of inventories recognized by the Corporation as expense or loss:

	<u>2022</u>	<u>2021</u>
Cost of inventories sold	\$ 9,247,320	\$ 14,220,246
Loss from slow moving inventories and write-down (recovery benefit) (Note)	29,517	(7,026)
Loss on retirement of inventories	2,697	1,914
Others	<u>5,861</u>	<u>7,402</u>
	<u>\$ 9,285,395</u>	<u>\$ 14,222,536</u>

Note: In 2021, 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>Item</u>	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Current:		
Financial assets mandatorily measured at fair value through profit or loss		
Trust fund beneficiary certificates	\$ -	\$ 5,000
Assessment adjustment	-	(266)
	<u>\$ -</u>	<u>\$ 4,734</u>
Non-current:		
Financial assets mandatorily measured at fair value through profit or loss		
Unlisted stocks	\$ 18,869	\$ 18,259
Assessment adjustment	7,938	3,426
	<u>\$ 26,807</u>	<u>\$ 21,685</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, 2022</u>	<u>December 31, 2021</u>
CoAsia International Corp.	\$ 596,994	\$ 625,660
CoAsia Electronics Corp. (Singapore) Pte.Ltd.	517,264	558,279
CoAsia Korea Co., Ltd.	49,166	61,511
Studybank Co., Ltd.	13,881	13,072
CoAsia Electronics (US) Corp. (CoAsia US)	925	1,324
Pointchips Co., Ltd.	<u>(5,395)</u>	<u>(5,395)</u>
	1,172,835	1,254,451
Credit balance of investments accounted for using equity method (Recognized as other non-current liabilities)	<u>5,395</u>	<u>5,395</u>
	<u>\$ 1,178,230</u>	<u>\$ 1,259,846</u>

1. For information about the subsidiaries of the Corporation, please refer to Note IV (III) to the Consolidated Financial Statements of the Corporation for 2022.
2. The Corporation established CoAsia US in the year 2021 with \$1,400 in cash.
3. On May 31, 2021, the Corporation donated 100% equity of CoAsia Technology, a subsidiary directly held by the Corporation with 100% shares, to CoAsia Electronics Corp. (Hong Kong) Limited (hereinafter "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.
4. In 2022 and 2021, the Corporation's shares of profit or loss of subsidiaries, affiliates and joint ventures recognized using the equity method were (\$215,639) and \$129,251 respectively.
5. In 2022 and 2021, the investee companies in which the Corporation 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, 2022 and 2021, the unrealized gross sales profit of \$4,238 and \$14,289 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 carrying amounts of the Corporation's insignificant affiliates and their share of operating results are summarized as follows:

The carrying amounts of the Corporation's insignificant affiliates as of December 31, 2022 and 2021 were (\$5,395) (recognized as other non-current liabilities).

	<u>2022</u>	<u>2021</u>
Net profit from continuing operations in current period (i.e. total comprehensive income (loss) for the period)	(\$ 1,994)	(\$ 2,218)

(VII) Financial Assets at Amortized Cost

<u>Item</u>	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Current:		
Restricted assets - bank deposits	\$ 126,218	\$ 122,003

1. Please refer to Note XII (II) for detailed information on the credit risk of financial assets measured at amortized cost. The financial institutions with which the Corporation is engaged with are of good credit standing, and the Corporation 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 Corporation had provided financial assets measured at amortized cost as pledged guarantee.

(VIII) Other Current Assets

<u>Item</u>	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Assets not attributable to the owner (Note)	\$ 148,067	\$ 460,711
Others	611	72
	<u>\$ 148,678</u>	<u>\$ 460,783</u>

Note: In the purchase transaction model between the Corporation and some suppliers, it is determined to be an agent, mainly because the Corporation 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 Corporation has no control over these goods, which are therefore accounted for under other current assets until the goods are transferred to customers.

(IX) Property, Plant, and Equipment

	2022						Total
	<u>Land</u>	<u>Housing and Construction</u>	<u>Computer and Communication Equipment</u>	<u>Office Equipment</u>	<u>Testing Equipment</u>	<u>Other Equipment</u>	
January 1							
Costs	\$ 52,744	\$ 99,026	\$ 3,321	\$ 5,432	\$ 2,349	\$ 22,789	\$ 185,661
Accumulated depreciation	-	(27,021)	(2,780)	(1,560)	(2,341)	(1,898)	(35,600)
	<u>\$ 52,744</u>	<u>\$ 72,005</u>	<u>\$ 541</u>	<u>\$ 3,872</u>	<u>\$ 8</u>	<u>\$ 20,891</u>	<u>\$ 150,061</u>
January 1	\$ 52,744	\$ 72,005	\$ 541	\$ 3,872	\$ 8	\$ 20,891	\$ 150,061
Addition	34,946	4,305	167	-	-	560	39,978
Depreciation expenses	-	(2,011)	(192)	(606)	(8)	(3,308)	(6,125)
December 31	<u>\$ 87,690</u>	<u>\$ 74,299</u>	<u>\$ 516</u>	<u>\$ 3,266</u>	<u>\$ -</u>	<u>\$ 18,143</u>	<u>\$ 183,914</u>
December 31							
Costs	\$ 87,690	\$ 103,331	\$ 3,463	\$ 5,432	\$ 2,349	\$ 23,349	\$ 225,614
Accumulated depreciation	-	(29,032)	(2,947)	(2,166)	(2,349)	(5,206)	(41,700)
	<u>\$ 87,690</u>	<u>\$ 74,299</u>	<u>\$ 516</u>	<u>\$ 3,266</u>	<u>\$ -</u>	<u>\$ 18,143</u>	<u>\$ 183,914</u>
	2021						
	<u>Land</u>	<u>Housing and Construction</u>	<u>Computer and Communication Equipment</u>	<u>Office Equipment</u>	<u>Testing Equipment</u>	<u>Other Equipment</u>	Total
January 1							
Costs	\$ 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)
	<u>\$ 52,744</u>	<u>\$ 73,946</u>	<u>\$ 459</u>	<u>\$ 232</u>	<u>\$ 25</u>	<u>\$ 119</u>	<u>\$ 127,525</u>
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	<u>\$ 52,744</u>	<u>\$ 72,005</u>	<u>\$ 541</u>	<u>\$ 3,872</u>	<u>\$ 8</u>	<u>\$ 20,891</u>	<u>\$ 150,061</u>
December 31							
Costs	\$ 52,744	\$ 99,026	\$ 3,321	\$ 5,432	\$ 2,349	\$ 22,789	\$ 185,661
Accumulated depreciation	-	(27,021)	(2,780)	(1,560)	(2,341)	(1,898)	(35,600)
	<u>\$ 52,744</u>	<u>\$ 72,005</u>	<u>\$ 541</u>	<u>\$ 3,872</u>	<u>\$ 8</u>	<u>\$ 20,891</u>	<u>\$ 150,061</u>

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

<u>Item</u>	<u>Significant components</u>	<u>Useful life</u>
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	Oscilloscope and test fixture	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.

(X) Lease Transactions - Lessee

1. The underlying assets leased by the Corporation 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 dormitories and official vehicles leased by the Corporation do not exceed 12 months.
3. The information on the carrying value of the right-of-use assets and the recognized depreciation expenses is as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
	<u>Carrying Amount</u>	<u>Carrying Amount</u>
Transportation Equipment (Official Vehicle)	\$ 5,110	\$ 4,234
Buildings	324	582
Production Equipment (Photocopier)	304	417
	<u>\$ 5,738</u>	<u>\$ 5,233</u>
	<u>2022</u>	<u>2021</u>
	<u>Depreciation expenses</u>	<u>Depreciation expenses</u>
Transportation Equipment (Official Vehicle)	\$ 3,260	\$ 2,754
Buildings	259	248
Production Equipment (Photocopier)	114	114
	<u>\$ 3,633</u>	<u>\$ 3,116</u>

4. The increases in the Corporation's right-of-use assets in 2022 and 2021 were \$4,138 and \$4,940, respectively.

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

<u>Items affecting profit or loss for the period</u>	<u>2022</u>	<u>2021</u>
Interest expense on lease liabilities	\$ 85	\$ 82
Expense attributable to short-term leases	1,544	1,372
Expense attributable to leases of low-value assets	790	736
Expenses for variable lease payment	10,319	7,942

6. The Corporation's total lease cash outflows in 2022 and 2021 were \$16,456 and \$13,235, respectively.

7. Impacts of variable lease payments on lease liabilities

The subject matters of the Corporation'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 Corporation's lease agreements for housing and construction, including an option for the Corporation to exercise for extension, which are entered into in the lease contracts to enhance the flexible management of the Corporation's operations.
- (2) In determining the lease term, the Corporation 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.

(XI) Intangible Assets

		<u>2022</u>	
	<u>Computer software</u>	<u>Others</u>	<u>Total</u>
January 1			
Costs	\$ 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>
January 1	\$ 25,615	\$ 4,995	\$ 30,610
Addition	8,054	-	8,054
Amortization expenses	(7,000)	(104)	(7,104)
Net Exchange Differences (Note)	-	22	22
December 31	<u>\$ 26,669</u>	<u>\$ 4,913</u>	<u>\$ 31,582</u>
December 31			
Costs	\$ 55,539	\$ 5,102	\$ 60,641
Accumulated amortization	(28,870)	(189)	(29,059)
	<u>\$ 26,669</u>	<u>\$ 4,913</u>	<u>\$ 31,582</u>
		<u>2021</u>	
	<u>Computer software</u>	<u>Others</u>	<u>Total</u>
January 1			
Costs	\$ 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			
Costs	\$ 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.

The details of amortization of intangible assets are as follows:

	<u>2022</u>	<u>2021</u>
Selling and Marketing Expenses	\$ 3,127	\$ 3,085
General and Administrative Expenses	<u>3,977</u>	<u>2,725</u>
	<u>\$ 7,104</u>	<u>\$ 5,810</u>

(XII) Short-term Loans

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Loans for material purchase (Note 1)	\$ 1,322,453	\$ 1,793,028
Secured loans (Note 2)	109,543	324,437
Working capital loans	<u>362,500</u>	<u>233,000</u>
	<u>\$ 1,794,496</u>	<u>\$ 2,350,465</u>
Interest rate	1.65%~6.64%	1.13%~1.56%

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

Note 2: Loans secured by accounts receivable.

1. Please refer to Note III for details of the collaterals provided by the Corporation as of December 31, 2022 and 2021. In addition, the Corporation's endorsement and guarantee for the subsidiaries as of December 31, 2022 is detailed in the attached Table 2.
2. In March, 2022, the Corporation entered into a three-year syndicated credit agreement with the bank consortium including Taiwan Shin Kong Bank with a total credit line of \$650,000. The credit term is three years starting from the date of first use (March 29, 2022), but the use period is limited to three months. In addition, the Corporation undertakes to maintain the following financial ratios (calculated on the basis of annual and semi-annual consolidated financial statements) during the term of the agreement:
 - (1) The current ratio shall be maintained above 100% (inclusive);
 - (2) The financial debt ratio shall not be higher than 180% (the debt ratio refers to the total financial liabilities divided by tangible net worth, which refers to shareholders' equity less intangible assets);
 - (3) The interest coverage ratio shall be maintained at 1.5 times (inclusive) or above, which refers to the aggregate of pre-tax net profit plus interest expense, depreciation and amortization expense divided by interest expense);
 - (4) Tangible net worth shall not be less than \$2,000,000.

The Corporation calculated its financial ratios in 2022 according to the above provisions,

with part of them does not satisfy the provisions. The Corporation will discuss the improvement plan with the bank consortium.

As of December 31, 2022, The Corporation has issued guaranteed notes amounting to \$650,000 against the above syndicated loan, in addition to the collateral described in Note VIII.

(XIII) Other Payables

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Sales discounts and allowances payable	\$ 166,562	\$ 65,895
Remunerations of employees and directors payable	16,630	23,083
Salaries payable	10,260	33,317
Interest payable	5,982	2,036
Others	<u>12,232</u>	<u>8,736</u>
	<u>\$ 211,666</u>	<u>\$ 133,067</u>

(XIV) Pensions

Since July 1, 2005, the Corporation has formulated a retirement method with defined contributions in accordance with the "Labor Pension Act", which is applicable to employees in Taiwan. Where the Corporation chooses to apply the labor pension system for their employees stipulated in the "Labor Pension Act", 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 2022 and 2021, the Corporation's pension costs recognized by the above-mentioned pension method were \$3,292 and \$3,086 respectively.

(XV) Capital Stock

On July 27, 2021, the shareholders' meeting approved the conversion of surplus to capital to issue 2,848 thousand new shares. The base date for capital increase was September 28, 2021.

On June 24, 2022, the shareholders' meeting approved the conversion of surplus to capital to issue 3,632 thousand new shares. The capital increase base date was August 23, 2022.

As of December 31, 2022, the authorized and paid-in capital under the Corporation's Articles of Incorporation were \$2,000,000 and \$1,488,964, respectively, with a par value of NT\$10 per share, divided into 148,896 thousand shares, and all the issued shares of the Corporation 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 the Corporation has no accumulated losses. In addition, in accordance with the relevant regulations of the Securities and 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.

(XVII) Retained Earnings

1. According to the Corporation's Articles of Incorporation, 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 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	
	<u>Amount</u>	<u>Dividends Per Share (NT\$)</u>
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>	

- (2) On June 24, 2022, the shareholders' meeting of the Corporation passed the resolution to approve the earnings distribution plan. The earnings distribution plan for the year 2021 was as follows:

	2021	
	<u>Amount</u>	<u>Dividends Per Share (NT\$)</u>
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>	

7. As of February 16, 2023, the earnings distribution plan for 2022 has not been proposed by the Board of Directors.

(XVIII) Operating Revenue

	<u>2022</u>	<u>2021</u>
Net sales revenue	\$ 9,589,512	\$ 14,564,375

1. The Corporation'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>2022</u>	<u>2021</u>
Key components for mobile communication products (Mobile)	\$ 6,991,604	\$ 9,132,584
Wafers (Foundry)	1,611,383	1,172,018
Thin film liquid crystal displays (SDC)	775,537	4,056,390
Others	210,988	203,383
	<u>\$ 9,589,512</u>	<u>\$ 14,564,375</u>

2. Contract Liabilities

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

	<u>December 31,</u> <u>2022</u>	<u>December 31,</u> <u>2021</u>	<u>January 1,</u> <u>2021</u>
Contract Liabilities:			
Contract Liabilities - Advance Payment	\$ 11,072	\$ 51,859	\$ 35

3. The income recognized from contract liabilities for the current period:

	<u>2022</u>	<u>2021</u>
Net sales revenue	\$ 36,022	\$ 35

(XIX) Other gains or losses

	<u>2022</u>	<u>2021</u>
Net foreign exchange gain (loss)	\$ 130,974	(\$ 34,879)
Financial assets at fair value through profit or loss	5,234	(3,942)
Net profit (loss) on assets		
Loss on disposal of property, plant and equipment	-	(173)
	<u>\$ 136,208</u>	<u>(\$ 38,994)</u>

(XX) Additional Information on the Nature of Fees

	<u>2022</u>	<u>2021</u>
Employee Benefits Expenses	\$ 90,582	\$ 135,457
Amortization Expenses for Intangible Assets	7,104	5,810
Depreciation Expenses for Property, Plant, and Equipment	6,125	4,435
Depreciation Expenses for Right-of-use Assets	<u>3,633</u>	<u>3,116</u>
	<u>\$ 107,444</u>	<u>\$ 148,818</u>

(XXI) Employee Benefits Expenses

	<u>2022</u>	<u>2021</u>
Salary Expenses	\$ 77,952	\$ 116,155
Expenses for Labor and Health Insurance	6,976	6,417
Pension Expenses	3,292	3,086
Personnel Service Expenses	<u>2,362</u>	<u>9,799</u>
	<u>\$ 90,582</u>	<u>\$ 135,457</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 losses according to the profit status of the current year.
2. The estimated amounts of employee remuneration of the Corporation in 2022 and 2021 were \$1,869 and \$20,797, respectively. The estimated amounts of director remuneration were \$187 and 2,286, respectively, and the aforementioned amounts were charged to the remuneration expenses.

The estimation in 2022 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 2022 as resolved by the Board of Directors were \$1,869 and \$187 respectively, of which the employee remuneration will be paid in cash.

The Board of Directors of the Corporation decided on March 8, 2022 to pay the actual remunerations of employees and directors for 2021 in cash at \$20,797 and \$2,286, respectively, which were consistent with the amounts recognized in the 2021 Financial Statements, of which the employee remuneration will be paid in cash.

3. Information on employee remuneration and director remuneration approved by the Board of Directors of the Corporation is available at the Market Observation Post System.

(XXII) Income Tax

1. Income tax expenses

Components of income tax expenses:

	<u>2022</u>	<u>2021</u>
Current Income Tax:		
Income Tax Incurred in Current Period	\$ 843	\$ -
Surtax on Unappropriated Earnings	962	110
Prior Years' Income Tax Adjustments	<u>9</u>	<u>12</u>
Total Current Income Tax	1,814	122
Deferred Income Tax:		
Relating to Origination and Reversal of Temporary Differences	<u>13,707</u>	<u>20,448</u>
Income Tax Expenses	<u>\$ 15,521</u>	<u>\$ 20,570</u>

2. The relationship between income tax expense and accounting profit

	<u>2022</u>	<u>2021</u>
Income Tax Calculated at Statutory Rate	\$ 3,327	\$ 36,977
Impact of Items Not Recognized by Statutory Regulations	44,510	(26,229)
Change in Realizability Assessment of Deferred Income Tax Assets	(398)	26,914
Prior Years' Income Tax Adjustments	9	12
Surtax on Unappropriated Earnings	962	110
Income Tax Effect of Loss Carryforwards	<u>(32,889)</u>	<u>(17,214)</u>
Income Tax Expenses	<u>\$ 15,521</u>	<u>\$ 20,570</u>

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

	2022		
	<u>January 1</u>	<u>Recognized in profit or loss</u>	<u>December 31</u>
Deferred Income Tax Assets:			
- Temporary Differences:			
Unrealized Slow Moving Inventories and Write-down	\$ 3,259	\$ 5,903	\$ 9,162
Future Depreciation Impact of Fixed Assets Lease-to-purchase	2,617	(73)	2,544
Unrealized Losses on Exchange	11,060	(11,060)	-
Loss Carryforwards	13,126	398	13,524
Others	6,226	(3,894)	2,332
	<u>36,288</u>	<u>(8,726)</u>	<u>27,562</u>
Deferred Income Tax Liabilities:			
Unrealized Gains on Financial Assets	(632)	(956)	(1,588)
Unrealized Benefits on Exchange	-	(4,025)	(4,025)
	<u>(632)</u>	<u>(4,981)</u>	<u>(5,613)</u>
	<u>\$ 35,656</u>	<u>(\$ 13,707)</u>	<u>\$ 21,949</u>
	2021		
	<u>January 1</u>	<u>Recognized in profit or loss</u>	<u>December 31</u>
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>

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

December 31, 2022				
<u>Year</u>	<u>Amount Filed/Authorized</u>	<u>Unused</u> <u>Amount</u>	<u>Unrecognized</u> <u>Deferred Tax Assets</u>	<u>Usable until Year</u>
2018	Amount Authorized	\$305,816	\$252,899	2028
2020	Amount Authorized	<u>68,321</u>	<u>53,618</u>	2030
		<u>\$374,137</u>	<u>\$306,517</u>	
December 31, 2021				
<u>Year</u>	<u>Amount Filed/Authorized</u>	<u>Unused</u> <u>Amount</u>	<u>Unrecognized</u> <u>Deferred Tax Assets</u>	<u>Usable until Year</u>
2017	Amount Authorized	\$150,139	\$150,139	2027
2018	Amount Authorized	320,121	252,899	2028
2020	Amount Filed	<u>68,321</u>	<u>53,618</u>	2030
		<u>\$538,581</u>	<u>\$456,656</u>	

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

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Deductible Temporary Difference	<u>\$ 191,145</u>	<u>\$ 179,609</u>

6. The Corporation's profit-seeking business income tax settlement declaration was audited by the tax authority until 2020.

(XXIII) Earnings per Share

Basic and diluted earnings per share

	2022		
	<u>After-tax</u>	<u>Number of</u>	<u>Earnings per</u>
	<u>Amount</u>	<u>Outstanding Shares</u>	<u>Share (NT\$)</u>
		<u>(thousand shares)</u>	
<u>Basic Earnings per Share</u>			
Profit Attributable to Common Shareholders of the Parent	\$ 1,113	148,896	\$ 0.01
<u>Diluted earnings per share</u>			
Profit Attributable to Common Shareholders of the Parent	\$ 1,113	148,896	
Effect of Potentially Dilutive Common Shares			
Employee Compensation		445	
Profit Attributable to Common Shareholders of the Parent plus Effect of Potential Common Shares	\$ 1,113	149,341	\$ 0.01
	2021		
	<u>After-tax</u>	<u>Number of</u>	<u>Earnings per</u>
	<u>Amount</u>	<u>Outstanding Shares</u>	<u>Share (NT\$)</u>
		<u>(thousand shares)</u>	
<u>Basic Earnings per Share</u>			
Profit Attributable to Common Shareholders of the Parent	\$ 164,317	148,896	\$ 1.10
<u>Diluted earnings per share</u>			
Profit Attributable to Common Shareholders of the Parent	\$ 164,317	148,896	
Effect of Potentially Dilutive Common Shares			
Employee Compensation		1,486	
Profit Attributable to Common Shareholders of the Parent plus Effect of Potential Common Shares	\$ 164,317	150,382	\$ 1.09

The above-mentioned retrospective adjustment of the number of outstanding shares in 2021 had been retrospectively adjusted in accordance with the ratio of surplus to capital increase in 2021.

(XXIV) Changes in liabilities arising from financing activities

Fund-raising activities that affect cash flow

	2022			<u>Total Liabilities</u>
				<u>Arising from</u>
	<u>Short-term Loans</u>	<u>Short-term Notes</u>	<u>Lease</u>	<u>Financing</u>
		<u>and Bills Payable</u>	<u>Liabilities</u>	<u>Activities</u>
January 1	\$ 2,350,465	\$ 100,000	\$ 5,342	\$ 2,455,807
Change in Cash	(555,969)	(60,000)	(3,718)	(619,687)
Flows from				
Financing Activities				
Other Non-cash	-	-	4,222	4,222
Changes				
December 31	<u>\$ 1,794,496</u>	<u>\$ 40,000</u>	<u>\$ 5,846</u>	<u>\$ 1,840,342</u>
	2021			<u>Total Liabilities</u>
				<u>Arising from</u>
	<u>Short-term Loans</u>	<u>Short-term Notes</u>	<u>Lease</u>	<u>Financing</u>
		<u>and Bills Payable</u>	<u>Liabilities</u>	<u>Activities</u>
January 1	\$ 1,993,751	\$ -	\$ 3,505	\$ 1,997,256
Change in Cash	356,714	100,000	(3,103)	453,611
Flows from				
Financing Activities				
Other Non-cash	-	-	4,940	4,940
Changes				
December 31	<u>\$ 2,350,465</u>	<u>\$ 100,000</u>	<u>\$ 5,342</u>	<u>\$ 2,455,807</u>

VII. Related Party Transactions

(I) Names and relations of related parties

<u>Related Party</u>	<u>Relationship with the Corporation</u>
Lee, Hee-Jun	Chairman of the Corporation Individuals who Have a Significant Influence on the Corporation
CoAsia Corporation	Corporation
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 Corp. (Hong Kong) Limited	Second-tier Subsidiary
CoAsia Electronics Corp.LLP	Second-tier Subsidiary
Taiwan Interactive Education Co., Ltd. (Taiwan Interactive) (Note 3)	Second-tier Subsidiary
CoAsia Electronics Corp. (Shanghai) Limited	Third-tier Subsidiary
Coasia Electronics Corp. (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
CoAsia SEMI Ltd. (CoAsia SEMI)	Other related party
Coasia Semi Taiwan Limited	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 and established on June 16, 2021.

Note 3: Taiwan Interactive applied for dissolution on March 2022, the base date of dissolution was March 10, 2022, the dissolution was approved by the competent authority on March 17, 2022, and the liquidation was completed on June 24, 2022.

(II) Significant transactions with related party

1. Operating revenue

	<u>2022</u>	<u>2021</u>
— Subsidiary		
CoAsia Hong Kong	\$ 4,067,816	\$ 6,237,530
Others	7,478	1,989
— Other related party	<u>256</u>	<u>409</u>
	<u>\$ 4,075,550</u>	<u>\$ 6,239,928</u>

The Corporation's collection conditions for the related parties are by monthly settlement in 45 to 90 days. The sales prices are comparable to those of ordinary customers.

2. Purchase of goods

	<u>2022</u>	<u>2021</u>
— Other related party		
Shanghai Samsung	\$ 5,792,021	\$ 7,866,222
Samsung Taiwan	2,185,806	5,634,487
Others	-	889
— Subsidiary	<u>224,694</u>	<u>234,131</u>
	<u>\$ 8,202,521</u>	<u>\$ 13,735,729</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

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Receivables from related parties:		
— Subsidiary		
CoAsia Hong Kong	\$ 1,715,045	\$ 1,509,061
Others	<u>6,984</u>	<u>-</u>
	<u>\$ 1,722,029</u>	<u>\$ 1,509,061</u>

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 (excluding capital loans and principal)

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Other receivables from related parties:		
– Subsidiary		
Others	\$ 11,664	\$ 5,874
– Other related party		
Others	-	98
	<u>\$ 11,664</u>	<u>\$ 5,972</u>

It's mainly the interest receivable on capital loans and endorsement/guarantee.

5. Prepayments

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
– Other related party		
Shanghai Samsung	\$ 18,265	\$ 19,317
Samsung Taiwan	5,478	15,890
	<u>\$ 23,743</u>	<u>\$ 35,207</u>

Mainly the prepayments for goods.

6. Payables to related parties

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Accounts Payable:		
– Subsidiary		
CoAsia Singapore	\$ -	\$ 36,012
CoAsia Hong Kong	-	28,023
– Other related party		
Others	-	19,703
	-	83,738
Other Payables:		
– Subsidiary		
Others	534	174
– Individuals who Have a Significant Influence	177	-
	<u>711</u>	<u>174</u>
	<u>\$ 711</u>	<u>\$ 83,912</u>

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

7. Financing provided to related parties

Make loans to related parties:

A. Ending balance:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Other receivables:		
– Subsidiary		
CoAsia Korea	\$ 92,130	\$ -
CoAsia Hong Kong	<u>61,420</u>	<u>-</u>
	<u>\$ 153,550</u>	<u>\$ -</u>

B. Interest income:

	<u>2022</u>	<u>2021</u>
– Subsidiary		
CoAsia Korea	\$ 3,773	\$ -
CoAsia Hong Kong	<u>3,234</u>	<u>-</u>
	<u>\$ 7,007</u>	<u>\$ -</u>

The loan to subsidiaries is subject to the terms of the loan and repayment in accordance with the contract, and the interest is calculated on a contract basis.

8. Asset transaction

Acquisition of financial assets

	<u>Accounting Subject</u>	<u>2021</u>		
		<u>Trading shares</u>	<u>Trading subject</u>	<u>Price acquisition</u>
Subsidiary				
CoAsia US	Investments Accounted for Using the Equity Method	250 thousand shares	Common stock	<u>\$ 1,400</u>

The Corporation established CoAsia US in the year 2021 with \$1,400 in cash. In addition, the Corporation did not acquire financial assets from related parties during 2022.

9. Research and development expenses

	<u>2022</u>	<u>2021</u>
Product development cost:		
– Other related party		
CoAsia SEMI	<u>\$ -</u>	<u>\$ 17,927</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.

10. Financial cost

	<u>2022</u>	<u>2021</u>
— Subsidiary		
Others	<u>\$ -</u>	<u>\$ 646</u>

The expenses incurred by the Corporation in borrowing money from subsidiaries in 2021.

11. Other income

	<u>2022</u>	<u>2021</u>
Endorsement/Guarantee handling fee		
— Subsidiary		
CoAsia Singapore	\$ 15,608	\$ 15,040
CoAsia Hong Kong	<u>12,554</u>	<u>7,737</u>
	<u>\$ 28,162</u>	<u>\$ 22,777</u>

	<u>2022</u>	<u>2021</u>
Service revenue		
— Subsidiary		
Others	<u>\$ 754</u>	<u>\$ 824</u>

	<u>2022</u>	<u>2021</u>
System usage fee income		
— Subsidiary		
Others	<u>\$ 2,803</u>	<u>\$ 2,780</u>

12. Guarantee

As of December 31, 2022 and 2021, the Chairman of the Corporation provided joint guarantees for part of the Corporation'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, 2022.

(III) Information on Remuneration to the Management

	<u>2022</u>	<u>2021</u>
Salary and benefits for short-term employees	\$ 34,993	\$ 48,166
Termination benefits	3,336	-
Retirement benefits	464	324
	<u>\$ 38,793</u>	<u>\$ 48,490</u>

VIII. Pledged Assets

The details of the guarantee provided for the assets of the Corporation are as follows:

<u>Assets</u>	<u>Book value</u>		<u>Purpose of guarantee</u>
	<u>December 31, 2022</u>	<u>December 31, 2021</u>	
Bank deposits (Recognized as financial assets at amortized cost)	\$ 126,218	\$ 122,003	Short-term loan facilities
Land and housing	122,806	124,749	Short-term loan facilities
Assigned accounts receivable - with recourse	<u>121,750</u>	<u>360,503</u>	Short-term loan facilities
	<u>\$ 370,774</u>	<u>\$ 607,255</u>	

IX. Significant Contingent Liabilities and Unrecognized Contract Commitments

As of December 31, 2022 and 2021, the Corporation'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 and relevant commitments.
3. Please refer to Note VI (XII) for details of the guaranteed notes issued by the Corporation for syndicated loans.
4. Please refer to Note VI (III) for the promissory notes issued by the Corporation for the transferred financial assets derecognized as a whole.

X. Significant Disaster Loss

None.

XI. Significant Events after the Balance Sheet Date

None.

XII. Others

(I) Capital Management

The Corporation's capital management objectives are to ensure that the Corporation 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 Corporation may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. The Corporation 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.

The Corporation's strategy in 2022 was the same as in 2021. As of December 31, 2022 and 2021, the Corporation's debt-to-equity ratios were as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Total loans	\$ 1,834,496	\$ 2,450,465
Less: cash and cash equivalents	<u>(231,025)</u>	<u>(82,947)</u>
Net debt	1,603,471	2,367,518
Total equity	<u>2,568,961</u>	<u>2,483,801</u>
Total capital	<u>\$ 4,172,432</u>	<u>\$ 4,851,319</u>
Debt-to-equity ratio	<u>38.43%</u>	<u>48.80%</u>

(II) Financial Instruments

1. Category of financial instruments

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
<u>Financial assets</u>		
Financial assets at fair value through profit or loss		
Financial assets mandatorily measured at fair value through profit or loss	\$ 26,807	\$ 26,419
Financial assets at fair value through other comprehensive income (Note 1)	69,322	162,083
Financial assets at amortized cost (Note 2)	<u>2,706,671</u>	<u>2,821,278</u>
	<u>\$ 2,802,800</u>	<u>\$ 3,009,780</u>
<u>Financial liabilities</u>		
Financial liabilities at amortized cost (Note 2)	\$ 2,083,660	\$ 2,800,105
Lease liabilities	<u>5,846</u>	<u>5,342</u>
	<u>\$ 2,089,506</u>	<u>\$ 2,805,447</u>

Note 1: Accounts receivable that are expected to be factored in the future.

Note 2: Financial assets measured at amortized cost include cash and cash equivalents, financial assets measured at amortized cost, accounts receivable (including related parties), other receivables (including related parties) and refundable deposits; financial liabilities measured at 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 the Corporation 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 Corporation adopts a comprehensive risk management and control system to identify all risks of the Corporation (including market risk, credit risk and operational risk) and measure various risks, so that the Corporation'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 established written principles for overall risk management and written policies on specific areas and issues, such as exchange rate risk, interest rate risk, credit risk, the use of derivative and non-derivative financial instruments, and the investment of surplus working capital.

3. The natures and extents of material financial risks

(1) Market risks

Foreign Exchange Risk

A. The Corporation's main purchases and sales are denominated in U.S. dollars, and the fair value will vary with market exchange rate fluctuations. However, the Corporation'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 Corporation's business involves certain non-functional currencies (the functional currency of the Corporation is New Taiwan dollar). Information on foreign currency assets and liabilities affected by fluctuations is as follows:

December 31, 2022			
	<u>Foreign Currency</u> <u>(NT\$ thousand)</u>	<u>Exchange</u> <u>Rate</u>	<u>Carrying</u> <u>Amount (NT\$)</u>
<u>Financial Assets</u>			
<u>Monetary Items</u>			
US\$:NT\$	\$86,605	30.71	\$2,659,640
<u>Non-monetary Items</u>			
<u>Investments Accounted for Using the Equity</u>			
<u>Method</u>			
US\$:NT\$	19,470	30.71	597,919
SG\$: NT\$	22,608	22.88	517,264
<u>Financial Liabilities</u>			
<u>Monetary Items</u>			
US\$:NT\$	41,543	30.71	1,275,786
December 31, 2021			
	<u>Foreign Currency</u> <u>(NT\$ thousand)</u>	<u>Exchange</u> <u>Rate</u>	<u>Carrying</u> <u>Amount (NT\$)</u>
<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</u>			
<u>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

- C. The total exchange gains and losses realized and unrealized of the Corporation's monetary items due to fluctuations in exchange rates in 2022 and 2021 were aggregated to \$130,974 and (\$34,879), respectively.
- D. The foreign currency market risk analysis of the Corporation due to significant exchange rate fluctuations is as follows:

	2022		
	<u>Range of change</u>	<u>Effect on profit and loss</u>	<u>Effect on other comprehensive income</u>
(Foreign currency: Functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
US\$:NT\$	1%	\$26,596	\$-
<u>Non-monetary items</u>			
<u>Investments Accounted for Using the Equity Method</u>			
US\$:NT\$	1%	-	5,979
SG\$: NT\$	1%	-	5,173
<u>Financial liabilities</u>			
<u>Monetary items</u>			
US\$:NT\$	1%	12,758	-
	2021		
	<u>Range of change</u>	<u>Effect on profit and loss</u>	<u>Effect on other comprehensive income</u>
(Foreign currency: Functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
US\$:NT\$	1%	\$37,550	\$ -
<u>Non-monetary items</u>			
<u>Investments Accounted for Using the Equity Method</u>			
US\$:NT\$	1%	-	6,270
SG\$: NT\$	1%	-	5,583
<u>Financial liabilities</u>			
<u>Monetary items</u>			
US\$:NT\$	1%	26,034	-

Price Risk

Equity commodities invested by the Corporation are affected by changes in market prices, but the positions held by the Corporation 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 2022 and 2021, some of the Corporation'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%, the Corporation's cash outflows will increase by \$17,945 and \$23,505, respectively.

(2) Credit risk

- A. The Corporation's credit risk is the risk of financial loss to the Corporation 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 pay off the accounts receivable based on collection terms and financial assets classified as measured at amortized cost.
- B. The Corporation 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 Corporation 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 Corporation 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 Corporation 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 Corporation 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 Corporation adjust the loss rate established according to historical and current information in a specific period by taking into account the business indicators for

future forward-looking as specified in the prosperity observation report of the Taiwan Institute of Economic Research and the National Development Commission, respectively, to estimate the allowance losses of accounts receivable (including related parties), and the reserve matrices as of December 31, 2022 and 2021 were as follows:

	<u>Not Past Due</u>	<u>Up to 30 days past due</u>	<u>Up to 60 days past due</u>	<u>Up to 90 days past due</u>	<u>Total</u>
<u>December 31, 2022</u>					
Expected loss rate	0.03%	0.07%	-	-	
Total book value	\$2,236,076	\$9,505	\$-	\$-	\$2,245,581
Loss allowances	159	7	-	-	166
	<u>Not Past Due</u>	<u>Up to 30 days past due</u>	<u>Up to 60 days past due</u>	<u>Up to 90 days past due</u>	<u>Total</u>
<u>December 31, 2021</u>					
Expected loss rate	0.03%	0.07%	0.77%	-	
Total book value	\$2,740,106	\$ 24	\$42	\$-	\$2,740,172
Loss allowances	304	-	-	-	304

G. The aging analysis of the Corporation's accounts receivable is as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
	<u>Accounts Receivable</u>	<u>Accounts Receivable</u>
Not Past Due	\$ 2,236,076	\$ 2,740,106
Up to 30 days past due	9,505	24
31-60 days	-	42
	<u>\$ 2,245,581</u>	<u>\$ 2,740,172</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 Corporation adopts a simplified practice is as follows:

	<u>2022</u>
	<u>Accounts Receivable</u>
January 1	\$ 304
Reversal of impairment loss	(138)
December 31	<u>\$ 166</u>
	<u>2021</u>
	<u>Accounts Receivable</u>
January 1	\$ 328
Reversal of impairment loss	(24)
December 31	<u>\$ 304</u>

(3) Liquidity risk

- A. Cash flow forecasting is performed by each operating entity of the Corporation and compiled by the Corporation's Finance Department. The Corporation's Finance Department monitors rolling forecasts of the Group's working capital requirements to ensure it has sufficient cash to meet operational needs, so as to prevent the Corporation from breaching the relevant borrowing limits or terms. Such forecasting takes into consideration the Corporation's debt financing plans, covenant compliance, and compliance with financial ratios targets in the internal balance sheets.
- B. When the remaining cash held by the Corporation exceeds the need for the management of working capital, the Corporation's Finance Department will invest the remaining funds in interest-bearing demand deposits, time deposits, money market deposits and marketable securities, and the instruments selected have an appropriate maturity date or sufficient liquidity to meet the above forecast and provide sufficient dispatch levels.
- C. The following table shows the Corporation'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 contract maturity date. The contractual cash flow amounts disclosed in the table below are undiscounted amounts.

December 31, 2022	<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	\$ 3,820	\$ 1,549	\$ 541	\$ -
December 31, 2021	<u>Within 1 year</u>	<u>1-2 year(s)</u>	<u>2-3 years</u>	<u>Over 3 years</u>
Non-derivative financial liabilities:				
Lease liabilities	\$ 2,715	\$ 2,228	\$ 386	\$95

Except as stated above, the Corporation's non-derivative financial liabilities are due within one year.

The Corporation 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: Quoted prices (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 quoted prices in Level 1.

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 the Corporation 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, 2022		
	Fair value		
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Financial Assets at Fair Value through Profit or Loss	\$ -	\$ -	\$26,807
Financial Assets at Fair Value through Other Comprehensive Income			
Accounts Receivable from Expected Factoring	-	69,322	-
	<u>\$ -</u>	<u>\$ 69,322</u>	<u>\$26,807</u>
	December 31, 2021		
	Fair value		
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
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 Factoring	-	162,083	-
	<u>\$ 4,734</u>	<u>\$ 162,083</u>	<u>\$ 21,685</u>

4. The methods and assumptions used by the Corporation to measure fair value are described below:

- (1) The fair value of financial instruments is obtained by evaluation techniques or by reference to counterparty's 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 parent company only balance sheet date.
- (2) The Corporation 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 Corporation's credit quality, respectively.
5. In 2022 and 2021, there was no transfer between Level 1 and Level 2.
6. Changes in Level 3 in 2022 and 2021:

	<u>2022</u>	<u>2021</u>
	<u>Non-derivative financial instruments</u>	<u>Non-derivative financial instruments</u>
January 1	\$ 21,685	\$ 25,481
Increase in the current period	610	-
Recognized as other gains and losses	<u>4,512</u>	<u>(3,796)</u>
December 31	<u>\$ 26,807</u>	<u>\$ 21,685</u>

7. There was no transfer in or out from Level 3 in 2022 and 2021.
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, 2022</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	\$26,807	Comparable listed (OTC) company method	Price-to-net multiplier and price-to-earnings multiplier	The higher the multiplier, the higher the fair value
	<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 listed (OTC) company method	Price-to-net multiplier and price-to-earnings multiplier	The higher the multiplier, the higher the fair value

9. The Corporation 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 profit or loss or other comprehensive income are as follows:

			<u>December 31, 2022</u>			
			<u>Recognized in profit or loss</u>		<u>Recognized in other comprehensive income</u>	
	<u>Input value</u>	<u>Change</u>	<u>Favorable change</u>	<u>Unfavorable change</u>	<u>Favorable change</u>	<u>Unfavorable change</u>
Financial assets						
Equity instruments	Price-to-net multiplier and price-to-earnings multiplier	±1%	\$ 268	(\$ 268)	\$ -	\$ -
			<u>December 31, 2021</u>			
			<u>Recognized in profit or loss</u>		<u>Recognized in other comprehensive income</u>	
	<u>Input value</u>	<u>Change</u>	<u>Favorable change</u>	<u>Unfavorable change</u>	<u>Favorable change</u>	<u>Unfavorable change</u>
Financial assets						
Equity instruments	Price-to-net multiplier and price-to-earnings multiplier	±1%	\$ 217	(\$ 217)	\$ -	\$ -

XIII. Supplementary Disclosures

(I) Information on Significant Transactions

According to the provisions of the Regulations Governing the Preparation of Financial Reports by Securities Issuers, the relevant matters related to the Corporation's major transactions in 2022 are as follows. In addition, the information to be disclosed by the investee companies is prepared based on the financial statements of the companies that have been audited by the CPAs, and the following transactions with subsidiaries have been written off when preparing the consolidated financial statements. 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 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-in 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-in 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 others 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.

(Blank below)

CoAsia Electronics Corp.
Loans provided for others
For the Year Ended December 31, 2022

Table 1

Unit: NTS thousand
(Unless Stated Otherwise)

No. (Note 1)	Financing Company	Borrower	Transaction Item	Related Party	Maximum	Ending balance	Actual Amount		Interest Rate	Nature for	Business	Reason for Short-term	Allowance	Collateral	Limit on Loans	Total Limit on	Remark
					outstanding		Drawn	Financing		Transaction	for Bad		Provided to a		Loans Provided		
					balance for the				(Note 2)	Amount	Financing		Debt	Name	Value	(Note 3)	(Note 3)
0	CoAsia Electronics Corp.	CoAsia Electronics Corp. (Hong Kong) Limited	Other receivables - related party	Yes	\$ 225,505	\$ 214,970	\$ 61,420		To comply with the contract	2	\$ -	Operating capital	\$ -	-	\$ -	\$ 256,896	\$ 1,027,584
0	CoAsia Electronics Corp.	CoAsia Electronics Corp. (Singapore) Pte. Ltd.	Other receivables - related party	Yes	225,505	214,970	-		To comply with the contract	2	-	Operating capital	-	-	-	256,896	1,027,584
0	CoAsia Electronics Corp.	CoAsia Korea Co., Ltd.	Other receivables - related party	Yes	193,290	184,260	92,130		To comply with the contract	2	-	Operating capital	-	-	-	256,896	1,027,584
0	CoAsia Electronics Corp.	Studybank Co., Ltd.	Other receivables - related party	Yes	200	-	-		To comply with the contract	2	-	Operating capital	-	-	-	256,896	1,027,584
1	CoAsia Electronics Corp. (Hong Kong) Limited	CoAsia Electronics Corp. (Hong Kong) Limited	Other receivables - related party	Yes	322,150	307,100	-		To comply with the contract	2	-	Operating capital	-	-	-	601,079	601,079
1	CoAsia Electronics Corp. (Hong Kong) Limited	CoAsia Electronics Corp. (Singapore) Pte. Ltd.	Other receivables - related party	Yes	161,075	153,550	-		To comply with the contract	2	-	Operating capital	-	-	-	601,079	601,079
1	CoAsia Electronics Corp. (Hong Kong) Limited	Coasia Semi Limited	Other receivables - related party	Yes	35,437	-	-		To comply with the contract	1	152,331	Business transaction	-	-	-	152,331	601,079
2	CoAsia Electronics Corp. (Singapore) Pte. Ltd.	CoAsia Electronics Corp. (Singapore) Pte. Ltd.	Other receivables - related party	Yes	161,075	153,550	-		To comply with the contract	2	-	Operating capital	-	-	-	517,244	517,244
2	CoAsia Electronics Corp. (Singapore) Pte. Ltd.	CoAsia Electronics Corp. (Hong Kong) Limited	Other receivables - related party	Yes	161,075	153,550	92,130		To comply with the contract	2	-	Operating capital	-	-	-	517,244	517,244
2	CoAsia Electronics Corp. (Singapore) Pte. Ltd.	CoAsia Electronics Corp. (Hong Kong) Limited	Other receivables - related party	Yes	74,888	-	-		To comply with the contract	1	1,696,951	Business transaction	-	-	-	517,244	517,244

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 Corporation's aggregate amount of loans to others is limited to 40% of the net worth, and that to an individual enterprise shall not exceed 10% of the net worth. Net worth amounted to 2,568,961 as of December 31, 2022.

(2) The aggregate amount of loans to others of CoAsia Electronics Corp. (Hong Kong) Limited to foreign companies with 100% voting shares directly and indirectly held by the parent company of the Group is limited to 100% of the net worth, and that to an individual enterprise shall not exceed 100% of the net worth.

(3) The aggregate amount of loans to others of CoAsia Electronics Corp. (Singapore) Pte. Ltd. to foreign companies with 100% voting shares directly and indirectly held by the parent company of the Group is limited to 100% of the net worth, and that to an individual enterprise shall not exceed 100% of the net worth.

CoAsia Electronics Corp.

Endorsements/Guarantees Provided for Others

For the Year Ended December 31, 2022

Table 2

Unit: NTS thousand
(Unless Stated Otherwise)

No. (Note)	Endorsee/Guarantee		Relationship (Note 2)	Limit on	Maximum	Endorsement	Actual Amount	Amount of	Ratio of Accumulated	Endorsement/Guarantee	Endorsements/Guarantees	Endorsements/Guarantees	Endorsements/Guarantees	Remark
	Endorser/Guarantor	Name of Company		Endorsements/Guarantees	Endorsement/Guarantee	Ending								
				Provided for Single Entity	Balance for the Period	Balance		Collateralized by Property	Financial Statements	Ceiling (Note 3)	Subsidiary	for Parent	Mainland China	
1)	CoAsia Electronics Corp.	CoAsia Electronics Corp. (Hong Kong) Limited	1.3	\$ 2,568,961	\$ 1,508,633	\$ 1,455,205	\$ 1,455,205	\$ -	56.65%	\$ 3,853,442	Y	N	N	
0	CoAsia Electronics Corp.	CoAsia Electronics Corp.(Singapore) Pte. Ltd.	1.2	2,568,961	1,812,713	1,428,015	1,428,015	-	55.59%	3,853,442	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 endorsees/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 Corporation's aggregate amount of limit of endorsement/guarantee for external entities is limited to 150% of the net worth, and the amount of limit of endorsement/guarantee for an individual enterprise shall not exceed 10% of the net worth while that for an individual affiliate shall not exceed 100% of the net worth.

Note 4: In 2022, the handling fee charged by the Corporation from CoAsia Electronics Corp. (Hong Kong) Limited for the above-mentioned endorsement/guarantee amounted to \$12,554 (accounted for other income), and the outstanding amount as of December 31, 2022 amounted to \$3,668.

Note 5: In 2022, the handling fee charged by the Corporation from CoAsia Electronics Corp.(Singapore) Pte. Ltd. for the above-mentioned endorsement guarantee amounted to \$15,608 (accounted for other income), and the outstanding amount as of December 31, 2022 amounted to \$3,599.

CoAsia Electronics Corp.

Securities held at end of period (excluding investments in subsidiaries, associates, and joint ventures)

December 31, 2022

Table 3

Unit: NT\$ thousand
(Unless Stated Otherwise)

<u>Company Holding Securities</u>	<u>Type and Name of Securities</u>	<u>Relationship with Issuer of Securities</u>	<u>Ledger Account</u>	<u>End of the Period</u>			<u>Fair value</u>	<u>Remark</u>
				<u>Number of shares</u>	<u>Carrying Amount</u>	<u>Shareholding Ratio</u>		
CoAsia Electronics Corp.	Common and preferred stocks of Insignal Co. Ltd	-	Financial assets at fair value through profit or loss - non-current	16,020	\$ 26,807	17.5%	\$ 26,807	
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.
Purchases or Sales with Related Parties Amounting to NT\$100 Million or 20% of Paid-in Capital or More
For the Year Ended December 31, 2022

Table 4

Unit: NT\$ thousand
(Unless Stated Otherwise)

<u>Purchasing (Selling) Company</u>	<u>Counterparty</u>	<u>Relationship</u>	<u>Transaction Situation</u>				<u>Unusual Transaction Terms and Reasons (Note 1)</u>		<u>Notes and Accounts Receivable (Payable)</u>		<u>Remarks (Note 2)</u>
			<u>Purchases (Sales)</u>	<u>Amount</u>	<u>Percentage of Total Purchases (Sales)</u>	<u>Credit Period</u>	<u>Unit Price</u>	<u>Credit Period</u>	<u>Balance</u>	<u>Percentage of Total</u>	
										<u>Notes and Accounts</u>	
CoAsia Electronics Corp.	Shanghai Samsung Semiconductor Co.,Ltd.	Other related party	Purchase of goods	\$ 5,792,021	63%	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	2,185,806	24%	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	-	-	
CoAsia Electronics Corp. (Hong Kong) Limited	Shanghai Samsung Semiconductor Co.,Ltd.	Other related party	Purchase of goods	6,765,953	49%	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	2,426,518	55%	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 Electronics Corp.(Singapore) Pte.Ltd.	Samsung India Electronics Pvt Ltd.	Other related party	Purchase of goods	1,587,135	36%	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	(9,328)	(35%)	
CoAsia Korea Co., Ltd	Samsung Electronics Co., Ltd.	Other related party	Purchase of goods	737,247	49%	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	(48,471)	(43%)	
CoAsia Korea Co., Ltd	CoAsia CM Co., Ltd.	Other related party	Sales	(261,339)	17%	30 days from end of month	-	-	-	-	
CoAsia Korea Co., Ltd	CoAsia Corporation	Related party in substance	Sales	(1,186,853)	77%	30 days from end of month	-	-	96,843	100%	
CoAsia Electronics Corp. (Hong Kong) Limited	Coasia Semi Limited	Other related party	Sales	(942,388)	7%	90 days from end of month	-	-	547,760	25%	
CoAsia Electronics Corp. (Hong Kong) Limited	CoAsia Electronics Corp.(Singapore) Pte.Ltd.	Sister company of the same group	Sales	(112,145)	1%	60 days from end of month	-	-	10,592	0%	
CoAsia Electronics Corp.(Singapore) Pte.Ltd.	CoAsia Electronics Corp. (Hong Kong) Limited	Sister company of the same group	Sales	(558,710)	12%	60 days from end of month	-	-	126,525	47%	
CoAsia Electronics Corp.(Singapore) Pte.Ltd.	CoAsia Electronics Corp.	Parent company	Sales	(138,406)	3%	60 days from end of month	-	-	-	-	
CoAsia Electronics Corp.(Singapore) Pte.Ltd.	CoAsia Korea Co., Ltd	Sister company of the same group	Sales	(693,365)	15%	40 days from end of month	-	-	63,841	24%	
CoAsia Electronics Corp.	CoAsia Electronics Corp. (Hong Kong) Limited	Subsidiary	Sales	(4,067,816)	42%	60 days from end of month	-	-	1,715,046	76%	

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 shall 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 transaction amount of 20% of the paid-in capital is calculated as 10% of the equity attributable to owners of the parent company in the balance sheet.

Note 4: The transactions between the Corporation and its subsidiaries are disclosed as assets and income, and its relative transactions are no longer disclosed.

CoAsia Electronics Corp.

Receivables from Related Parties Amounting to NT\$100 million or 20% of the Paid-in Capital or More

December 31, 2022

Table 5

Unit: NT\$ thousand
(Unless Stated Otherwise)

<u>Company recorded under account</u> <u>receivables</u>	<u>Counterparty</u>	<u>Relationship</u>	<u>Receivables from</u>		<u>Overdue receivables from related parties</u>		<u>Receivables from</u> <u>related parties (Note</u> <u>3)</u>	<u>Allowance for bad</u> <u>debts</u>
			<u>related parties (Note 1)</u>	<u>Turnover rate</u>	<u>Amount</u>	<u>Action taken</u>		
CoAsia Electronics Corp. (Hong Kong) Limited	Coasia Semi Limited	Other related party	\$ 547,760	2.86	\$ 546,413	-	\$ 3,091	\$ 89,831
CoAsia Electronics Corp.	CoAsia Electronics Corp. (Hong Kong) Limited	Subsidiary	1,715,046	2.52	-	-	-	-
CoAsia Electronics Corp.(Singapore) Pte.Ltd.	CoAsia Electronics Corp. (Hong Kong) Limited	Sister company of the same group	126,525	1.60	-	-	-	-

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 transaction amount of 20% of the paid-in capital is calculated as 10% of the equity attributable to owners of the parent company in the balance sheet.

Note 3: It refers to the amount repatriated after the period as of January 31, 2023.

CoAsia Electronics Corp.
Relationships And Significant Transactions Between The Parent Company And Subsidiaries And Their Amounts
For the Year Ended December 31, 2022

Table 6

Unit: NT\$ thousand
(Unless Stated Otherwise)

<u>No.(Note 1)</u>	<u>Name of Trader</u>	<u>Counterparty</u>	<u>Relationship with the Trader (Note 2)</u>	<u>Ledger Account</u>	<u>Amount</u>	<u>Transaction Term</u>	<u>Description of Transactions</u>	<u>Percentage in Consolidated Total Revenue or Total Assets (Note 3)</u>
0	CoAsia Electronics Corp.	CoAsia Electronics Corp. (Hong Kong) Limited	1	Sales revenue (cost)	\$ 4,067,816	Same as normal transactions		17%
0	CoAsia Electronics Corp.	CoAsia Electronics Corp. (Hong Kong) Limited	1	Accounts receivable	1,715,046	Same as normal transactions		27%
1	CoAsia Electronics Corp.(Singapore) Pte.Ltd.	CoAsia Electronics Corp. (Hong Kong) Limited	3	Sales revenue (cost)	558,710	Same as normal transactions		2%
2	CoAsia Electronics Corp.(Singapore) Pte.Ltd.	CoAsia Korea Co., Ltd	3	Sales revenue (cost)	693,365	Same as normal transactions		3%

Note 1: The information of business transactions between the parent company and subsidiaries shall be indicated in the number column respectively. The number shall be filled in as follows:

(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: There are three types of relationship between traders, and fill in the type is acceptable (if the transaction between the parent company and subsidiaries is the same as that between subsidiaries, it is not necessary to disclose again. For example, if the parent company has disclosed the transaction between the parent company and the subsidiary, the part of the subsidiary is not required to be disclosed again;

For a transaction between two subsidiaries, if it has been disclosed by one subsidiary, it is not required to be disclosed again by the other subsidiary):

(1). Parent company's transaction with subsidiary.

(2). Subsidiary's transaction with the parent company.

(3). Transaction between two subsidiaries.

Note 3: The ratio of transaction amount to consolidated total revenue or total assets shall be calculated as the ratio of ending balance to consolidated total assets for those belongs to balance sheet item, or as the ratio of mid-term cumulative balance to consolidated total revenue for those belongs to items on the income statement.

Note 4: It is up to the Corporation 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.
Names, Locations and Relevant Information of Investee Companies (Excluding Investee Companies in Mainland China)
For the Year Ended December 31, 2022

Table 7

Unit: NTS thousand
(Unless Stated Otherwise)

Name of Investor	Name of Investee (Note 1, 2)	Location	Primary Business Activities	Initial Investment Amount		Held at End of Period			Profit (Loss) of Investee for the Period (Note 2(2))	Investment Profit (Loss) Recognized for the Period (Note 2(3))	Remark
				End of 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%	\$ 596,994	(\$ 100,684)	(\$ 100,684)	
CoAsia Electronics Corp.	Pointchips Co.,Ltd.	South Korea	Semiconductor design	73,102	73,102	983,049	20.14%	(5,395)	(1,994)	-	
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%	49,166	(14,362)	(14,362)	
CoAsia Electronics Corp.	Studybank Co., Ltd.	Taiwan	Electronic devices, data processing business, online learning courses, etc.	358,000	358,000	9,204,851	89.10%	13,881	908	809	
CoAsia Electronics Corp.	CoAsia Electronics Corp.(Singapore) Pte.Ltd.	Singapore	International trade, entrepot trade	30,202	30,202	1,000,000	100.00%	517,264	(98,839)	(100,874)	
CoAsia Electronics Corp.	CoAsia Electronics (US) Corp.	USA	International trade, entrepot trade	1,400	1,400	250,000	100.00%	925	(528)	(528)	
CoAsia International Corp.	CoAsia Electronics Corp. (Hong Kong) Limited	Hong Kong	Wholesaling, designing and manufacturing of electronic components	435,837	435,837	10,293,200	100.00%	601,079	(100,566)	(100,566)	
Studybank Co., Ltd.	Taiwan Interactive Education Co., Ltd.	Taiwan	Academic tutoring, afterschool teaching, other sound recording and music publishing	-	50,000	-	-	-	(868)	(868)	Note 4
CoAsia Electronics Corp.(Singapore) Pte.Ltd	CoAsia Electronics Corp.LLP	India	International trade, entrepot trade	4,623	4,623	-	100.00%	2,530	4,371	4,371	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 relevant information on the holding company when disclosing information about the foreign invested company.

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 second-tier subsidiary) 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 shall 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 shall be confirmed that the amount of profit and loss of each subsidiary for the period includes the investment profit and loss that shall be recognized for reinvestment according to the regulations.

Note 3: CoAsia Electronics Corp.LLP is a limited partnership without any stocks issued.

Note 4: Taiwan Interactive Education Co., Ltd. applied for dissolution on March 2022, the base date of dissolution was March 10, 2022, the dissolution was approved by the competent authority on March 17, 2022, and the liquidation was completed on June 24, 2022.

CoAsia Electronics Corp.
Information on Investments in Mainland China - Basic Data
For the Year Ended December 31, 2022

Table 8

Unit: NT\$ thousand
(Unless Stated Otherwise)

<u>Investee Company</u>	<u>Primary Business Activities</u>	<u>Paid-in Capital</u>	<u>Method of Investments (Note 1)</u>	<u>Amount of Investments Remitted or Repatriated for the Period</u>		<u>Accumulated Amount of Investments Remitted from Taiwan at Beginning of Period</u>	<u>Profit (Loss) of Investee for the Period</u>	<u>Shareholding Ratio of the Corporation's Direct or Indirect Investment</u>	<u>Investment Profit (Loss) Recognized for the Period (Note 2. (2)B)</u>	<u>Carrying Amount of Investments at End of Period</u>	<u>Accumulated Investment Income</u>		<u>Remark</u>
				<u>Remitted</u>	<u>Repatriated</u>						<u>Repatriated at End of Period</u>	<u>Repatriated at End of Period</u>	
CoAsia Electronics Corporation(Shanghai) Limited	International trade, entropot trade, and commercial simple processing in the bonded area	\$ 155,520	2	\$ 151,004	\$ -	\$ -	\$ 151,004	\$ 8,241	100.00%	\$ 8,241	\$ 41,462	\$ -	2.1
CoAsia Electronics Corporation (Shenzhen) Limited	International trade and entropot trade	31,291	2	20,082	-	-	20,082	15,007	100.00%	15,007	21,713	-	2.1
<u>Name of Company</u>	<u>Accumulated Amount of Investments Remitted from Taiwan to Mainland China at End of Period</u>	<u>Amount of Investments Authorized by Investment Commission, M.O.E.A.</u>	<u>Ceiling on Amount of Investments Authorized by Investment Commission, M.O.E.A.</u>										
CoAsia Electronics Corp.	\$ 171,086	\$ 171,086	\$ 1,541,377										

Note 1: 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 Mainland China through CoAsia Electronics Corp. (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.

Note 3: Figures in this table shall be listed in New Taiwan Dollars.

CoAsia Electronics Corp. and Its Subsidiaries

Information on Major Shareholders

December 31, 2022

Table 9

<u>Name of Major Shareholders</u>	<u>Number of Shares Held</u>	<u>Shareholding</u>	<u>Shareholding Ratio</u>
Investment account of BSE Holdings Co., Ltd entrusted custody by CTBC Bank Co., Ltd.	18,182,503		12.21%
CoAsia Corporation of Korea Company	11,965,493		8.03%

CoAsia Electronics Corp.

Declaration of Consolidated Financial Statements of Affiliates



In 2022 (from January 1, 2022 to December 31, 2022), 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



February 16, 2023

Independent Auditors' Report

(2023) C.S.B.Z. No. 22003465

To: CoAsia Electronics Corp.,

Opinions

The Consolidated Balance Sheets of CoAsia Electronics Corp. and its subsidiaries (hereinafter "CoAsia Group") as of December 31, 2022 and 2021, in addition to the Consolidated Statements of Comprehensive Income, 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, 2022 and 2021, 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 issued into effect 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, 2022 and 2021, and the consolidated financial performance and consolidated cash flow from January 1 to December 31, 2022 and 2021.

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 2022. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matters of the Consolidated Financial Statements of CoAsia Group for the year 2022 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, 2022 was NT\$1,738,020 thousand (including NT\$141,405 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 allow 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, 2022 was NT\$2,768,075 thousand (including the deducted allowance for loss of NT\$92,986 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 2022 was NT\$23,417,746 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 Parent Company Only Financial Statements of CoAsia Electronics Corp. for 2022 and 2021, 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, Interpretation and Interpretation Notices as endorsed and issued into effect 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 and 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 2022. 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

Feng, Min-Chuan

馮敏川



CPA


Wu, Han-Chi

吳漢奇



Former Securities and Futures Bureau, Financial
Supervisory Commission, Executive Yuan
Approval File No.: Financial-Supervisory-Securities-Six-
0960038033
Former Securities and Futures Commission of the Ministry
of Finance
Approval File No.: (90) T.C.Z. (L.) Z. No. 157088


February 16, 2023


CoAsia Electronics Corp. and Its Subsidiaries
Consolidated Balance Sheets
December 31, 2022 and 2021

Unit: NT\$ thousand

Assets	Note	December 31, 2022		December 31, 2021		
		Amount	%	Amount	%	
Current Assets						
1100	Cash and Cash Equivalents	VI(I)	\$ 718,472	11	\$ 519,580	6
1110	Financial assets at fair value through profit or loss - current	VI(V)	-	-	4,734	-
1136	Financial assets at amortized cost - current	VI(VI) and VIII	544,835	9	474,334	6
1170	Accounts receivable, net	VI(II)(III) and VIII	2,213,303	34	3,859,371	47
1180	Accounts receivable - related parties, net	VII	554,772	9	217,523	3
1200	Other receivables	VI(III)	80,203	1	34,754	-
1210	Other receivables - related parties	VII	156	-	348	-
130X	Inventories	VI(IV)	1,738,020	27	2,265,406	27
1410	Prepayments	VII	121,337	2	173,418	2
1470	Other Current Assets	VI(VII)	149,282	2	460,796	6
11XX	Total current assets		<u>6,120,380</u>	<u>95</u>	<u>8,010,264</u>	<u>97</u>
Non-current assets						
1510	Financial assets at fair value through profit or loss - non-current	VI(V)	26,807	-	21,685	-
1600	Property, Plant, and Equipment	VI(VIII) and VIII	194,443	3	152,035	2
1755	Right-of-use assets	VI(IX)	13,830	-	20,264	-
1780	Intangible Assets	VI(X)	31,707	-	30,977	-
1840	Deferred income tax assets	VI(XXI)	42,353	1	36,862	1
1900	Other non-current assets		33,567	1	11,055	-
15XX	Total non-current assets		<u>342,707</u>	<u>5</u>	<u>272,878</u>	<u>3</u>
1XXX	Total assets		<u>\$ 6,463,087</u>	<u>100</u>	<u>\$ 8,283,142</u>	<u>100</u>

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CoAsia Electronics Corp. and Its Subsidiaries
Consolidated Balance Sheets
December 31, 2022 and 2021

Unit: NT\$ thousand

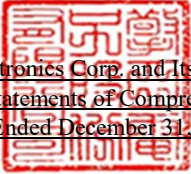
Liabilities and Equity	Note	December 31, 2022		December 31, 2021		
		Amount	%	Amount	%	
Current Liabilities						
2100	Short-term Loans	VI(XI) and VIII	\$ 3,006,678	46	\$ 4,207,737	51
2110	Short-term notes and bills payable		40,000	1	100,000	1
2130	Contract liabilities - current	VI(XVII)	139,062	2	555,772	7
2170	Accounts Payable		39,754	1	155,246	2
2180	Accounts payable - related parties	VII	57,799	1	43,559	-
2200	Other payables	VI(XII)	569,109	9	637,921	8
2220	Others payables - related parties	VII	1,713	-	1,573	-
2230	Current income tax liabilities	VI(XXI)	8,592	-	20,623	-
2280	Lease liabilities - current		9,452	-	12,839	-
2300	Other current liabilities	VII	4,050	-	52,311	1
21XX	Total current liabilities		<u>3,876,209</u>	<u>60</u>	<u>5,787,581</u>	<u>70</u>
Non-current liabilities						
2570	Deferred income tax liabilities	VI(XXI)	5,613	-	497	-
2580	Lease liabilities - non-current		4,525	-	7,835	-
2600	Other non-current liabilities		12,365	-	8,113	-
25XX	Total non-current liabilities		<u>22,503</u>	<u>-</u>	<u>16,445</u>	<u>-</u>
2XXX	Total liabilities		<u>3,898,712</u>	<u>60</u>	<u>5,804,026</u>	<u>70</u>
Equity attributable to owners of the parent company						
Capital Stock						
3110	Capital stock - common shares	VI(XIV)	1,488,964	23	1,452,648	18
Capital Surplus						
3200	Capital Surplus	VI(XV)	837,054	13	837,054	10
Retained Earnings						
3310	Legal reserve	VI(XVI)	82,593	1	66,161	1
3320	Special reserve		140,416	2	84,408	1
3350	Unappropriated earnings		39,987	1	183,946	2
Other equity						
3400	Other equity		(20,053)	-	(140,416)	(2)
31XX	Total equity attributable to owners of parent company		<u>2,568,961</u>	<u>40</u>	<u>2,483,801</u>	<u>30</u>
36XX	Non-controlling Interests		<u>(4,586)</u>	<u>-</u>	<u>(4,685)</u>	<u>-</u>
3XXX	Total equity		<u>2,564,375</u>	<u>40</u>	<u>2,479,116</u>	<u>30</u>
Significant Contingent Liabilities and Unrecognized Contract Commitments						
3X2X	Total liabilities and equity		<u>\$ 6,463,087</u>	<u>100</u>	<u>\$ 8,283,142</u>	<u>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
Consolidated Statements of Comprehensive Income
For the Years Ended December 31, 2022 and 2021

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

Item	Note	2022		2021	
		Amount	%	Amount	%
4000 Operating Revenue	VI(XVII) and VII	\$ 23,417,746	100	\$ 29,203,713	100
5000 Operating Costs	VI(IV) and VII	(22,781,235)	(97)	(28,244,408)	(97)
5900 Gross profit		<u>636,511</u>	<u>3</u>	<u>959,305</u>	<u>3</u>
Operating expenses	VI(XIX)(XX) and VII				
6100 Selling and Marketing Expenses		(297,894)	(1)	(400,144)	(1)
6200 General and Administrative Expenses		(216,528)	(1)	(258,197)	(1)
6300 Research and development expenses		-	-	(17,927)	-
6450 Expected credit impairment losses	XII(II)	(85,834)	(1)	(3,771)	-
6000 Total operating expenses		(600,256)	(3)	(680,039)	(2)
6900 Operating gains		<u>36,255</u>	<u>-</u>	<u>279,266</u>	<u>1</u>
Non-operating income and expenses					
7100 Interest income		5,517	-	1,397	-
7010 Other income		3,096	-	33,195	-
7020 Other gains or losses	VI(XVIII)	125,041	1	(29,718)	-
7050 Finance costs		(164,479)	(1)	(69,070)	(1)
7000 Total non-operating income and expenses		(30,825)	-	(64,196)	(1)
7900 Net income before tax		5,430	-	215,070	-
7950 Income tax expenses	VI(XXI)	(4,218)	-	(50,691)	-
8200 Net profit for the period		<u>\$ 1,212</u>	<u>-</u>	<u>\$ 164,379</u>	<u>-</u>
Other comprehensive income (net)					
Components that may be reclassified to profit or loss					
8361 Exchange differences on translation of financial statements of foreign operations		\$ 120,363	1	(\$ 56,008)	-
8300 Other comprehensive income (net)		<u>\$ 120,363</u>	<u>1</u>	<u>(\$ 56,008)</u>	<u>-</u>
8500 Total comprehensive income (loss) for the period		<u>\$ 121,575</u>	<u>1</u>	<u>\$ 108,371</u>	<u>-</u>
Net income attributable to:					
8610 Owners of the parent company		\$ 1,113	-	\$ 164,317	-
8620 Non-controlling Interests		<u>99</u>	<u>-</u>	<u>62</u>	<u>-</u>
		<u>\$ 1,212</u>	<u>-</u>	<u>\$ 164,379</u>	<u>-</u>
Total comprehensive income attributable to:					
8710 Owners of the parent company		\$ 121,476	1	\$ 108,309	-
8720 Non-controlling Interests		<u>99</u>	<u>-</u>	<u>62</u>	<u>-</u>
		<u>\$ 121,575</u>	<u>1</u>	<u>\$ 108,371</u>	<u>-</u>
Basic earnings per share	VI(XXII)				
9750 Net profit for the period		<u>\$</u>	<u>0.01</u>	<u>\$</u>	<u>1.10</u>
Diluted earnings per share	VI(XXII)				
9850 Net profit for the period		<u>\$</u>	<u>0.01</u>	<u>\$</u>	<u>1.09</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
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Accounting Manager:
Wang, Peng-Cheng




 CoAsia Electronics Corp. and Its Subsidiaries
 Consolidated Statements of Changes in Equity
 For the Years Ended December 31, 2022 and 2021

Unit: NT\$ thousand

		Equity attributable to owners of the parent company											
		Capital Surplus			Retained Earnings		Other equity						
		Capital surplus - recognized value of changes in equity of ownership of subsidiaries			Capital surplus - others		Legal reserve		Special reserve		Unappropriated earnings		
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	Non-controlling Interests	Total Equity	
2021													
	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
	Appropriation and distribution of earnings in 2020:	VI(XVI)											
	Legal reserve	-	-	-	-	10,108	-	(10,108)	-	-	-	-	-
	Provision of special reserve	-	-	-	-	-	31,814	(31,814)	-	-	-	-	-
	Cash dividends	-	-	-	-	-	-	(28,483)	-	(28,483)	-	(28,483)	-
	Stock dividends	VI(XIV)	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
2022													
	Balance as of January 1, 2022	\$ 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
	Consolidated net profit in 2022	-	-	-	-	-	-	-	1,113	-	1,113	99	1,212
	Other comprehensive income in 2022	-	-	-	-	-	-	-	-	120,363	120,363	-	120,363
	Total comprehensive income (loss) for the period	-	-	-	-	-	-	-	1,113	120,363	121,476	99	121,575
	Appropriation and distribution of earnings in 2021:	VI(XVI)											
	Legal reserve	-	-	-	-	16,432	-	(16,432)	-	-	-	-	-
	Provision of special reserve	-	-	-	-	-	56,008	(56,008)	-	-	-	-	-
	Cash dividends	-	-	-	-	-	-	(36,316)	-	(36,316)	-	(36,316)	-
	Stock dividends	VI(XIV)	36,316	-	-	-	-	(36,316)	-	-	-	-	-
	Balance as of December 31, 2022	\$ 1,488,964	\$ 744,222	\$ 60,466	\$ 32,129	\$ 237	\$ 82,593	\$ 140,416	\$ 39,987	(\$ 20,053)	\$ 2,568,961	(\$ 4,586)	\$ 2,564,375

Please also refer to the attached Notes to the Consolidated Financial Statements as part of these Consolidated Financial Statements.

Chairman:
Lee, Hee-Jun

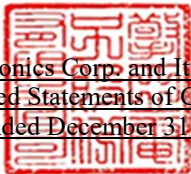


Managerial Officer:
Shin, Dong-Soo



Accounting Manager:
Wang, Peng-Cheng




CoAsia Electronics Corp. and Its Subsidiaries
Consolidated Statements of Cash Flows
For the Years Ended December 31, 2022 and 2021

Unit: NT\$ thousand

Note	From January 1 to December 31, 2022	From January 1 to December 31, 2021
<u>Cash flows from operating activities</u>		
Net profit before tax of the period	\$ 5,430	\$ 215,070
Adjustment item		
Incomes, expenses and losses that do not affect cash flow		
Depreciation expenses (including right-of-use assets)	VI(VIII)(IX)(XIX) 20,585	21,225
Amortization expenses	VI(X)(XIX) 7,363	6,065
Net loss (gain) on financial assets at fair value through profit or loss	VI(XVIII) (5,234)	3,942
Expected credit impairment losses	XII(II) 85,834	3,771
Interest expenses	164,479	69,070
Interest income	(5,517)	(1,397)
Losses on disposal of property, plant, and equipment	VI(XVIII) 47	410
Income from disposal of assets	VI(XVIII) -	(1,032)
Gains on lease modifications	VI(IX)(XVIII) (7)	-
Changes in operating assets and liabilities		
Net change in assets related to operating activities		
Accounts receivable	1,644,809	(956,920)
Accounts receivable - related parties	(427,046)	(164,984)
Other receivables	(43,982)	(18,385)
Other receivables - related parties	192	7,415
Inventories	527,386	(823,922)
Prepayments	51,491	253,825
Other Current Assets	311,514	(458,987)
Other non-current assets	(5,559)	(2,124)
Net change in liabilities related to operating activities		
Contract liabilities - current	(435,648)	454,395
Accounts Payable	(115,492)	59,116
Accounts payable - related parties	14,240	(10,204)
Other payables	(57,012)	430,778
Other payables - related parties	140	995
Other current liabilities	(48,261)	48,977
Other non-current liabilities	4,252	(282)
Cash inflow (outflow) generated from operations	1,694,004	(863,183)
Interest received	5,216	1,394
Interest paid	(157,111)	(68,412)
Income tax paid	(16,921)	(41,062)
Net cash inflow (outflow) generated from operating activities	1,525,188	(971,263)

(Continued on the next page)


CoAsia Electronics Corp. and Its Subsidiaries
Consolidated Statements of Cash Flows
For the Years Ended December 31, 2022 and 2021

Unit: NT\$ thousand

	Note	From January 1 to December 31, 2022	From January 1 to December 31, 2021
<u>Cash flows from investing activities</u>			
Acquisition of property, plant, and equipment	VI(XXIII)	(\$ 49,332)	(\$ 27,127)
Proceeds from disposal of property, plant, and equipment		-	386
Acquisition of intangible assets	VI(X)	(8,054)	(3,524)
Decrease (increase) in refundable deposits		(4,037)	1,760
Acquisition of financial assets at fair value through profit or loss - non-current		(610)	-
Disposal of financial assets at fair value through profit or loss - current		5,456	-
Increase in financial assets at amortized cost		(70,501)	(38,888)
Decrease in other receivables - related parties		-	31,328
Price of asset disposal		-	15,631
Acquisition of other non-current assets		(12,916)	-
Net cash flows used in investing activities		(139,994)	(20,434)
<u>Cash flows from financing activities</u>			
Increase (decrease) in short-term loans	VI(XXIV)	(1,366,323)	899,478
Increase (decrease) in short-term notes and bills payable	VI(XXIV)	(60,000)	100,000
Repayment of the principal portion of leases	VI(XXIV)	(14,151)	(15,540)
Decrease in guarantee deposits received		-	(6,265)
Cash dividends paid	VI(XVI)	(36,316)	(28,483)
Dividends not received by shareholders beyond the time limit converted to capital surplus		-	237
Net cash (outflows) inflows from financing activities		(1,476,790)	949,427
Effect of exchange rate changes		290,488	(130,250)
Increase (decrease) in cash and cash equivalents for the current period		198,892	(172,520)
Beginning balance of cash and cash equivalents	VI(I)	519,580	692,100
Ending balance of cash and cash equivalents	VI(I)	\$ 718,472	\$ 519,580

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-Soc



Accounting Manager:
Wang, Peng-Cheng




CoAsia Electronics Corp. and Its Subsidiaries
Notes to Consolidated Financial Statements
For the Years Ended December 31, 2022 and 2021

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, 2022, the Group has 150 employees.

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

The consolidated financial statements were adopted and issued by the Corporation's Board of Directors on February 16, 2023.

III. Application of New and Amended Standards and Interpretations

(I) The impact of adopting new and amended IFRSs as endorsed and issued into effect by the Financial Supervisory Commission ("FSC")

The following table summarizes the new, amended and revised standards and interpretations of the applicable IFRSs for 2022 as endorsed and issued into effect 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

The Group assessed the above standards and interpretations and there is no material impact on the Group's financial condition and financial performance.

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

The following table summarizes the new, amended and revised standards and interpretations of the applicable IFRSs for 2023 endorsed by the FSC:

<u>New/Revised/Amended Standards and Interpretations</u>	<u>Effective Date of Issuance by the IASB</u>
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 assessed the above standards and interpretations and there is 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 IFRSs and interpretations published by the IASB but not yet endorsed by the FSC:

<u>New/Revised/Amended Standards and Interpretations</u>	<u>Effective Date of Issuance by the 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
Amendments to IFRS 16 "Lease Liability in a Sale and Leaseback"	January 1, 2024
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 17 and IFRS 9 - Comparative Information"	January 1, 2023
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	January 1, 2024
Amendments to IAS 1 "Non-current Liabilities with Covenants"	January 1, 2024

The Group assessed the above standards and interpretations and there is 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 statements are described below. Unless otherwise stated, these policies apply consistently throughout all reporting periods.

(I) Compliance declaration

These consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, the International Financial Reporting Standards, International Accounting Standards, Interpretations and Interpretations (hereinafter referred to as IFRSs) endorsed and issued into effect 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 statements 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 statements, 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 comprehensive income are attributed to the owners of the parent company and the non-controlling interests; the total comprehensive income is also attributed to the owners of the parent company and the non-controlling interests, even if it results in a 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 remeasured 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 comprehensive income 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 comprehensive income 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, 2022	December 31, 2021	
The Corporation	CoAsia International Corp. (CoAsia)	Professional investment company	100	100	
The Corporation	CoAsia Technology Corp., Ltd. (CoAsia Technology)	International trade and entrepot trade	-	-	Note 1
The Corporation	CoAsia Korea Co., Ltd. (CoAsia Korea)	Manufacturing and sales of semiconductor peripheral products and development of software and hardware technologies, etc.	100	100	
The Corporation	Studybank Co., Ltd. (Studybank)	Electronic devices, data processing business, online learning courses, etc.	89	89	
The Corporation	CoAsia Electronics Corp. (Singapore) Pte. Ltd. (CoAsia Singapore)	International trade and entrepot trade	100	100	
The Corporation	CoAsia Electronics (US) Corp. (CoAsia US)	International trade and entrepot trade	100	100	Note 2
CoAsia	CoAsia Electronics Corp. (Hong Kong) Limited (CoAsia Hong Kong)	Wholesaling, designing and manufacturing of electronic components	100	100	
CoAsia Hong Kong	CoAsia Electronics Corp. (Shanghai) Limited (CoAsia Shanghai)	International trade, entrepot trade, and commercial simple processing in the bonded area	100	100	

<u>Name of Investor</u>	<u>Name of Subsidiary</u>	<u>Nature of Business</u>	<u>Percentage of Equity Held</u>		<u>Description</u>
			<u>December 31, 2022</u>	<u>December 31, 2021</u>	
CoAsia Hong Kong	CoAsia Electronics Corporation (Shenzhen) Limited (CoAsia Shenzhen)	International trade and entrepot trade	100	100	Note 1
CoAsia Technology	CoAsia Shenzhen	International trade and entrepot trade	-	-	Note 1
Studybank	Taiwan Interactive Education Co., Ltd. (Taiwan Interactive)	Academic tutoring, afterschool teaching, other sound recording and music publishing	-	100	Note 3
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: Taiwan Interactive applied for dissolution on March 2022, the base date of dissolution was March 10, 2022, the dissolution was approved by the competent authority on March 17, 2022, and the liquidation was completed on June 24, 2022.

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 such transactions are recognized as current profit and loss.
- (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 differences arising from the adjustment shall be recognized as current profit and loss.
- (3) The balance of non-monetary assets and liabilities denominated in foreign currencies, which are measured at fair value through profit or loss, is adjusted according to the spot exchange rate on the balance sheet date, and the exchange differences arising from the adjustment is recognized as the current profit and loss; for those measured at fair value through other comprehensive income, the adjustment is evaluated at the spot exchange rate on the balance sheet date, and the exchange differences arising from the adjustment is recognized in other comprehensive income; 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 income statement.

2. Translation of foreign operating entities

- (1) For all entities and affiliates of the Group whose functional currency is different from the presentation currency, the operating results and financial position are converted into the presentation currency in the following manner:
 - A. Assets and liabilities presented on each balance sheet are translated at the closing exchange rate on that balance sheet date;
 - B. The gains or losses presented 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 comprehensive income.
- (2) When a foreign operating entity that is partially disposed of or sold is an affiliate, the exchange difference under other comprehensive income will be reclassified as the current profit and loss proportionally as part of the gains or losses on sale. However, if the Group still retains part of the equity in the former affiliate, but has lost its significant influence on the foreign operating entity that is an affiliate, it shall dispose of all the equity in such foreign operating entity.
- (3) When a foreign operating entity partially disposed or sold is a subsidiary, the

accumulated exchange differences recognized as other comprehensive income shall be re-attributed to the non-controlling interests of the foreign operating entity on a pro rata basis. However, if the Group still retains part of the equity in the former subsidiary, but has lost its control over the foreign operating entity that is a subsidiary, it shall dispose of all the equity in such foreign operating entity.

(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 a cash equivalents, unless the assets are restricted from being exchanged or used to pay off liabilities at least 12 months after the balance sheet date.

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 paid off in the normal operating cycle;
- (2) Those held primarily for trading purposes.
- (3) Those expected to be paid off within 12 months after the balance sheet date.
- (4) Those of which the settlement term cannot be deferred unconditionally to at least 12 months after the balance sheet date. The terms of a liability which may result in the settlement of an equity instrument at the option of the counterparty will not affect its classification.

The Group classifies all liabilities that do not meet the above criteria as non-current.

(VI) Cash Equivalents

Cash equivalents refer to short-term investments with highly liquidity that can be converted into quota cash at any time with little risk of change 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 comprehensive income.
2. The Group uses trade-date accounting for financial assets at fair value through profit or loss in customary transactions.
3. The Group measures them at fair value at the time of initial recognition, with the relevant transaction costs recognized as profit and loss, and subsequently measured at fair value, with

its benefits or losses recognized as profit and loss.

4. The Group recognizes dividend income in profit or loss when the right to receive dividends is established, it is probable that the economic benefits associated with the dividend will flow in and the amount of dividends 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 for the purpose to collect contract 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 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 at the investment amount.

(IX) Accounts Receivable

1. Refer to the account with 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 without interest paid which 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 profit or loss whose credit risk has not increased significantly since the original recognition, the Group measures the allowance loss at 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 at the expected credit loss amount during the duration; for accounts receivable that do not include significant financial components, the allowance losses are measured at the expected credit loss amount during the duration.

(XI) Derecognition of Financial Assets

The Group will derecognize 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 is not retained.

(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 of the estimated selling price in the normal course of business deducting the estimated cost to be invested until completion and estimated cost of completion of sale.

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

1. Affiliates refer to all entities over which the Group has significant influence but without control, generally holding more than 20% of their voting shares directly or indirectly. The Group's investment in affiliates is treated by equity method and is recognized according to cost at the time of acquisition.
2. The Group recognizes the share of profit and loss of the affiliates after acquisition as current profit and loss, and recognizes the share of other comprehensive income as other comprehensive income. 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 profit or loss or other comprehensive income, which does not affect the shareholding ratio in the affiliate, the Group recognizes the change in equity attributable to the Group's share in 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.

(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 into the Group and the cost of the item can be measured reliably. The carrying amount

of the replacement part shall be derecognized. All other maintenance costs shall be recognized as current profit or loss when incurred.

3. Property, plant and equipment shall be subsequently measured by the cost model, and shall be depreciated by the straight-line method based on the estimated useful life except for land. 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, it shall be treated in accordance with the provisions of IAS 8 "Changes in Accounting Policies, Estimates and Errors" for changes in accounting estimates since the date of the 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 the Group. When the lease contract is for a short-term lease or a lease of a low-value underlying asset, the lease payment is recognized as an expense by the straight-line method during the lease term,
2. With respect to lease liabilities, the outstanding lease payments shall be recognized on the commencement date of the lease at the present value after discounting at the interest rate of the Group's incremental loan. The lease payments include fixed payments minus any lease inducements that may be collected.

The lease liabilities shall be measured by the interest method and the amortized cost method subsequently, and the provision for interest expense shall be made during the lease term. The lease liabilities will be reassessed and the remeasurement amount will be adjusted to right-of-use asset 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 initial measurement amount of the lease liability.

(2) Any lease payments paid on or before the commencement date.

The costs are subsequently measured by cost model. The depreciation provision for right-of-use assets shall be made on at the end of the useful life of the assets or the end of the lease term, whichever is earlier. When the lease liability is reassessed, the right-of-use assets will be adjusted to 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 the carrying amount and the remeasured amount of the lease liability as profit or loss.

(XVI) 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 accounted for on the basis of the original acquisition cost, and are rerecognized as 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 the authorization of electronic file of course handouts, which are accounted for on the basis of the original acquisition cost, amortized on a straight-line basis for 10 years based on individual courses according to the contract.

3. Goodwill

Goodwill arises from business mergers and acquisitions.

(XVII) 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 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.

(XVIII) 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 profit or loss during the circulation period by the effective interest method according to the amortization procedures.

(XIX) Accounts Payable

1. The debts incurred for purchasing raw materials, commodities or services on credit.
2. Short-term accounts payable without interest paid which are measured by the Group at the original invoice amount as the effect of discounting is insignificant.

(XX) Derecognition of Financial Liabilities

The Group derecognizes a financial liability when its contractual obligations are fulfilled, canceled 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) Financial Guarantee Contract

A financial guarantee contract entered into by the Corporation refers to a contract whereby the Group is obliged to make a specific payment to cover the loss incurred by the holder of the debt if the specific debtor is unable to repay the debt at maturity in accordance with the terms of the original or modified debt instrument. It is measured at the fair value on the trading day adjusted for transaction cost at the time of the original recognition, and subsequently measured at the higher of the best estimate of the expenditure required to pay off the current obligations at the balance sheet date and the amount of the original recognition.

(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 the defined 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, contribute the pension benefits on a monthly basis according to the regulations of the local government, and account 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 shall 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 shall be recognized in profit and loss, except that income tax related to items included in other comprehensive income or directly included in equity shall be separately included in other comprehensive income or directly included in equity.
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 taxable 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 at temporary differences arising from the tax bases of assets and liabilities and their carrying amounts in the consolidated 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 paid off.
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 are recognized by the net of income tax 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. Cash dividends are recognized as liabilities, while stock dividends are recognized as undistributed stock dividends and are rerecognized as 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, 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 revenue shall be recognized to the extent that there will be no highly probable 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 refund liability (listed as other payables 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 to receive the consideration from the customer.

(XXVIII) 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 chief operating decision maker of the Group is identified as 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 by 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 (i.e., 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 from 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 for the arrangement to which the Group is entitled to are recognized as income.

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, 2022 was \$1,738,020.

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, 2022 was \$2,768,075.

VI.Details of Significant Accounts

(I) Cash and Cash Equivalents

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Cash on Hand and Petty Cash	\$ 1,253	\$ 1,140
Demand Deposits	1,205,779	942,138
Time Deposits	<u>56,275</u>	<u>50,636</u>
	1,263,307	993,914
Rerecognized Financial Assets at Amortized Cost	<u>(544,835)</u>	<u>(474,334)</u>
	<u>\$ 718,472</u>	<u>\$ 519,580</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, 2022 and 2021, part of time deposits (with annual interest rates of 2.75%~3.00% and 0.05%~0.10%, respectively) and demand deposits of the Group, which are provided as guarantee margin for short-term borrowing facilities, had been rerecognized to financial assets measured at amortized cost according to their nature.
3. Please refer to Note VIII for the details of the cash and cash equivalents provided by the Group as pledge guarantee.

(II) Accounts Receivable

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Accounts Receivable	\$ 2,216,458	\$ 3,890,282
Less: Loss allowances	<u>(3,155)</u>	<u>(30,911)</u>
	<u>\$ 2,213,303</u>	<u>\$ 3,859,371</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 of December 31, 2022 and 2021 all arose from customer contracts, and the balances of notes receivable from customer contracts as of January 1, 2021 was \$2,933,362.
3. Please refer to Note VIII for information on guarantees provided by accounts receivable.

(III) Transfer of Financial Assets

1. Transferred financial assets derecognized as a whole

The Group has signed accounts receivable factoring 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 derecognizes such accounts receivable factored. The relevant information about them not yet due is as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Factored accounts receivable (derecognized amount)	\$ <u>357,684</u>	\$ <u>142,498</u>
Advanced price	\$ <u>296,488</u>	\$ <u>113,998</u>
Unadvanced price (presented as "Other receivables")	\$ <u>61,196</u>	\$ <u>28,500</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. In addition, the eligible receivables factored by the Group have been rerecognized as other receivables.
 - (2) As of December 31, 2022 and 2021, the amounts of accounts receivable factoring contracts signed by the Group with banks were \$4,237,980 and \$3,321,600, respectively.
 - (3) As of December 31, 2022 and 2021, the Corporation and the Chairman had issued promissory notes of \$4,023,010 and \$3,321,600 respectively as agreed with banks as a guarantee against failure to perform the contracts due to commercial disputes.
2. Transferred financial assets not derecognized as a whole
 - (1) The Group has signed accounts receivable factoring contracts with domestic financial institutions. According to the contracts, each bank still has recourse rights for these financial assets. Therefore, the Group does not derecognize the accounts receivable factored as a whole. The relevant advance payments are recognized under short-term borrowings.

- (2) As of December 31, 2022 and 2021, 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 recognized as original assets before transfer (i.e., the carrying amount of the continuously recognized assets) and the carrying amount of related liabilities are the same as the fair value of the factored accounts receivable and the fair value of the advanced price.

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Carrying amount of factored accounts receivable (i.e. fair value)	\$ 430,935	\$ 529,508
Carrying value of advanced price (i.e. fair value)	(355,223)	(476,528)
Net position	<u>\$ 75,712</u>	<u>\$ 52,980</u>

3. As of December 31, 2022 and 2021, the accounts receivable of \$573,091 and \$257,633 for which the Group had entered into contracts and is expected to factor in the future are financial assets measured at fair value through other comprehensive income (presented under accounts receivable).

(IV) Inventories

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Inventory	\$ 1,879,425	\$ 2,314,033
Allowance for inventory impairment loss	(141,405)	(48,627)
	<u>\$ 1,738,020</u>	<u>\$ 2,265,406</u>

Cost of inventories recognized by the Group as expense or loss:

	<u>2022</u>	<u>2021</u>
Cost of inventories sold	\$ 22,685,877	\$ 28,240,954
Loss from slow moving inventories and write-down (recovery benefit) (Note)	85,563	(8,883)
Loss on retirement of inventories	3,361	4,163
Others	6,434	8,174
	<u>\$ 22,781,235</u>	<u>\$ 28,244,408</u>

Note: In 2021, 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>Item</u>	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Current:		
Financial assets mandatorily measured at fair value through profit or loss		
Trust fund beneficiary certificates	\$ -	\$ 5,000
Assessment adjustment	-	(266)
	<u>\$ -</u>	<u>\$ 4,734</u>

<u>Item</u>	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Non-current:		
Financial assets mandatorily measured at fair value through profit or loss		
Unlisted stocks	\$ 29,311	\$ 40,052
Assessment adjustment	(2,504)	(18,367)
	<u>\$ 26,807</u>	<u>\$ 21,685</u>

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

(VI) Financial Assets at Amortized Cost

<u>Item</u>	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Current:		
Restricted assets - bank deposits	<u>\$ 544,835</u>	<u>\$ 474,334</u>

1. Please refer to Note XII (II) for detailed information on the credit risk of financial assets measured at amortized cost. 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 had provided financial assets measured at amortized cost as pledged guarantee.

(VII) Other Current Assets

<u>Item</u>	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Assets not attributable to the owner (Note)	\$ 148,067	\$ 460,711
Others	<u>1,215</u>	<u>85</u>
	<u>\$ 149,282</u>	<u>\$ 460,796</u>

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.

(Blank below)

(VIII) Property, Plant, and Equipment

	2022						
	<u>Land</u>	<u>Housing and Construction</u>	<u>Computer and Communication Equipment</u>	<u>Office Equipment</u>	<u>Testing Equipment</u>	<u>Other Equipment</u>	<u>Total</u>
January 1							
Costs	\$ 52,744	\$ 99,026	\$ 4,656	\$ 6,903	\$ 2,349	\$ 28,724	\$ 194,402
Accumulated depreciation	<u>-</u>	<u>(27,021)</u>	<u>(4,115)</u>	<u>(2,354)</u>	<u>(2,341)</u>	<u>(6,536)</u>	<u>(42,367)</u>
	<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>
January 1	\$ 52,744	\$ 72,005	\$ 541	\$ 4,549	\$ 8	\$ 22,188	\$ 152,035
Addition	34,946	4,305	238	619	-	8,994	49,102
Net disposal	-	-	-	-	-	(47)	(47)
Depreciation expenses	-	(2,011)	(201)	(852)	(8)	(3,623)	(6,695)
Net exchange differences	<u>-</u>	<u>-</u>	<u>(62)</u>	<u>18</u>	<u>-</u>	<u>92</u>	<u>48</u>
December 31	<u>\$ 87,690</u>	<u>\$ 74,299</u>	<u>\$ 516</u>	<u>\$ 4,334</u>	<u>\$ -</u>	<u>\$ 27,604</u>	<u>\$ 194,443</u>
December 31							
Costs	\$ 87,690	\$ 103,331	\$ 3,463	\$ 7,589	\$ 2,349	\$ 37,439	\$ 241,861
Accumulated depreciation	<u>-</u>	<u>(29,032)</u>	<u>(2,947)</u>	<u>(3,255)</u>	<u>(2,349)</u>	<u>(9,835)</u>	<u>(47,418)</u>
	<u>\$ 87,690</u>	<u>\$ 74,299</u>	<u>\$ 516</u>	<u>\$ 4,334</u>	<u>\$ -</u>	<u>\$ 27,604</u>	<u>\$ 194,443</u>

2021

	<u>Land</u>	<u>Housing and Construction</u>	<u>Computer and Communication Equipment</u>	<u>Office Equipment</u>	<u>Testing Equipment</u>	<u>Other Equipment</u>	<u>Total</u>
January 1							
Costs	\$ 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	\$ 52,744	\$ 73,946	\$ 459	\$ 1,529	\$ 25	\$ 2,042	\$ 130,745
Addition	-	-	228	4,340	-	22,789	27,357
Net disposal	-	-	-	(538)	-	(258)	(796)
Depreciation expenses	-	(1,941)	(146)	(697)	(17)	(2,250)	(5,051)
Net exchange differences	-	-	-	(85)	-	(135)	(220)
December 31	<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>
December 31							
Costs	\$ 52,744	\$ 99,026	\$ 4,656	\$ 6,903	\$ 2,349	\$ 28,724	\$ 194,402
Accumulated depreciation	-	(27,021)	(4,115)	(2,354)	(2,341)	(6,536)	(42,367)
	<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>

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

<u>Item</u>	<u>Significant components</u>	<u>Useful life</u>
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	Analyzer, oscilloscope 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 dormitories, warehouses and official vehicles leased by the Group do not exceed 12 months.
3. The information on the carrying value of the right-of-use assets and the recognized depreciation expenses is as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
	<u>Carrying amount</u>	<u>Carrying amount</u>
Buildings	\$ 3,923	\$ 12,518
Transportation Equipment (Official Vehicle)	9,603	7,329
Production Equipment (Photocopier)	304	417
	<u>\$ 13,830</u>	<u>\$ 20,264</u>

	<u>2022</u>	<u>2021</u>
	<u>Depreciation expenses</u>	<u>Depreciation expenses</u>
Buildings	\$ 8,902	\$ 11,934
Transportation Equipment (Official Vehicle)	4,874	4,074
Production Equipment (Photocopier)	114	166
	<u>\$ 13,890</u>	<u>\$ 16,174</u>

4. The increases in the Group's right-of-use assets in 2022 and 2021 were \$7,984 and \$20,149, respectively.
5. Information on the items of gains or losses related to the lease contracts is as follows:

<u>Items affecting profit or loss for the period</u>	<u>2022</u>	<u>2021</u>
Interest expense on lease liabilities	\$ 195	\$ 383
Expense relating to short-term leases	11,214	3,335
Expense relating to leases of low-value assets	1,194	736
Expense relating to variable lease payment	19,087	13,844
Gains on lease modifications	7	-

6. The Group's total lease cash outflows in 2022 and 2021 were \$45,841 and \$33,838, 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 housing and construction, including an option for the Group to exercise for extension, which are entered into in the lease contracts 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

	2022		
	<u>Computer Software</u>	<u>Others</u>	<u>Total</u>
January 1			
Costs	\$ 48,237	\$ 5,081	\$ 53,318
Accumulated amortization	(22,255)	(86)	(22,341)
	<u>\$ 25,982</u>	<u>\$ 4,995</u>	<u>\$ 30,977</u>
January 1	\$ 25,982	\$ 4,995	\$ 30,977
Addition - from separate acquisition	8,054	-	8,054
Amortization expenses	(7,259)	(104)	(7,363)
Net exchange differences	<u>17</u>	<u>22</u>	<u>39</u>
December 31	<u>\$ 26,794</u>	<u>\$ 4,913</u>	<u>\$ 31,707</u>
December 31			
Costs	\$ 56,341	\$ 5,102	\$ 61,443
Accumulated amortization	(29,547)	(189)	(29,736)
	<u>\$ 26,794</u>	<u>\$ 4,913</u>	<u>\$ 31,707</u>

	2021				
	<u>Computer Software</u>	<u>Royalties</u>	<u>Goodwill</u>	<u>Others</u>	<u>Total</u>
January 1					
Costs	\$ 40,753	\$ 91,239	\$ 46,288	\$ 64,321	\$ 242,601
Accumulated amortization	(12,016)	(76,383)	-	(46,466)	(134,865)
Accumulated impairment	<u>-</u>	<u>(14,856)</u>	<u>(46,288)</u>	<u>(13,055)</u>	<u>(74,199)</u>
	<u>\$ 28,737</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,800</u>	<u>\$ 33,537</u>
January 1	\$ 28,737	\$ -	\$ -	\$ 4,800	\$ 33,537
Addition - from separate acquisition	3,234	-	-	290	3,524
Amortization expenses	(5,979)	-	-	(86)	(6,065)
Net exchange differences	<u>(10)</u>	<u>-</u>	<u>-</u>	<u>(9)</u>	<u>(19)</u>
December 31	<u>\$ 25,982</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,995</u>	<u>\$ 30,977</u>
December 31					
Costs	\$ 48,237	\$ -	\$ -	\$ 5,081	\$ 53,318
Accumulated amortization	(22,255)	-	-	(86)	(22,341)
	<u>\$ 25,982</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,995</u>	<u>\$ 30,977</u>

1. The details of amortization of intangible assets are as follows:

	<u>2022</u>	<u>2021</u>
Selling and Marketing Expenses	\$ 3,386	\$ 3,198
General and Administrative Expenses	<u>3,977</u>	<u>2,867</u>
	<u>\$ 7,363</u>	<u>\$ 6,065</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 the contracted broadcasting period of 8 years on an individual course basis with cost rerecognized.
- (2) Taiwan Interactive's other intangible assets are the authorization of electronic file of course handouts, which are accounted for on the basis of the original acquisition cost, amortized on a straight-line basis for 10 years based on individual courses according to the contract. In addition, Taiwan Interactive has been liquidated on June 24, 2022.

(XI) Short-term Loans

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Loans for material purchase (Note 1)	\$ 1,954,520	\$ 3,174,409
Secured loans (Note 2)	640,518	753,328
Working capital loans	<u>411,640</u>	<u>280,000</u>
	<u>\$ 3,006,678</u>	<u>\$ 4,207,737</u>
Interest rate	1.65%~7.02%	1.13%~2.17%

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

Note 2: Loans secured by accounts receivable.

1. Please refer to Note III for details of the collaterals provided by the Group as of December 31, 2022 and 2021. In addition, the Corporation's endorsement and guarantee for the subsidiaries as of December 31, 2022 is detailed in the attached Table 2.
2. In March, 2022, the Corporation entered into a three-year syndicated credit agreement with the bank consortium including Taiwan Shin Kong Bank with a total credit line of \$650,000. The credit term is three years starting from the date of first use (March 29,

2022), but the use period is limited to three months. In addition, the Corporation undertakes to maintain the following financial ratios (calculated on the basis of annual and semi-annual consolidated financial statements) during the term of the agreement:

- (1) The current ratio shall be maintained above 100% (inclusive);
- (2) The financial debt ratio shall not be higher than 180% (the debt ratio refers to the total financial liabilities divided by tangible net worth, which refers to shareholders' equity less intangible assets);
- (3) The interest coverage ratio shall be maintained at 1.5 times (inclusive) or above, which refers to the aggregate of pre-tax net profit plus interest expense, depreciation and amortization expense divided by interest expense);
- (4) Tangible net worth shall not be less than \$2,000,000.

The Corporation calculated its financial ratios in 2022 according to the above provisions, with part of them does not satisfy the provisions. The Corporation will discuss the improvement plan with the bank consortium.

As of December 31, 2022, the Group has issued guaranteed notes amounting to \$650,000 against the above syndicated loan, in addition to the collateral described in Note VIII.

(XII) Other Payables

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Sales discounts and allowances payable	\$ 473,309	\$ 467,055
Salaries payable	30,143	114,712
Remunerations of employees and directors payable	16,630	23,083
Interest payable	10,905	3,537
Others	<u>38,122</u>	<u>29,534</u>
	<u>\$ 569,109</u>	<u>\$ 637,921</u>

(XIII) Pensions

1. Since July 1, 2005, the Corporation, Studybank and Taiwan Interactive have formulated a retirement method with defined contributions in accordance with the "Labor Pension Act", which is applicable to employees in Taiwan. Where the Corporation, Studybank or Taiwan Interactive chooses to apply the labor pension system for their employees stipulated in the "Labor Pension Act", 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 income.
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 rate of 15%~16%. 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 contributes the provident fund based on the total salary of the local employees every month at the rate of 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 2022 and 2021, the Group's pension costs recognized by the above-mentioned pension method were \$21,500 and \$17,709 respectively.

(XIV) Capital Stock

On July 27, 2021, the shareholders' meeting approved the conversion of surplus to capital to issue 2,848 thousand new shares. The capital increase base date was September 28, 2021.

On June 24, 2022, the shareholders' meeting approved the conversion of surplus to capital to issue 3,632 thousand new shares. The capital increase base date was August 23, 2022.

As of December 31, 2022, the authorized and paid-in capital under the Corporation's Articles of Incorporation were \$2,000,000 and \$1,488,964, respectively, with a par value of NT\$10 per share, divided into 148,896 thousand shares, and all the issued shares of the Corporation have been paid up.

(XV) 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 and 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.

(XVI) Retained Earnings

1. According to the Corporation's Articles of Incorporation, 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 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:

	<u>2020</u>	
	<u>Amount</u>	<u>Dividends Per Share (NT\$)</u>
Legal reserve	\$ 10,108	
Special reserve	31,814	
Stock dividends	28,483	\$ 0.20
Cash dividends	28,483	0.20
	<u>\$ 98,888</u>	

(2) On June 24, 2022, the shareholders' meeting of the Corporation passed the resolution to approve the earnings distribution plan. The earnings distribution plan for the year 2021 was as follows:

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

7. As of February 16, 2023, the earnings distribution plan for 2022 has not been proposed by the Board of Directors.

(XVII) Operating Revenue

	<u>2022</u>	<u>2021</u>
Net sales revenue	\$ 23,417,746	\$ 29,202,777
Other operating revenue	-	936
	<u>\$ 23,417,746</u>	<u>\$ 29,203,713</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>2022</u>	<u>2021</u>
Key components for mobile communication products (Mobile)	\$ 16,020,662	\$ 19,983,520
Wafers (Foundry)	6,211,841	4,507,842
Thin film liquid crystal displays (SDC)	880,002	4,243,455
Others	<u>305,241</u>	<u>468,896</u>
	<u>\$ 23,417,746</u>	<u>\$ 29,203,713</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, 2022</u>	<u>December 31, 2021</u>	<u>January 1, 2021</u>
Contract Liabilities:			
Contract Liabilities - Advance Payment	<u>\$ 139,062</u>	<u>\$ 555,772</u>	<u>\$ 49,518</u>

3. The income recognized from contract liabilities for the current period is as follows:

	<u>2022</u>	<u>2021</u>
Net sales revenue	<u>\$ 543,862</u>	<u>\$ 46,073</u>

(XVIII) Other gains or losses

	<u>2022</u>	<u>2021</u>
Net foreign exchange gain (loss)	\$ 120,457	(\$ 24,487)
Income from disposal of assets	-	1,032
Gains on lease modifications	7	-
Losses on disposal of property, plant, and equipment	(47)	(410)
Net loss gain (loss) on financial assets at fair value through profit or loss	5,234	(3,942)
Others	<u>(610)</u>	<u>(1,911)</u>
	<u>\$ 125,041</u>	<u>(\$ 29,718)</u>

(XIX) Additional Information on the Nature of Fees

	<u>2022</u>		<u>2021</u>
Employee Benefits Expenses	\$ 283,830	\$	434,420
Depreciation Expenses for Right-of-use Assets	13,890		16,174
Amortization Expenses for Intangible Assets	7,363		6,065
Depreciation Expenses for Property, Plant, and Equipment	<u>6,695</u>		<u>5,051</u>
	<u>\$ 311,778</u>	<u>\$</u>	<u>461,710</u>

(XX) Employee Benefits Expenses

	<u>2022</u>		<u>2021</u>
Salary Expenses	\$ 236,565	\$	388,324
Pension Expenses	21,500		17,709
Expenses for Labor and Health Insurance	10,439		10,413
Personnel Service Expenses	<u>15,326</u>		<u>17,974</u>
	<u>\$ 283,830</u>	<u>\$</u>	<u>434,420</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 2022 and 2021 were \$1,869 and \$20,797, respectively. The estimated amounts of director remuneration were \$187 and 2,286, respectively, and the aforementioned amounts were charged to the remuneration expenses.

The estimation in 2022 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 2022 as resolved by the Board of Directors were \$1,869 and \$187 respectively, of which the employee remuneration will be paid in cash.

The Board of Directors of the Corporation decided on March 8, 2022 to pay the actual remunerations of employees and directors for 2021 in cash at \$20,797 and \$2,286, respectively, which were consistent with the amounts recognized in the 2021 Financial Statements, of which the employee remuneration will be paid in cash.

3. Information on employee remuneration and director remuneration approved by the Board of Directors of the Corporation is available at the Market Observation Post System.

(XXI) Income Tax

1. Income tax expenses

Components of income tax expenses:

	<u>2022</u>	<u>2021</u>
Current Income Tax:		
Income tax incurred in current period	\$ 2,712	\$ 24,227
Surtax on Unappropriated Earnings	962	110
Prior Years' Income Tax	<u>9</u>	<u>12</u>
Adjustments		
Total Current Income Tax	3,683	24,349
Deferred Income Tax:		
Relating to Origination and Reversal of Temporary Differences	<u>535</u>	<u>26,342</u>
Income tax expenses	<u>\$ 4,218</u>	<u>\$ 50,691</u>

2. The relationship between income tax expense and accounting profit

	<u>2022</u>	<u>2021</u>
Income Tax Calculated at Statutory Rate	\$ 1,088	\$ 55,747
Deferred Income Tax Assets Not Recognized for Taxable Losses	6,351	5,549
Impact of Items Not Recognized by Statutory Regulations	44,510	(25,053)
Change in Realizability Assessment of Deferred Income Tax Assets	(13,571)	31,540
Surtax on Unappropriated Earnings	962	110
Prior Years' Income Tax		
Adjustments	9	12
Income Tax Effect of Loss Carryforwards	<u>(35,131)</u>	<u>(17,214)</u>
Income Tax Expenses	<u>\$ 4,218</u>	<u>\$ 50,691</u>

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

	2022			
	<u>January 1</u>	<u>Recognized in profit or loss</u>	<u>Exchange Differences</u>	<u>December 31</u>
Temporary differences:				
- Deferred income tax assets:				
Unrealized slow moving inventories and write-down	\$ 3,259	\$ 5,903	\$ -	\$ 9,162
Future Depreciation Impact of Fixed Assets Lease-to-purchase	2,617	(73)	-	2,544
Unrealized Losses on Exchange	12,328	(11,060)		1,268
Loss Carryforwards	13,122	12,221	910	26,253
Others	<u>5,536</u>	<u>(2,410)</u>	<u>-</u>	<u>3,126</u>
	36,862	4,581	910	42,353
- Deferred Income Tax Liabilities:				
Unrealized Gains on Financial Assets, etc.	<u>(497)</u>	<u>(5,116)</u>	<u>-</u>	<u>(5,613)</u>
	<u>\$ 36,365</u>	<u>(\$ 535)</u>	<u>\$ 910</u>	<u>\$ 36,740</u>
	2021			
	<u>January 1</u>	<u>Recognized in profit or loss</u>	<u>Exchange Differences</u>	<u>December 31</u>
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	2,690	(73)	-	2,617
Unrealized Losses on Exchange	8,703	3,625		12,328
Loss Carryforwards	43,202	(30,075)	(5)	13,122
Others	<u>4,874</u>	<u>662</u>	<u>-</u>	<u>5,536</u>
	64,133	(27,266)	(5)	36,862
- Deferred Income Tax Liabilities:				
Unrealized Gains on Financial Assets, etc.	<u>(1,421)</u>	<u>924</u>	<u>-</u>	<u>(497)</u>
	<u>\$ 62,712</u>	<u>(\$ 26,342)</u>	<u>(\$ 5)</u>	<u>\$ 36,365</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, 2022				
<u>Year</u>	<u>Amount Filed/Authorized</u>	<u>Unused Amount</u>	<u>Unrecognized</u>	
			<u>Deferred Tax</u>	
			<u>Assets</u>	<u>Usable until Year</u>
2013	Amount Authorized	\$ 41,176	\$ 41,176	2023
2014	Amount Authorized	87,654	87,654	2024
2015	Amount Authorized	81,312	81,312	2025
2016	Amount Authorized	79,617	79,617	2026
2017	Amount Authorized	51,498	51,498	2027
2018	Amount Authorized	341,452	288,535	2028
2019	Amount Authorized	13,274	13,274	2029
2020	Amount Authorized	73,777	59,074	2030
		<u>\$ 769,760</u>	<u>\$ 702,140</u>	

December 31, 2021				
<u>Year</u>	<u>Amount Filed/Authorized</u>	<u>Unused Amount</u>	<u>Unrecognized</u>	
			<u>Deferred Tax</u>	
			<u>Assets</u>	<u>Usable until Year</u>
2012	Amount Authorized	\$ 6,872	\$ 6,872	2022
2013	Amount Authorized	41,176	41,176	2023
2014	Amount Authorized	87,654	87,654	2024
2015	Amount Authorized	81,312	81,312	2025
2016	Amount Authorized	79,617	79,617	2026
2017	Amount Authorized	201,637	201,636	2027
2018	Amount Authorized	355,757	288,535	2028
2019	Amount Authorized	13,274	13,274	2029
2020	Amount Filed	73,777	59,074	2030
		<u>\$ 941,076</u>	<u>\$ 859,150</u>	

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

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Deductible Temporary		
Difference	<u>\$ 191,145</u>	<u>\$ 179,609</u>

The above-mentioned retrospective adjustment of the number of outstanding shares in 2021 had been retrospectively adjusted in accordance with the ratio of surplus to capital increase in 2021.

(XXIII) Supplementary Cash Flow Information

Investing activities with only partial cash payments:

	<u>2022</u>		<u>2021</u>
Acquisition of property, plant, and equipment	\$ 49,102	\$	27,357
Add: Equipment payable at beginning of period	230		-
Less: Equipment payable at end of period	-	(230)
Cash paid for the period	<u>\$ 49,332</u>	\$	<u>27,127</u>

(XXIV) Changes in liabilities arising from financing activities

Fund-raising activities that affect cash flow

	<u>2022</u>			<u>Total</u>
	<u>Short-term</u>	<u>Short-term</u>	<u>Lease</u>	<u>Liabilities</u>
	<u>Loans</u>	<u>Notes and</u>	<u>Liabilities</u>	<u>Arising from</u>
	<u>Loans</u>	<u>Bills Payable</u>	<u>Liabilities</u>	<u>Financing</u>
	<u>Loans</u>	<u>Bills Payable</u>	<u>Liabilities</u>	<u>Activities</u>
January 1	\$ 4,207,737	\$ 100,000	\$ 20,674	\$ 4,328,411
Change in Cash Flows from Financing Activities	(1,366,323)	(60,000)	(14,151)	(1,440,474)
Other non-cash changes	-	-	7,977	7,977
Effect of exchange rate changes	165,264	-	(523)	164,741
December 31	<u>\$ 3,006,678</u>	<u>\$ 40,000</u>	<u>\$ 13,977</u>	<u>\$ 3,060,655</u>

2021

	<u>Short-term</u> <u>Loans</u>	<u>Short-term</u> <u>Notes and</u> <u>Bills Payable</u>	<u>Lease</u> <u>Liabilities</u>	<u>Total</u> <u>Liabilities</u> <u>Arising from</u> <u>Financing</u> <u>Activities</u>
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>

VII. Related Party Transactions

(I) Names and relations of related parties

<u>Related Party</u>	<u>Relationship with the Group =</u>
Lee, Hee-Jun	Chairman of the Group
CoAsia Corporation	Individuals who Have a 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 subsidiaries (Samsung Asia)(Note)	Other related party
Samsung Semiconductor Inc.	Other related party
Samsung Electronics Co., Ltd. (SEC)	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 Limited	Other related party
CoAsia Nexell Co., Ltd. (CoAsia Nexell)	Other related party
CoAsia Semi Vietnam Co., Ltd.	Other related party
CoA Silicon Inc.	Other related party

Note: Including Samsung Electronics Singapore Pte. Ltd.

(II) Significant transactions with related party

1. Operating revenue

	<u>2022</u>		<u>2021</u>
-Other related party	\$ 1,206,803	\$	1,082,893
Individuals who Have a			
-Significant Influence	<u>1,186,853</u>		<u>-</u>
	<u>\$ 2,393,656</u>	\$	<u>1,082,893</u>

The Group's collection conditions for the above-mentioned related parties are by monthly settlement in 30 to 90 days and advance payment. The sales price is not significantly different from that of ordinary customers.

2. Purchase of goods

	<u>2022</u>		<u>2021</u>
-Other related party			
Samsung Shanghai	\$ 12,557,974	\$	16,349,807
Samsung Asia	2,426,518		2,880,852
Samsung Taiwan	2,185,806		5,634,487
SIEL	1,587,135		3,082,236
Others	<u>812,979</u>		<u>303,109</u>
	<u>\$ 19,570,412</u>	\$	<u>28,250,491</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, net

	<u>December 31, 2022</u>		<u>December 31, 2021</u>
- Other related party			
CoAsia SEMI	\$ 547,760	\$	111,696
Others	-		105,827
- Individuals who Have a	<u>96,843</u>		<u>-</u>
Significant Influence			
	644,603		217,523
Less: Loss allowances	<u>(89,831)</u>		<u>-</u>
	<u>\$ 554,772</u>	\$	<u>217,523</u>

Receivables from related parties are mainly from sales transactions, which will be mainly due after the monthly settlement in 30 to 90 days. The accounts receivable are unsecured and interest-free..

4. Other receivables, net

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
- Other related party	\$ 156	\$ 348

Mainly the purchase allowances to be collected from other related parties.

5. Research and development expenses

	<u>2022</u>	<u>2021</u>
Product development cost		
— Other related party		
CoAsia SEMI	\$ -	\$ 17,927

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.

6. Prepayments

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
— Other related party		
Samsung Shanghai	\$ 47,011	\$ 122,468
CoAsia Nexell	29,482	-
Others	5,687	16,284
	<u>\$ 82,180</u>	<u>\$ 138,752</u>

Mainly the prepayments for goods.

7. Payables to related parties

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Accounts payable:		
— Other related party		
SEC	\$ 48,471	\$ 23,540
Others	<u>9,328</u>	<u>20,019</u>
	<u>57,799</u>	<u>43,559</u>
Others payables:		
— Other related party	1,313	1,184
— Individuals who Have a Significant Influence	<u>400</u>	<u>389</u>
	<u>1,713</u>	<u>1,573</u>
Other current liabilities:		
— Other related party		
Samsung Display	<u>-</u>	<u>49,759</u>
	<u>\$ 59,512</u>	<u>\$ 94,891</u>

8. Guarantee

As of December 31, 2022 and 2021, the Chairman of the Corporation provided joint guarantees for part of the Group's short-term loans. Please refer to Note VI (III) for the promissory notes issued for the transferred financial assets derecognized as a whole. In addition, please refer to Table 2 for the details of the guarantees provided by the Corporation to its subsidiaries as of December 31, 2022.

(III) Information on Remuneration to the Management

	<u>2022</u>	<u>2021</u>
Short-term employee benefits	\$ 104,697	\$ 127,888
Termination benefits	6,343	-
Retirement benefits	<u>891</u>	<u>557</u>
	<u>\$ 111,931</u>	<u>\$ 128,445</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 guarantee</u>
	<u>December 31, 2022</u>	<u>December 31, 2021</u>	
Bank deposits (Recognized as financial assets at amortized cost)	\$ 544,835	\$ 474,334	Short-term loan facilities
Land and housing	122,806	124,749	Short-term loan facilities
Assigned accounts receivable	430,935	529,508	Short-term loan facilities
	<u>\$ 1,098,576</u>	<u>\$ 1,128,591</u>	

IX. Significant Contingent Liabilities and Unrecognized Contract Commitments

As of December 31, 2022 and 2021, 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 VI (XI) for details of the guaranteed notes issued by the Corporation for syndicated loans.
3. Please refer to Note VI (III) for the promissory notes issued by the Corporation and the Chairman for the transferred financial assets derecognized as a whole .

X. Significant Disaster Loss

None.

XI. Significant Events after the Balance Sheet Date

None.

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 2022 was the same as in 2021. As of December 31, 2022 and 2021, the Group's debt-to-equity ratios were as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Total loans	\$ 3,046,678	\$ 4,307,737
Less: cash and cash equivalents	<u>(718,472)</u>	<u>(519,580)</u>
Net debt	2,328,206	3,788,157
Total equity	<u>2,568,961</u>	<u>2,483,801</u>
Total capital	<u>\$ 4,897,167</u>	<u>\$ 6,271,958</u>
Debt-to-equity ratio	<u>47.54%</u>	<u>60.40%</u>

(II) Financial Instruments

1. Category of financial instruments

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
<u>Financial assets</u>		
Financial Assets at Fair Value through Profit or Loss		
Financial assets mandatorily measured at fair value through profit or loss	\$ 26,807	\$ 26,419
Financial assets at fair value through other comprehensive income (Note 1)	573,091	257,633
Financial assets at amortized cost (Note 2)	<u>3,550,720</u>	<u>4,856,310</u>
	<u>\$ 4,150,618</u>	<u>\$ 5,140,362</u>
 <u>Financial liabilities</u>		
Financial liabilities at amortized cost (Note 2)	\$ 3,715,053	\$ 5,146,036
Lease liabilities	<u>13,977</u>	<u>20,674</u>
	<u>\$ 3,729,030</u>	<u>\$ 5,166,710</u>

Note 1: Accounts receivable that are expected to be factored in the future.

Note 2: Financial assets measured at amortized cost include cash and cash equivalents, financial assets measured at amortized cost, accounts receivable (including related parties) that are not expected to be factored in the future, other receivables (including related parties) and refundable deposits; financial liabilities measured at amortized cost include short-term borrowings, short-term

bills payable, accounts payable (including related parties) and other payables (including related parties).

3. 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 established written principles for overall risk management and written policies on specific areas and issues, such as exchange rate risk, interest rate risk, credit risk, the use of derivative and non-derivative financial instruments, and the investment of surplus working capital.

3. The natures and extents of material financial risks

(1) Market risks

Foreign Exchange Risk

A 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 exchange rate fluctuations is as follows:

	December 31, 2022		
	<u>Foreign currency</u> (NT\$ thousand)	<u>Exchange rate</u>	<u>Carrying amount</u> (NT\$)
<u>Financial assets</u>			
<u>Monetary items</u>			
US\$:NT\$	\$ 86,605	30.71	\$ 2,659,640
US\$:HK\$	82,581	7.80	2,536,063
US\$:SG\$	19,763	1.34	606,922
<u>Financial liabilities</u>			
<u>Monetary items</u>			
US\$:NT\$	41,543	30.71	1,275,786
US\$:HK\$	90,500	7.80	2,779,255
US\$:SG\$	8,292	1.34	254,647

December 31, 2021			
	<u>Foreign currency</u> (NT\$ thousand)	<u>Exchange rate</u>	<u>Carrying</u> <u>amount (NT\$)</u>
<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

B. The total exchange gains (losses) realized and unrealized of the Group's monetary items due to fluctuations in exchange rates in 2022 and 2021 were aggregated to \$120,457 and (\$24,487), respectively.

C. The foreign currency market risk analysis of the Group as affected by significant exchange rate fluctuations is as follows:

	2022		
	<u>Range of</u> <u>change</u>	<u>Effect on profit</u> <u>and loss</u>	<u>Effect on other</u> <u>comprehensive</u> <u>income</u>
(Foreign currency: Functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
US\$:NT\$	1%	\$ 26,596	\$ -
US\$:HK\$	1%	25,361	-
US\$:SG\$	1%	6,069	-
<u>Financial liabilities</u>			
<u>Monetary items</u>			
US\$:NT\$	1%	12,758	-
US\$:HK\$	1%	27,793	-
US\$:SG\$	1%	2,546	-

	2021		
	<u>Range of</u> <u>change</u>	<u>Effect on profit</u> <u>and loss</u>	<u>Effect on other</u> <u>comprehensive</u> <u>income</u>
(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	-

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 2022 and 2021, 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%, the Group's cash outflows will increase by \$30,067 and \$42,077, 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 pay off the accounts receivable based on collection terms and financial assets classified as measured at amortized cost.
- 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 within the Group must conduct management and credit risk analysis for every new customer 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 adjust the loss rate established according to historical and current information in a specific period by taking into account the business indicators for future forward-looking as specified in the prosperity observation report of the Taiwan Institute of Economic Research and the National Development Commission, respectively, to estimate the allowance losses of accounts receivable (including related parties), and the reserve matrices as of December 31, 2022 and 2021 were as follows:

	<u>Group</u>					<u>Individual</u>	<u>Total</u>
	<u>Not Past Due</u>	<u>Up to 30 days</u> <u>past due</u>	<u>Up to 60 days</u> <u>past due</u>	<u>Up to 90</u> <u>days past</u> <u>due</u>	<u>More than</u> <u>90 days</u>	<u>(Note)</u>	
<u>December 31, 2022</u>							
Expected loss rate	0.01%~0.03%	0.07%~8.33%	-	-	-		
Total book value	\$ 2,243,342	\$ 69,959	\$ -	\$ -	\$ -	\$ 547,760	\$ 2,861,061
Loss allowances	319	2,836	-	-	-	89,831	92,986

	<u>Not Past Due</u>	<u>Up to 30 days</u> <u>past due</u>	<u>Up to 60 days</u> <u>past due</u>	<u>Up to 90</u> <u>days past</u> <u>due</u>	<u>More than</u> <u>90 days</u>	<u>Total</u>
	<u>December 31, 2021</u>					
Expected loss rate	0.03%	0.03%~0.07%	0.77%~8.33%	-	100.00%	
Total book value	\$ 4,063,020	\$ 14,929	\$ 42	\$ -	\$ 29,814	\$ 4,107,805
Loss allowances	1,087	10	-	-	29,814	30,911

Note: Related party - CoAsia SEMI

G. The aging analysis of the Group's accounts receivable is as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
	<u>Accounts Receivable</u>	<u>Accounts Receivable</u>
Not Past Due	\$ 2,244,689	\$ 4,063,020
Up to 30 days past due	69,959	14,929
31-60 days	11,439	42
60-90 days	49,254	-
More than 90 days	<u>485,720</u>	<u>29,814</u>
	<u>\$ 2,861,061</u>	<u>\$ 4,107,805</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>2022</u>
	<u>Accounts</u>
	<u>Receivable</u>
January 1	\$ 30,911
Provision for impairment losses	85,834
Write-off for unrecovered amount	(28,491)
Effect of exchange rate changes	<u>4,732</u>
December 31	<u>\$ 92,986</u>

	<u>2021</u>
	<u>Accounts Receivable</u>
January 1	\$ 28,403
Provision for impairment losses	3,771
Effect of exchange rate changes	<u>(1,263)</u>
December 31	<u>\$ 30,911</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 working capital requirements to ensure it has sufficient cash to meet operational needs, so as to prevent the Group from breaching the relevant borrowing limits or terms. Such forecasting takes into consideration the Group's debt financing plans, covenant compliance, and compliance with financial ratios targets in the internal balance sheets.
- 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 selected 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 contract maturity date. The contractual cash flow amounts disclosed in the table below are undiscounted amounts.

December 31, 2022	<u>Within 1 year</u>	<u>1-2 year(s)</u>	<u>2-3 years</u>	<u>Over 3 years</u>
<u>Non-derivative</u> <u>financial liabilities:</u>				
Lease liabilities	\$ 10,193	\$ 4,023	\$ 541	\$ -
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</u> <u>financial liabilities:</u>				
Lease liabilities	\$ 12,944	\$ 6,737	\$ 1,202	\$ 95

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

1. The levels of evaluation techniques used to measure the fair value of financial and non-financial instruments are defined as follows:

Level 1: Quoted prices (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 quoted prices in Level 1.

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 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, 2022		
	Fair value		
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Financial Assets at Fair Value through Profit or Loss	\$ -	\$ -	\$ 26,807
Financial Assets at Fair Value through Other Comprehensive Income			
Accounts Receivable from Expected Factoring	-	573,091	-
	<u>\$ -</u>	<u>\$ 573,091</u>	<u>\$ 26,807</u>

	December 31, 2021		
	Fair value		
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
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 Factoring	-	257,633	-
	<u>\$ 4,734</u>	<u>\$ 257,633</u>	<u>\$ 21,685</u>

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's quotations. The fair value obtained through valuation 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's credit risk and the Group's credit quality, respectively.

5. In 2022 and 2021, there was no transfer between Level 1 and Level 2.

6. Changes in Level 3 in 2022 and 2021:

	<u>2022</u> <u>Non-derivative</u> <u>financial instruments</u>
January 1	\$ 21,685
Increase in the current period	610
Profits recognized in profit or loss accounted for operating revenue	<u>4,512</u>
December 31	<u>\$ 26,807</u>

	<u>2021</u> <u>Non-derivative</u> <u>financial instruments</u>
January 1	\$ 25,481
Losses recognized in profit or loss accounted for operating expenses	<u>(3,796)</u>
December 31	<u>\$ 21,685</u>

7. There was no transfer in or out from Level 3 in 2022 and 2021.

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</u> <u>December 31,</u> <u>2022</u>	<u>Valuation</u> <u>technique</u>	<u>Significant</u> <u>unobservable input</u> <u>value</u>	<u>Relationship between</u> <u>input value and fair</u> <u>value</u>
Non-derivative equity instruments:				
Shares from unlisted companies	\$ 26,807	Comparable listed (OTC) company method	Price-to-net multiplier and price-to-earnings multiplier	The higher the multiplier, the higher the fair value
	<u>Fair value on</u> <u>December 31,</u> <u>2021</u>	<u>Valuation</u> <u>technique</u>	<u>Significant</u> <u>unobservable input</u> <u>value</u>	<u>Relationship between</u> <u>input value and fair</u> <u>value</u>
Non-derivative equity instruments:				
Shares from unlisted companies	\$ 21,685	Comparable listed (OTC) company method	Price-to-net multiplier and price-to-earnings multiplier	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 profit or loss or other comprehensive income are as follows:

		December 31, 2022				
		<u>Recognized in profit or loss</u>		<u>Recognized in other comprehensive income</u>		
	<u>Input value</u>	<u>Change</u>	<u>Favorable change</u>	<u>Unfavorable change</u>	<u>Favorable change</u>	<u>Unfavorable change</u>
Financial assets						
Equity instruments	Price-to-net multiplier and price-to-earnings multiplier	±1%	\$268	(\$ 268)	\$ -	\$ -

		December 31, 2021				
		<u>Recognized in profit or loss</u>		<u>Recognized in other comprehensive income</u>		
	<u>Input value</u>	<u>Change</u>	<u>Favorable change</u>	<u>Unfavorable change</u>	<u>Favorable change</u>	<u>Unfavorable change</u>
Financial assets						
Equity instruments	Price-to-net multiplier and price-to-earnings multiplier	±1%	\$217	(\$ 217)	\$ -	\$ -

XIII. Supplementary Disclosures

(I) Information on Significant Transactions

According to the provisions of the Regulations Governing the Preparation of Financial Reports by Securities Issuers, the relevant matters related to the Group's major transactions in 2022 are as follows. In addition, the information to be disclosed by the investee companies is prepared based on the financial statements of the companies that have been audited by the CPAs, and the following transactions with subsidiaries have been written off when preparing the consolidated financial statements. 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 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-in 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-in 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 others 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:

	<u>2022:</u>					
	<u>Mobile</u> <u>communications</u> <u>products (CoAsia</u> <u>Taiwan)</u>	<u>Mobile</u> <u>communications</u> <u>products (CoAsia</u> <u>Hong Kong Group)</u>	<u>Mobile</u> <u>communications</u> <u>products (CoAsia</u> <u>Singapore Group)</u>	<u>Others</u>	<u>Adjustments and</u> <u>write-off</u>	<u>Total</u>
Divisional revenue						
External revenue	\$ 4,305,935	\$ 14,317,189	\$ 3,262,464	\$ 1,532,158	\$ -	\$ 23,417,746
Internal revenue	<u>5,283,577</u>	<u>203,146</u>	<u>1,391,931</u>	<u>21,344</u>	<u>(6,899,998)</u>	<u>-</u>
Divisional revenue	<u>\$ 9,589,512</u>	<u>\$ 14,520,335</u>	<u>\$ 4,654,395</u>	<u>\$ 1,553,502</u>	<u>(\$ 6,899,998)</u>	<u>\$ 23,417,746</u>
Divisional gains or losses	<u>\$ 16,634</u>	<u>(\$ 111,412)</u>	<u>(\$ 99,414)</u>	<u>(\$ 13,983)</u>	<u>\$ 213,605</u>	<u>\$ 5,430</u>
Divisional gains or losses include:						
Depreciation and amortization expenses	<u>(\$ 16,862)</u>	<u>(\$ 9,465)</u>	<u>(\$ 1,084)</u>	<u>(\$ 537)</u>	<u>\$ -</u>	<u>(\$ 27,948)</u>
Interest income	<u>\$ 8,459</u>	<u>\$ 2,586</u>	<u>\$ 1,619</u>	<u>\$ 762</u>	<u>(\$ 7,909)</u>	<u>\$ 5,517</u>
Interest expenses	<u>(\$ 73,047)</u>	<u>(\$ 84,278)</u>	<u>(\$ 38,242)</u>	<u>(\$ 4,982)</u>	<u>\$ 36,070</u>	<u>(\$ 164,479)</u>
Income tax (expenses) benefits	<u>(\$ 15,521)</u>	<u>\$ 10,728</u>	<u>\$ 575</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(\$ 4,218)</u>
Share of profit or loss of subsidiaries accounted for using the equity method	<u>(\$ 215,639)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 215,639</u>	<u>\$ -</u>
Segment assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 4,683,657</u>	<u>\$ 3,978,229</u>	<u>\$ 797,274</u>	<u>\$ 369,771</u>	<u>(\$ 3,365,844)</u>	<u>\$ 6,463,087</u>
Segment assets include:						
Investments accounted for using the equity method (including other non-current liabilities rerecognized)	<u>\$ 1,172,835</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(\$ 1,178,230)</u>	<u>(\$ 5,395)</u>
Segment liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>\$ 2,114,696</u>	<u>\$ 3,376,997</u>	<u>\$ 280,031</u>	<u>\$ 310,385</u>	<u>(\$ 2,183,397)</u>	<u>\$ 3,898,712</u>

2021:

	<u>Mobile</u> <u>communications</u> <u>products (CoAsia</u> <u>Taiwan)</u>	<u>Mobile</u> <u>communications</u> <u>products (CoAsia</u> <u>Hong Kong Group)</u>	<u>Mobile</u> <u>communications</u> <u>products (CoAsia</u> <u>Singapore Group)</u>	<u>Others</u>	<u>Adjustments and</u> <u>write-off</u>	<u>Total</u>
Divisional revenue						
External revenue	\$ 8,324,856	\$ 15,935,978	\$ 3,805,345	\$ 1,137,534	\$ -	\$ 29,203,713
Internal revenue	<u>6,239,519</u>	<u>314,920</u>	<u>2,581,261</u>	<u>14,877</u>	<u>(9,150,577)</u>	<u>-</u>
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	<u>(\$ 13,361)</u>	<u>(\$ 11,548)</u>	<u>(\$ 1,901)</u>	<u>(\$ 480)</u>	<u>\$ -</u>	<u>(\$ 27,290)</u>
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	<u>(\$ 36,960)</u>	<u>(\$ 24,691)</u>	<u>(\$ 29,071)</u>	<u>(\$ 1,926)</u>	<u>\$ 23,578</u>	<u>(\$ 69,070)</u>
Income tax expenses	<u>(\$ 20,570)</u>	<u>(\$ 16,665)</u>	<u>(\$ 13,456)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(\$ 50,691)</u>
Share of profit or loss of subsidiaries accounted for using the equity method	<u>\$129,251</u>	<u>(\$ 7,078)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(\$ 122,173)</u>	<u>\$ -</u>
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 (including other non-current liabilities rerecognized)	<u>\$ 1,254,451</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(\$ 1,259,846)</u>	<u>(\$ 5,395)</u>
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>

(IV) Product Category and Service Category Information

The detailed composition of the Group's income balances in 2022 and 2021 are as follows:

	<u>2022</u>		<u>2021</u>
Key components for mobile communication products (Mobile)	\$ 16,020,662	\$	19,983,520
Wafers (Foundry)	6,211,841		4,507,842
Thin film liquid crystal displays (SDC)	880,002		4,243,455
Others	<u>305,241</u>		<u>468,896</u>
	<u>\$ 23,417,746</u>	<u>\$</u>	<u>29,203,713</u>

(V) Regional Information

The regional information of the Group in 2022 and 2021 is as follows:

<u>Region</u>	<u>2022</u>		<u>2021</u>	
	<u>Revenue</u>	<u>Non-current assets</u>	<u>Revenue</u>	<u>Non-current assets</u>
Taiwan	\$ 2,437,835	\$ 231,090	\$ 5,962,745	\$ 186,229
Asia	20,931,057	42,457	23,107,426	28,102
America	48,854	-	110,737	-
Europe	<u>-</u>	<u>-</u>	<u>22,805</u>	<u>-</u>
	<u>\$ 23,417,746</u>	<u>\$ 273,547</u>	<u>\$ 29,203,713</u>	<u>\$ 214,331</u>

Note: Revenue is classified based on the country of the customer; Asia refers to Asia region excluding Taiwan.

(VI) Important Customer Information

Information on the Group's important customers in 2022 and 2021 is as follows:

	<u>2022</u>		<u>2021</u>	
	<u>Sales Amount</u>	<u>Division</u>	<u>Sales Amount</u>	<u>Division</u>
Customer A	\$ 2,998,979	CoAsia Hong Kong Group	\$ 2,861,512	CoAsia Hong Kong Group
Customer B	2,414,644	CoAsia Hong Kong Group	119,472	CoAsia Hong Kong Group
Customer C	453,035	CoAsia Taiwan Group	3,739,038	CoAsia Taiwan Group

CoAsia Electronics Corp. and Its Subsidiaries
Loans Provided for Others
For the Year Ended December 31, 2022

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	Collateral Value	Limit on Loans Provided to a Single Party (Note 3)	Total Limit on Loans Provided (Note 3)	Remark
0	CoAsia Electronics Corp.	CoAsia Electronics Corporation (Hong Kong) Limited	Other receivables - related party	Yes	\$ 225,505	\$ 214,970	\$ 61,420	To comply with the contract	2	\$ -	Operating capital	\$ -	-	\$ -	\$ 256,896	\$ 1,027,584	
0	CoAsia Electronics Corp.	CoAsia Electronics Corp. (Singapore) Pte. Ltd.	Other receivables - related party	Yes	225,505	214,970	-	To comply with the contract	2	-	Operating capital	-	-	-	256,896	1,027,584	
0	CoAsia Electronics Corp.	CoAsia Korea Co., Ltd.	Other receivables - related party	Yes	193,290	184,260	92,130	To comply with the contract	2	-	Operating capital	-	-	-	256,896	1,027,584	
0	CoAsia Electronics Corp.	Studybank Co., Ltd.	Other receivables - related party	Yes	200	-	-	To comply with the contract	2	-	Operating capital	-	-	-	256,896	1,027,584	
1	CoAsia Electronics Corporation (Hong Kong) Limited	CoAsia Electronics Corp.	Other receivables - related party	Yes	322,150	307,100	-	To comply with the contract	2	-	Operating capital	-	-	-	601,079	601,079	
1	CoAsia Electronics Corporation (Hong Kong) Limited	CoAsia Electronics Corp. (Singapore) Pte. Ltd.	Other receivables - related party	Yes	161,075	153,550	-	To comply with the contract	2	-	Operating capital	-	-	-	601,079	601,079	
1	CoAsia Electronics Corporation (Hong Kong) Limited	Coasia Semi Limited	Other receivables - related party	Yes	35,437	-	-	To comply with the contract	1	152,331	Business transaction	-	-	-	152,331	601,079	
2	CoAsia Electronics Corp. (Singapore) Pte. Ltd.	CoAsia Electronics Corp.	Other receivables - related party	Yes	161,075	153,550	-	To comply with the contract	2	-	Operating capital	-	-	-	517,244	517,244	
2	CoAsia Electronics Corp. (Singapore) Pte. Ltd.	CoAsia Electronics Corporation (Hong Kong) Limited	Other receivables - related party	Yes	161,075	153,550	92,130	To comply with the contract	2	-	Operating capital	-	-	-	517,244	517,244	
2	CoAsia Electronics Corp. (Singapore) Pte. Ltd.	CoAsia Electronics Corporation (Hong Kong) Limited	Other receivables - related party	Yes	74,888	-	-	To comply with the contract	1	1,696,951	Business transaction	-	-	-	517,244	517,244	

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 Corporation's aggregate amount of loans to others is limited to 40% of the net worth, and that to an individual enterprise shall not exceed 10% of the net worth. Net worth amounted to 2,568,961 as of December 31, 2022.

(2). The aggregate amount of loans to others of CoAsia Electronics Corporation (Hong Kong) Limited to foreign companies with 100% voting shares directly and indirectly held by the parent company of the Group is limited to 100% of the net worth, and that to an individual enterprise shall not exceed 100% of the net worth.

(3). The aggregate amount of loans to others of CoAsia Electronics Corp. (Singapore) Pte. Ltd. to foreign companies with 100% voting shares directly and indirectly held by the parent company of the Group is limited to 100% of the net worth, and that to an individual enterprise shall not exceed 100% of the net worth.

CoAsia Electronics Corp. and Its Subsidiaries
Endorsements/Guarantees Provided for Others
For the Year Ended December 31, 2022

Table 2

Unit: NT\$ thousand
(Unless Stated Otherwise)

No. (Note)	Endorsee/Guarantee		Relationship (Note 2)	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 Subsidiary for Parent	Endorsements/Guarantees Provided for Subsidiary in Mainland China	Remarks
	Endorser/Guarantor	Name of Company												
0	CoAsia Electronics Corp.	CoAsia Electronics Corporation (Hong Kong) Limited	1.3	\$ 2,568,961	\$ 1,508,633	\$ 1,455,205	\$ 1,455,205	\$ -	56.65%	\$ 3,853,442	Y	N	N	
0	CoAsia Electronics Corp.	CoAsia Electronics Corp.(Singapore) Pte. Ltd.	1.2	2,568,961	1,812,713	1,428,015	1,428,015	-	55.59%	3,853,442	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 endorsees/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 Corporation's aggregate amount of limit of endorsement/guarantee for external entities is limited to 150% of the net worth, and the amount of limit of endorsement/guarantee for an individual enterprise shall not exceed 10% of the net worth while that for an individual affiliate shall not exceed 100% of the net worth.

Note 4: In 2022, the handling fee charged by the Corporation from CoAsia Electronics Corporation (Hong Kong) Limited for the above-mentioned endorsement/guarantee amounted to \$12,554 (accounted for other income), and the outstanding amount as of December 31, 2022 amounted to \$3,668.

Note 5: In 2022, the handling fee charged by the Corporation from CoAsia Electronics Corp.(Singapore) Pte. Ltd. for the above-mentioned endorsement guarantee amounted to \$15,608 (accounted for other income), and the outstanding amount as of December 31, 2022 amounted to \$3,599.

CoAsia Electronics Corp. and Its Subsidiaries

Securities Held at end of Period (Excluding Investments in Subsidiaries, Associates, and Joint Ventures)

December 31, 2022

Table 3

Unit: NT\$ thousand
(Unless Stated Otherwise)

<u>Company Holding Securities</u>	<u>Type and Name of Securities</u>	<u>Relationship with Issuer of Securities</u>	<u>Ledger Account</u>	<u>Number of shares</u>	<u>End of the Period</u>		<u>Shareholding Ratio</u>	<u>Fair value</u>	<u>Remark</u>
					<u>Carrying amount</u>				
CoAsia Electronics Corp.	Common and preferred stocks of Insignal Co. Ltd	-	Financial assets at fair value through profit or loss - non-current	16,020	\$ 26,807		17.5%	\$ 26,807	
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-in Capital or More

For the Year Ended December 31, 2022

Table 4

Unit: NT\$ thousand
(Unless Stated Otherwise)

Purchasing (Selling) Company	Counterparty	Relationship	Transaction Situation			Credit Period	Unusual Transaction Terms and Reasons (Note 1)		Notes and Accounts Receivable (Payable)		Remarks (Note 2)
			Purchases (Sales)	Amount	Percentage of Total Purchases (Sales)		Unit Price	Credit Period	Balance	Percentage of Total Notes and Accounts Receivable (Payable)	
CoAsia Electronics Corp.	Shanghai Samsung Semiconductor Co.,Ltd.	Other related party	Purchase of goods	\$ 5,792,021	63%	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	2,185,806	24%	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	-	-	
CoAsia Electronics Corporation (Hong Kong) Limited	Shanghai Samsung Semiconductor Co.,Ltd.	Other related party	Purchase of goods	6,765,953	49%	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	2,426,518	55%	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 Electronics Corp.(Singapore) Pte.Ltd.	Samsung India Electronics Pvt Ltd.	Other related party	Purchase of goods	1,587,135	36%	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	(9,328)	(35%)	
CoAsia Korea Co., Ltd	Samsung Electronics Co., Ltd.	Other related party	Purchase of goods	737,247	49%	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	(48,471)	(43%)	
CoAsia Korea Co., Ltd	CoAsia CM Co., Ltd.	Other related party	Sales	(261,339)	17%	30 days from end of month	-	-	-	-	
CoAsia Korea Co., Ltd	CoAsia Corporation	Related party in substance	Sales	(1,186,853)	77%	30 days from end of month	-	-	96,843	100%	
CoAsia Electronics Corporation (Hong Kong) Limited	Coasia Semi Limited	Other related party	Sales	(942,388)	7%	90 days from end of month	-	-	547,760	25%	
CoAsia Electronics Corporation (Hong Kong) Limited	CoAsia Electronics Corp.(Singapore) Pte.Ltd.	Sister company of the same group	Sales	(112,145)	1%	60 days from end of month	-	-	10,592	0%	
CoAsia Electronics Corp.(Singapore) Pte.Ltd.	CoAsia Electronics Corporation (Hong Kong) Limited	Sister company of the same group	Sales	(558,710)	12%	60 days from end of month	-	-	126,525	47%	
CoAsia Electronics Corp.(Singapore) Pte.Ltd.	CoAsia Electronics Corp.	Parent company	Sales	(138,406)	3%	60 days from end of month	-	-	-	-	
CoAsia Electronics Corp.(Singapore) Pte.Ltd.	CoAsia Korea Co., Ltd	Sister company of the same group	Sales	(693,365)	15%	40 days from end of month	-	-	63,841	24%	
CoAsia Electronics Corp.	CoAsia Electronics Corporation (Hong Kong) Limited	Subsidiary	Sales	(4,067,816)	42%	60 days from end of month	-	-	1,715,046	76%	

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 shall 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 transaction amount of 20% of the paid-in capital is calculated as 10% of the equity attributable to owners of the parent company in the balance sheet.

Note 4: The transactions between the Corporation and its subsidiaries are disclosed as assets and income, and its relative transactions are no longer disclosed.

CoAsia Electronics Corp. and Its Subsidiaries
 Receivables from Related Parties Amounting to NT\$100 million or 20% of the Paid-in Capital or More
 December 31, 2022

Table 5

Unit: NT\$ thousand
 (Unless Stated Otherwise)

<u>Company recorded under account receivables</u>	<u>Counterparty</u>	<u>Relationship</u>	<u>Receivables from related parties</u> <u>(Note 1)</u>	<u>Turnover rate</u>	<u>Overdue receivables from related parties</u>		<u>Receivables from related parties</u> <u>(Note 3)</u>	<u>Allowance for bad debts</u>
			\$		\$	Action taken	\$	\$
CoAsia Electronics Corporation (Hong Kong) Limited	Coasia Semi Limited	Other related party	547,760	2.86	546,413	-	3,091	89,831
CoAsia Electronics Corp.	CoAsia Electronics Corporation (Hong Kong) Limited	Subsidiary	1,715,046	2.52	-	-	-	-
CoAsia Electronics Corp.(Singapore) Pte.Ltd.	CoAsia Electronics Corporation (Hong Kong) Limited	Sister company of the same group	126,525	1.60	-	-	-	-

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 transaction amount of 20% of the paid-in capital is calculated as 10% of the equity attributable to owners of the parent company in the balance sheet.

Note 3: It refers to the amount repatriated after the period as of January 31, 2023.

CoAsia Electronics Corp. and Its Subsidiaries
Intercompany Relationships and Significant Intercompany Transactions Between Parent and Subsidiaries and Between Subsidiaries and Their Amounts
For the Year Ended December 31, 2022

Table 6

Unit: NT\$ thousand
(Unless Stated Otherwise)

<u>No.(Note 1)</u>	<u>Name of Trader</u>	<u>Counterparty</u>	<u>Relationship with the Trader (Note 2)</u>	<u>Ledger Account</u>	<u>Amount</u>	<u>Description of Transactions</u>	<u>Percentage in Consolidated Total Revenue or Total Assets (Note 3)</u>
0	CoAsia Electronics Corp.	CoAsia Electronics Corporation (Hong Kong) Limited	1	Sales revenue (cost)	\$ 4,067,816	Same as normal transactions	17%
0	CoAsia Electronics Corp.	CoAsia Electronics Corporation (Hong Kong) Limited	1	Accounts receivable	1,715,046	Same as normal transactions	27%
1	CoAsia Electronics Corp.(Singapore) Pte.Ltd.	CoAsia Electronics Corporation (Hong Kong) Limited	3	Sales revenue (cost)	558,710	Same as normal transactions	2%
2	CoAsia Electronics Corp.(Singapore) Pte.Ltd.	CoAsia Korea Co., Ltd	3	Sales revenue (cost)	693,365	Same as normal transactions	3%

Note 1: The information of business transactions between the parent company and subsidiaries shall be indicated in the number column respectively. The number shall be filled in as follows:

(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: There are three types of relationship between traders, and fill in the type is acceptable (if the transaction between the parent company and subsidiaries is the same as that between subsidiaries, it is not necessary to disclose again. For example, if the parent company has disclosed the transaction between the parent company and the subsidiary, the part of the subsidiary is not required to be disclosed again;

For a transaction between two subsidiaries, if it has been disclosed by one subsidiary, it is not required to be disclosed again by the other subsidiary):

(1). Parent company's transaction with subsidiary.

(2). Subsidiary's transaction with the parent company.

(3). Transaction between two subsidiaries.

Note 3: The ratio of transaction amount to consolidated total revenue or total assets shall be calculated as the ratio of ending balance to consolidated total assets for those belongs to balance sheet item, or as the ratio of mid-term cumulative balance to consolidated total revenue for those belongs to items on the income statement.

Note 4: It is up to the Corporation 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 Investee Companies in Mainland China)
For the Year Ended December 31, 2022

Table 7

Unit: NT\$ thousand
(Unless Stated Otherwise)

Name of Investor	Name of Investee (Note 1, 2)	Location	Primary Business Activities	Initial Investment Amount		Held at End of Period			Profit (Loss) of	Investment Profit (Loss)	Remark
				End of Period	End of Last Year	Number of Shares	Ratio	Carrying Amount	Investee for the	Recognized for the	
CoAsia Electronics Corp.	CoAsia International Corp.	Mauritius	Professional investment company	\$ 432,977	\$ 432,977	1,329,612	100.00%	\$ 596,994	(\$ 100,684)	(\$ 100,684)	
CoAsia Electronics Corp.	Pointchips Co.,Ltd.	South Korea	Semiconductor design	73,102	73,102	983,049	20.14%	(5,395)	(1,994)	-	
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%	49,166	(14,362)	(14,362)	
CoAsia Electronics Corp.	Studybank Co., Ltd.	Taiwan	Electronic devices, data processing business, online learning courses, etc.	358,000	358,000	9,204,851	89.10%	13,881	908	809	
CoAsia Electronics Corp.	CoAsia Electronics Corp.(Singapore) Pte.Ltd.	Singapore	International trade, entrepot trade	30,202	30,202	1,000,000	100.00%	517,264	(98,839)	(100,874)	
CoAsia Electronics Corp.	CoAsia Electronics (US) Corp.	USA	International trade, entrepot trade	1,400	1,400	250,000	100.00%	925	(528)	(528)	
CoAsia International Corp.	CoAsia Electronics Corporation (Hong Kong) Limited	Hong Kong	Wholesaling, designing and manufacturing of electronic components	435,837	435,837	10,293,200	100.00%	601,079	(100,566)	(100,566)	
Studybank Co., Ltd.	Taiwan Interactive Education Co., Ltd.	Taiwan	Academic tutoring, afterschool teaching, other sound recording and music publishing	-	50,000	-	-	-	(868)	(868)	Note 4
CoAsia Electronics Corp.(Singapore) Pte.Ltd	CoAsia Electronics Corp.LLP	India	International trade, entrepot trade	4,623	4,623	-	100.00%	2,530	4,371	4,371	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 relevant information on the holding company when disclosing information about the foreign invested company.

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 second-tier subsidiary) 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 shall 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 shall be confirmed that the amount of profit and loss of each subsidiary for the period includes the investment profit and loss that shall be recognized for reinvestment according to the regulations.

Note 3: CoAsia Electronics Corp.LLP is a limited partnership without any stocks issued.

Note 4: Taiwan Interactive Education Co., Ltd. applied for dissolution on March 2022, the base date of dissolution was March 10, 2022, the dissolution was approved by the competent authority on March 17, 2022, and the liquidation was completed on June 24, 2022.

CoAsia Electronics Corp. and Its Subsidiaries
Information on Investments in Mainland China - Basic Data
For the Year Ended December 31, 2022

Table 8

Unit: NT\$ thousand
(Unless Stated Otherwise)

Investee Company	Primary Business Activities	Paid-in Capital	Method of Investments (Note 1)	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	Shareholding Ratio of the Corporation's Direct or Indirect Investment	Investment Profit (Loss) Recognized for the Period (Note 2. (2)B)	Carrying Amount of Investments at End of Period	Accumulated Investment Income		Remark
				Accumulated Amount of Investments Remitted from Taiwan at Beginning of Period	Repatriated						Repatriated	Investment Income Repatriated at End of Period	
CoAsia Electronics Corporation(Shanghai) Limited	International trade, entrepot trade, and commercial simple processing in the bonded area	\$ 155,520	2	\$ 151,004	\$ -	\$ -	\$ 151,004	\$ 8,241	100.00%	\$ 8,241	\$ 41,462	\$ -	2.1
CoAsia Electronics Corporation (Shenzhen) Limited	International trade and entrepot trade	31,291	2	20,082	-	-	20,082	15,007	100.00%	15,007	21,713	-	2.1

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 Authorized by Investment Commission, M.O.E.A.
CoAsia Electronics Corp.	\$ 171,086	\$ 171,086	\$ 1,541,377

Note 1: 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 Mainland China 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 in this table shall be listed in New Taiwan Dollars.

CoAsia Electronics Corp. and Its Subsidiaries

Information on Major Shareholders

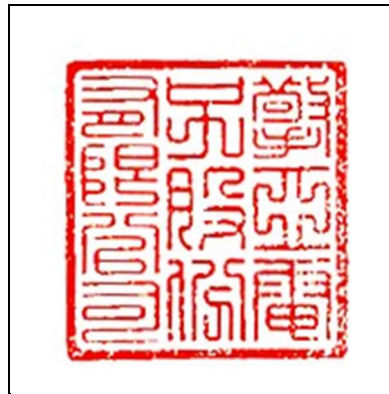
December 31, 2022

Table 9

<u>Name of Major Shareholders</u>	<u>Number of Shares Held</u>	<u>Shareholding</u>	<u>Shareholding Ratio</u>
Investment account of BSE Holdings Co., Ltd entrusted custody by CTBC Bank Co., Ltd.	18,182,503		12.21%
CoAsia Corporation of Korea Company	11,965,493		8.03%



CoAsia Electronics Corp.



Chairman

Lee Hee Jun

