

**2023 Annual General Shareholders' Meeting  
(Translation)**

- Meeting type:** A hybrid shareholders' meeting  
(Physical shareholders' meeting with the assistance of video conference)
- Time:** 9:00 a.m., Wednesday, June 28, 2023 (Taipei time)
- Place:** Auditorium in the Taipei Hero House, No. 20, Changsha Street, Section 1, Taipei, Taiwan
- E-meeting platform:** Taiwan Depository & Clearing Corporation (TDCC) / TDCC Stockvote  
(<https://www.stockvote.com.tw>)
- Shareholders present:** Total number of outstanding shares: 5,352,095,854 shares (excluding 779,373 shares owned by FENC's subsidiaries)  
Total shares represented by shareholders present: 4,819,384,513 shares  
Percentage of shares held by shareholders: 90.04%

**Directors:** Mr. Douglas Tong Hsu, Mr. Johnny Hsi, Mr. Peter Hsu, Mr. Shaw Y. Wang, Mr. Jeff Hsu, Ms. Alice Hsu, Ms. Tonia Katherine Hsu, Mr. Kwan-Tao Li, Mr. Chen-En Ko, Mr. Raymond R.M. Tai and Mr. Johnsee Lee.

**Chairman:** Mr. Douglas Tong Hsu, Chairman of the Board of Directors



**Recorder:** Ms. Grace Yang



**Meeting called to order**

(The aggregate shares of the shareholders present in person or by proxy constituted a quorum.)

**Chairman's address** (Omitted)

## **Reporting items:**

1. 2022 business operations (Omitted)
2. 2022 financial statements (See Attachment I)
3. The Audit Committee's review report of 2022 business operations and financial statements (See Attachment II)
4. 2022 Directors' remuneration and employees' compensation (Omitted)
5. Information of the corporate bonds issued in 2022 (Omitted)
6. Information of the share exchange with the Company's subsidiaries (Omitted)

**There are six items to report and shareholders had raised questions regarding the first item hereinabove. Please refer to pages 3-4 for the summary of the shareholder's questions and the Company's responses. There were no other shareholder inquiries for the remaining items.**

## Summary of shareholder's questions and the Company's responses:

### 1. Shareholder (Number: 0371470), First Life Insurance Co., Ltd.

**Shareholder inquiry:** As environmental awareness continues to increase, a carbon pricing system is expected to be implemented. What strategies has the Company implemented to reduce carbon emissions, and how does the Company assess the potential impact of implementing carbon fees and taxes on its financial performance and profitability?

**Replied by Executive Vice President, Mr. Allen Sha, as instructed by the Chairman:**

The Company has set a clear path for carbon reduction. Using 2020 as the baseline, we aim to achieve a 20% reduction by 2025, 40% by 2030, and ultimately reach net zero emissions by 2050. We will employ various measures such as process improvements, renewable energy usage, CCUS technologies, and raw material transition to lower our carbon footprint. In anticipation of potential carbon fees implementation in Taiwan and other regions, we are actively minimizing their impact by optimizing operations and seeking cost-effective solutions.

### 2. Shareholder (Number: 133057), Mercuries Life Insurance Co., Ltd.

**Shareholder inquiry:** Does the Company plan to join the global renewable energy initiative RE100?

**Replied by Executive Vice President, Mr. Allen Sha, as instructed by the Chairman:**

RE100 involves companies committing to using 100% green energy. Currently, the Company has not joined RE100 due to the nature of our industry. However, we have a comprehensive plan and practical measures in place for adopting renewable energy and green electricity. In 2022, we installed solar power generation facilities in various domestic and overseas production sites, purchased green electricity and Renewable Energy Certificates (RECs). Last year, we used a total of 100 million kWh of green electricity. Our goal is to increase the usage of renewable energy to 300 million kWh by 2025.

### 3. Shareholder (Number: 0401246), E. Sun Commercial Bank, Ltd.

**Shareholder inquiry:**

- ① After FENC's commitment to join the Science-Based Targets initiative (SBTi), could you please provide an update on the anticipated timeline for the application and approval of SBTi's carbon reduction targets?
- ② Considering the growing global significance of the "biodiversity" issue, I would like to inquire whether FENC has initiated planning and disclosure of reports related to "biodiversity" and "TNFD" (Task Force on Nature-related Financial Disclosures), following the guidelines of the 2019 TCFD (Task Force on Climate-related Financial Disclosures) framework.

**Replied by Executive Vice President, Mr. Allen Sha, as instructed by the Chairman:**

- ① The Company committed to joining SBTi in March this year and aims to complete the application process within two years.
- ② The Company has disclosed the topic of biodiversity in the sustainability report. As for our second TCFD report this year, we have included information on energy, water, waste, and air pollution that may have an impact on biodiversity. Regarding the recently released draft of the "TNFD" report, we will closely monitor the developments and maintain ongoing attention to this issue.

**4. Shareholder (Number: 0500157)**

**Shareholder inquiry:** When is the anticipated start date for construction of the Neili development project?

**Replied by the Chairman:**

The property development is being implemented as a comprehensive plan, considering the unique requirements of each development zone. The project has been progressively initiated to ensure proper alignment with the specific demands of each area.

## Approval items

### 1. To accept 2022 business report and financial statements

The Board of Directors proposes and recommends that each shareholder vote FOR the acceptance of 2022 business report and financial statements.

Explanatory Notes:

- i. FENC's 2022 business report and financial statements (including consolidated balance sheets, consolidated statements of comprehensive income, consolidated statements of changes in equity, consolidated statements of cash flows, and balance sheets, statements of comprehensive income, statements of changes in equity, statements of cash flows) have been audited by independent auditors, Mr. Shao Chih-Ming and Mr. Ke Jr-Shian of Deloitte & Touche, and have been examined by and determined to be correct and accurate by the Audit Committee of FENC. We thereby submit this report.
- ii. The 2022 business report, independent auditors' reports, Audit Committee's report, and the aforesaid financial statements are attached as Attachments I and II.
- iii. Please accept the aforesaid business report and financial statements.

**Voting Results: 4,819,384,513 shares were represented at the time of voting (including via e-voting and virtual meeting platform); 4,653,251,501 shares voted for the proposal, representing 96.55% of the total represented shares, 176,305 shares voted against the proposal, while 165,956,707 shares voted abstention the proposal.**

**RESOLVED, that the 2022 business report and financial statements be and hereby were accepted as submitted.**

**There were no shareholder inquiries in this item.**

### 2. To approve the proposal for distribution of 2022 profits

The Board of Directors proposes and recommends that each shareholder vote FOR the distribution of 2022 profits.

Explanatory Notes:

- i. Cash dividends to common shareholders: NT\$7,226,381,556. (NT\$ 1.35/share)
- ii. After being approved at the Annual General Shareholders' Meeting, the cash dividends to common shareholders will be distributed on a record date to be determined by the Chairman granted full authority from the Board of Directors. Should FENC subsequently repurchase its common shares or issue new common shares according to the relevant regulations, the total number of common shares outstanding may change, and the ultimate cash to be distributed to each common share may need to be adjusted accordingly. It is proposed that the Board of Directors of FENC be authorized to adjust the cash to be distributed to each common share based on the total amount of profits resolved to be distributed and the number of actual common shares outstanding on the record date for distribution.

iii. Please refer to the following table for the 2022 profit allocation proposal

	(Unit: NT\$)
<b>1. Net income of 2022</b>	<b>8,160,292,096</b>
2. Adjustments due to changes in investees' equity in equity-method investments	327,142,091
3. Adjustments due to changes in other comprehensive income	342,487,121
4. Legal reserve	817,563,713
5. Special reserve	834,556,842
6. Reversal of special reserve	1,651,668,973
7. Unappropriated earnings of previous years	4,029,456,228
<b>Earnings available for distribution as of 31 December 2022</b> (1-2+3-4-5+6+7)	<b>12,204,641,772</b>
<b>Distribution item:</b>	
1. Shareholders' dividend (NT\$ 1.35/share in cash)	7,226,381,556
<b>Total distribution</b>	<b>7,226,381,556</b>
<b>Unappropriated earnings</b>	<b>4,978,260,216</b>

iv. Please approve the aforesaid proposal for the distribution of 2022 profits.

**Voting Results: 4,819,384,513 shares were represented at the time of voting (including via e-voting and virtual meeting platform); 4,658,216,545 shares voted for the proposal, representing 96.66% of the total represented shares, 185,512 shares voted against the proposal, while 160,982,456 shares voted abstention the proposal.**

**RESOLVED, the proposal for distribution of 2022 profits be and hereby was accepted as proposed.**

**There were no shareholder inquiries in this item.**

# Proposed resolutions

## 1. To approve the revisions to the “Articles of Incorporation of Far Eastern New Century Corporation”

The Board of Directors proposes and recommends that each shareholder vote FOR the amendments to the Articles of Incorporation.

Explanatory Notes:

- i. According to the proposed schedule of "Corporate Governance 3.0-Sustainable Development Blueprint" promulgated by the Financial Supervisory Commission, since 2024, any TWSE/ TPEX listed company with a paid-up capital reached NTD 10 billion or more, or being classified as financial insurance industry, shall have the number of independent directors which shall not be less than one-third of the total number of directors. In order to increase the flexibility of the Company in electing the number of independent directors, take the current number of independent directors into account, and furthermore, to cope with the proposed schedule aforementioned promulgated by the Financial Supervisory Commission, the Company hereby amends the Articles 16 and 29 of the “Articles of Incorporation of Far Eastern New Century Corporation”.
- ii. The overview table for the “Articles of Incorporation of Far Eastern New Century Corporation” Before and After amendments is attached as follows.

Section	Proposed Changes	Current Articles
Article 16	<p>There shall be 10 to 15 Directors of the Company, who are elected and appointed from the persons with legal capacity at the shareholders' meeting. The total shares number of the registered shares of the Company held by all of the Directors shall be determined according to the provisions of "Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies".</p> <p><u>3 to 5 of the Directors in the preceding paragraph shall be Independent Directors.</u></p> <p>Directors shall be elected by adopting candidate nomination system in accordance with the Article 192-1 of Company Act. A shareholder shall elect from the nominees listed in the roster of candidates. The election of Independent and non-Independent Directors shall be held jointly but seats shall be calculated separately.</p>	<p>There shall be 10 to 15 Directors of the Company, who are elected and appointed from the persons with legal capacity at the shareholders' meeting. The total shares number of the registered shares of the Company held by all of the Directors shall be determined according to the provisions of "Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies".</p> <p><u>3 Independent Directors shall be elected from the list of persons with legal capacity.</u></p> <p>Directors shall be elected by adopting candidate nomination system in accordance with the Article 192-1 of Company Act. A shareholder shall elect from the nominees listed in the roster of candidates. The election of Independent and non-Independent Directors shall be held jointly but seats shall be calculated separately.</p>
Article 29	<p>These Articles of Incorporation were drafted on December 15, 1952, and came into effect following its approval by a resolution of the General Shareholders' Meeting and the competent authorities. Amendments shall take effect following their approval at the shareholders' meetings.</p> <p><u>Seventieth amendment on June 28, 2023</u></p>	<p>These Articles of Incorporation were drafted on December 15, 1952, and came into effect following its approval by a resolution of the General Shareholders' Meeting and the competent authorities. Amendments shall take effect following their approval at the shareholders' meetings.</p> <p><u>Sixty-ninth amendment on June 30, 2022</u></p>

- iii. Please approve the proposal for the amendments to the “Articles of Incorporation of Far Eastern New

Century Corporation”.

**Voting Results: 4,819,384,513 shares were represented at the time of voting (including via e-voting and virtual meeting platform); 4,654,416,685 shares voted for the proposal, representing 96.58% of the total represented shares, 218,168 shares voted against the proposal, while 164,749,660 shares voted abstention the proposal.**

**RESOLVED, the proposal for the amendments to the “Articles of Incorporation of Far Eastern New Century Corporation” be and hereby was accepted as proposed.**

**There were no shareholder inquiries in this resolution.**



**Extemporaneous motion: None**

**Meeting adjourned: 10:20 a.m., Wednesday, June 28, 2023 (Taipei time)**

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*The English version is the translation of the Chinese version and if there is any discrepancy between this English translation and the Chinese text of this document, the Chinese text shall prevail.*

# Attachment I

## 2022 Independent Auditors' Report

(English Translation of a Report Originally Issued in Chinese)

The Board of Directors and Shareholders  
Far Eastern New Century Corporation

### Opinion

We have audited the accompanying consolidated financial statements of Far Eastern New Century Corporation (the "Company") and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated balance sheets as of December 31, 2022 and 2021, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

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

### Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion based on our audits and the reports of other auditors.

### Key Audit Matters

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

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

### Fair Value Evaluation of Investment Property

The Group's investment property was subsequently measured using the fair value model. The fair value evaluation involved significant accounting estimation and judgment. As a result, the fair value evaluation of investment property is considered to be a key audit matter.

For the accounting policies, significant accounting judgment, evaluation, and assumptions on the main source of uncertainty related to investment property, refer to Notes 4 (k) and 5 to the consolidated financial statements. For more information about the Group's investment property, refer to Note 17 to the consolidated financial statements.

For the fair value evaluation of investment property, we performed the corresponding audit procedures as follows:

1. We assessed the competencies and independence of the external appraiser engaged by the management, discussed with the management the scope of work of the appraiser and the process of appointment to confirm that there is no possible risk affecting the appraiser's independence, nor restrictions on the appraiser's work scope.
2. We assessed the reasonableness of the valuer's assumptions and methods used in the valuation.
3. We audited items from management's supporting documentation, including data which was used by the valuer in the valuation process.

### Recognition of Revenue Derived from Mobile Telecommunications Service

Mobile telecommunications service revenue is the main source of the Group's telecommunications segment. The calculation of mobile telecommunications service revenue relies heavily on automated systems and includes complicated and huge amounts of data transmission. In order to meet market demands and remain competitive, the Group often launches different combinations of products and services. The charge rates of the aforementioned products and services are set manually to systems. Since the effectiveness of the design and implementation of internal controls over systems and rate settings relevant to telecommunications service revenue directly and significantly affects the accuracy of revenue calculation, the recognition of mobile telecommunications service revenue is considered a key audit matter.

For the accounting policies related to mobile telecommunications service revenue, refer to Note 4(s) to the accompanying consolidated financial statements.

By conducting tests of controls, we obtained an understanding of the Group's recognition of mobile telecommunications service revenue and the design and implementation of related controls.

We also engaged internal information technology (IT) specialists to understand and assess the systems and internal controls relevant to mobile telecommunications service revenue and perform the corresponding audit procedures which are listed as follows. The IT specialists:

1. Identified key systems that processed mobile telecommunications service revenue; assessed and tested the general information technology controls of the aforementioned systems, including access controls and change controls.
2. Tested the completeness and accuracy of interface controls between the switch equipment and the billing systems.

3. Tested the access controls and change controls over the input of rates to the billing systems.
4. Tested the accuracy of the billing calculation.
5. Tested the completeness and accuracy of the calculation and billing of monthly fees, airtime fees and value-added service fees.

In coordination with the internal IT specialists, we:

1. Performed dialing tests to verify the accuracy and completeness of the traffic and information in the switch equipment.
2. Sampled user contracts to confirm the accuracy of the billing system information.

For the revenue recognition of billed and unbilled amounts, we conducted the following tests:

1. For the billed amounts, we compared whether there is any difference between the reports generated from the accounting system and the billing system.
2. For the unbilled amounts, we recalculated the service revenue for services provided as of the balance sheet date based on the applied charge rates to confirm the accuracy of the amounts.

#### **Other Matter**

We did not audit the financial statements of APG Polytech, LLC and Corpus Christi Polymers, LLC, which is subsidiary and joint operation, respectively included in the consolidated financial statements of the Group for the years ended December 31, 2022 and 2021, but such financial statements were audited by other auditors. Our opinion, insofar as it relates to the amounts included in the Group's consolidated financial statements for these aforementioned companies, is based solely on the reports of other auditors. The total assets of the aforementioned companies were NT\$24,111,666 thousand and NT\$18,260,477 thousand, representing 4% and 3% of the Group's consolidated assets as of December 31, 2022 and 2021. The total operating revenue of the aforementioned companies was NT\$18,562,542 thousand and NT\$12,093,616 thousand, representing 7% and 5% of the Group's consolidated net operating revenue for the years ended December 31, 2022 and 2021.

We have also audited the parent company only financial statements of Far Eastern New Century Corporation as of and for the years ended December 31, 2022 and 2021 on which we have issued unmodified opinion with other matter paragraph.

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

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

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

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

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

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

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

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

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

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

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

The engagement partners on the audits resulting in this independent auditors' report are Chih-Ming Shao and Jr Shian Ke.

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

March 16, 2023

#### Notice to Readers

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

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

# FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

## CONSOLIDATED BALANCE SHEETS DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

ASSETS	2022		2021	
	Amount	%	Amount	%
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	\$ 47,244,499	7	\$ 34,544,963	5
Financial assets at fair value through profit or loss	5,973,631	1	5,973,798	1
Financial assets at fair value through other comprehensive income	113,543	-	141,111	-
Financial assets at amortized cost - current	1,904,585	-	3,736,179	1
Contact assets	6,807,718	1	6,838,329	1
Notes and accounts receivable, net	29,095,332	4	29,336,993	5
Other receivables	5,806,618	1	3,409,599	-
Current tax assets	178,449	-	43,922	-
Inventories	53,945,228	8	48,965,163	8
Prepayments	3,909,731	1	4,659,552	1
Other financial assets	3,088,720	1	2,837,333	-
Refundable deposits	88,991	-	52,252	-
Other current assets	3,716,111	1	3,534,464	1
Total current assets	<u>161,873,156</u>	<u>25</u>	<u>144,073,658</u>	<u>23</u>
<b>NON-CURRENT ASSETS</b>				
Financial assets at fair value through other comprehensive income	6,190,477	1	7,450,337	1
Financial assets at amortized cost	1,455,482	-	515,300	-
Financial assets for hedging	6,980	-	3,517	-
Investments accounted for using the equity method	80,443,033	12	79,452,479	13
Contract assets	3,670,471	1	3,362,671	1
Property, plant and equipment	172,053,588	26	165,089,960	26
Right-of-use assets	17,590,081	3	17,282,460	3
Investment properties	115,498,368	18	117,236,910	18
Concessions	66,899,173	10	71,801,775	11
Goodwill	12,289,981	2	12,285,871	2
Other intangible assets	2,906,901	1	3,485,296	1
Deferred tax assets	2,588,649	-	2,766,907	-
Prepayments for equipment	2,747,703	-	803,961	-
Refundable deposits	1,603,216	-	1,380,859	-
Long-term receivables	2,142,111	-	93,134	-
Incremental costs of obtaining a contract	3,702,294	1	3,908,968	1
Net defined benefit assets	1,684,780	-	1,409,774	-
Other financial assets	1,819,892	-	2,263,788	-
Other non-current assets	591,574	-	659,960	-
Total non-current assets	<u>495,884,754</u>	<u>75</u>	<u>491,253,927</u>	<u>77</u>
<b>TOTAL</b>	<u>\$ 657,757,910</u>	<u>100</u>	<u>\$ 635,327,585</u>	<u>100</u>
<b>LIABILITIES AND EQUITY</b>				
<b>CURRENT LIABILITIES</b>				
Short-term borrowings	\$ 45,591,748	7	\$ 41,123,185	6
Short-term bills payable	32,170,182	5	5,907,698	1
Financial liabilities at fair value through profit or loss	28,382	-	372	-
Contract liabilities	6,408,943	1	4,833,211	1
Notes and accounts payable	18,931,404	3	18,995,689	3
Notes and accounts payable to related parties	269,030	-	327,836	-
Lease liabilities	3,213,996	-	3,218,502	-
Payables to suppliers of machinery and equipment	3,973,468	1	3,556,519	1
Other payables	15,577,136	2	15,949,146	3
Current tax liabilities	3,462,990	1	3,146,037	-
Provisions	301,143	-	256,684	-
Guarantee deposits received	157,537	-	145,360	-
Current portion of long-term liabilities	25,081,824	4	23,213,998	4
Other current liabilities	3,023,979	-	3,467,081	1
Total current liabilities	<u>158,191,762</u>	<u>24</u>	<u>124,141,318</u>	<u>20</u>
<b>NON-CURRENT LIABILITIES</b>				
Contract liabilities	10,375,860	2	10,619,363	2
Bonds payable	92,419,985	14	103,892,830	16
Long-term borrowings	93,047,183	14	96,014,553	15
Provisions	1,447,991	-	1,401,275	-
Deferred tax liabilities	18,396,917	3	18,568,637	3
Lease liabilities	6,491,971	1	6,447,007	1
Deferred credit-gains on related-party transactions	120,861	-	121,416	-
Net defined benefit liabilities	531,833	-	873,412	-
Guarantee deposits received	769,600	-	779,279	-
Other non-current liabilities	4,291,870	1	3,053,577	1
Total non-current liabilities	<u>227,894,071</u>	<u>35</u>	<u>241,771,349</u>	<u>38</u>
Total liabilities	<u>386,085,833</u>	<u>59</u>	<u>365,912,667</u>	<u>58</u>
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>				
Share capital				
Common stock	53,528,751	8	53,528,751	8
Capital surplus	3,408,541	1	3,403,003	1
Retained earnings				
Legal reserve	20,777,078	3	19,759,271	3
Special reserve	119,142,658	18	119,451,597	19
Unappropriated earnings	13,294,029	2	13,856,572	2
Total retained earnings	153,213,765	23	153,067,440	24
Other equity	(1,117,516)	-	(3,925,396)	(1)
Treasury shares	(25,063)	-	(25,063)	-
Total equity attributable to owners of the Company	<u>209,008,478</u>	<u>32</u>	<u>206,048,735</u>	<u>32</u>
<b>NON-CONTROLLING INTERESTS</b>				
Total equity	<u>62,663,599</u>	<u>9</u>	<u>63,366,183</u>	<u>10</u>
<b>TOTAL</b>	<u>\$ 657,757,910</u>	<u>100</u>	<u>\$ 635,327,585</u>	<u>100</u>

# FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2022		2021	
	Amount	%	Amount	%
<b>OPERATING REVENUE</b>				
Net sales	\$191,973,405	73	\$169,280,929	71
Telecommunications service revenue	46,149,939	17	45,333,985	19
Construction revenue	4,861,293	2	7,297,098	3
Other operating revenue	<u>20,959,888</u>	<u>8</u>	<u>16,894,205</u>	<u>7</u>
Total operating revenue	<u>263,944,525</u>	<u>100</u>	<u>238,806,217</u>	<u>100</u>
<b>OPERATING COSTS</b>				
Cost of goods sold	172,811,663	65	151,471,140	63
Cost of telecommunications services	24,358,966	9	24,338,066	10
Construction costs	4,094,657	2	6,517,730	3
Other operating costs	12,640,976	5	9,910,004	4
Loss on disposal of investments, net	<u>17,812</u>	<u>-</u>	<u>83,577</u>	<u>-</u>
Total operating costs	<u>213,924,074</u>	<u>81</u>	<u>192,320,517</u>	<u>80</u>
GROSS PROFIT	<u>50,020,451</u>	<u>19</u>	<u>46,485,700</u>	<u>20</u>
REALIZED CONSTRUCTION INCOME	<u>555</u>	<u>-</u>	<u>555</u>	<u>-</u>
<b>OPERATING EXPENSES</b>				
Selling and marketing	23,587,255	9	23,047,831	10
General and administrative	11,348,264	4	10,781,952	5
Research and development	989,952	1	880,071	-
Expected credit loss	<u>329,171</u>	<u>-</u>	<u>283,543</u>	<u>-</u>
Total operating expenses	<u>36,254,642</u>	<u>14</u>	<u>34,993,397</u>	<u>15</u>
OTHER GAIN AND LOSS, NET	<u>583,435</u>	<u>-</u>	<u>218,680</u>	<u>-</u>
OPERATING INCOME	<u>14,349,799</u>	<u>5</u>	<u>11,711,538</u>	<u>5</u>
<b>NON-OPERATING INCOME AND EXPENSES</b>				
Share of the profit or loss of associates	4,416,876	2	7,221,766	3
Interest income	441,709	-	266,179	-
Other income	1,579,547	-	1,300,742	-
(Loss) gain on financial assets (liabilities) at fair value through profit or loss, net	(679,849)	-	529,457	-
Gain on change in fair value of investment properties	341,971	-	249,820	-
Interest expense	(3,340,022)	(1)	(2,691,754)	(1)
Other expenses	(744,162)	-	(722,472)	-

(Continued)



# FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2022		2021	
	Amount	%	Amount	%
Exchange gain (loss), net	1,375,481	-	(207,822)	-
Impairment loss	(60,256)	-	(834,189)	-
(Loss) gain on disposal of non-financial assets	<u>(531,464)</u>	<u>-</u>	<u>1,004,040</u>	<u>-</u>
Total non-operating income and expenses	<u>2,799,831</u>	<u>1</u>	<u>6,115,767</u>	<u>2</u>
INCOME BEFORE INCOME TAX	<u>17,149,630</u>	<u>6</u>	<u>17,827,305</u>	<u>7</u>
INCOME TAX EXPENSE	<u>(3,808,480)</u>	<u>(1)</u>	<u>(2,982,820)</u>	<u>(1)</u>
NET INCOME	<u>13,341,150</u>	<u>5</u>	<u>14,844,485</u>	<u>6</u>
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	363,331	-	317,398	-
Gain on property revaluation	52,685	-	272,452	-
Unrealized loss on investments in equity instruments designated as at fair value through other comprehensive income	(1,290,251)	(1)	(170,815)	-
Share of the other comprehensive income (loss) gain of associates accounted for using the equity method	(327,431)	-	415,502	1
Income tax relating to items that will not be reclassified subsequently to profit or loss	<u>(69,904)</u>	<u>-</u>	<u>(78,870)</u>	<u>-</u>
	<u>(1,271,570)</u>	<u>(1)</u>	<u>755,667</u>	<u>1</u>
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of foreign operations	3,667,120	2	(1,314,281)	(1)
Gain on hedging instruments	3,463	-	12,025	-
Share of the other comprehensive income (loss) of associates accounted for using the equity method	<u>717,338</u>	<u>-</u>	<u>(433,142)</u>	<u>-</u>
OTHER COMPREHENSIVE INCOME (LOSS)	<u>4,387,921</u>	<u>2</u>	<u>(1,735,398)</u>	<u>(1)</u>
Other comprehensive income (loss), net of income tax	<u>3,116,351</u>	<u>1</u>	<u>(979,731)</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME	<u>\$ 16,457,501</u>	<u>6</u>	<u>\$ 13,864,754</u>	<u>6</u>

(Continued)

# FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2022		2021	
	Amount	%	Amount	%
NET INCOME ATTRIBUTABLE TO:				
Owners of the Company	\$ 8,160,292	3	\$ 9,684,584	4
Non-controlling interests	<u>5,180,858</u>	<u>2</u>	<u>5,159,901</u>	<u>2</u>
	<u>\$ 13,341,150</u>	<u>5</u>	<u>\$ 14,844,485</u>	<u>6</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the Company	\$ 11,284,425	4	\$ 9,169,547	4
Non-controlling interests	<u>5,173,076</u>	<u>2</u>	<u>4,695,207</u>	<u>2</u>
	<u>\$ 16,457,501</u>	<u>6</u>	<u>\$ 13,864,754</u>	<u>6</u>
EARNINGS PER SHARE (NEW TAIWAN DOLLARS)				
Basic	<u>\$ 1.63</u>		<u>\$ 1.94</u>	
Diluted	<u>\$ 1.63</u>		<u>\$ 1.94</u>	

(Concluded)

**FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES**

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021  
(In Thousands of New Taiwan Dollars)**

	Equity Attributable to Owners of the Company												
	Common Stock	Capital Surplus	Retained Earnings			Other Equity					Total Equity Attributable to Owners of the Company	Non-controlling Interests	Total Equity
			Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translation of Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Gain on Hedging Instruments	Gain on Property Revaluations	Treasury Shares			
BALANCE AT JANUARY 1, 2021	\$ 53,528,751	\$ 3,320,137	\$ 19,028,517	\$117,342,360	\$ 13,744,880	\$ (7,218,941)	\$ 1,995,447	\$ 19,480	\$ 2,293,619	\$ (25,063)	\$204,029,187	\$ 65,395,453	\$269,424,640
Appropriation of the 2020 earnings	-	-	730,754	-	(730,754)	-	-	-	-	-	-	-	-
Legal reserve	-	-	-	-	(730,754)	-	-	-	-	-	-	-	-
Special reserve	-	-	-	2,109,237	(2,109,237)	-	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	(7,226,382)	-	-	-	-	-	(7,226,382)	-	(7,226,382)
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(4,705,450)	(4,705,450)
Cash dividends distributed by subsidiaries from capital surplus	-	-	-	-	-	-	-	-	-	-	-	(2,041,690)	(2,041,690)
Net income for the year ended December 31, 2021	-	-	-	-	9,684,584	-	-	-	-	-	9,684,584	5,159,901	14,844,485
Other comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	288,692	(1,500,584)	409,880	3,912	283,063	-	(515,037)	(464,694)	(979,731)
Total comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	9,973,276	(1,500,584)	409,880	3,912	283,063	-	9,169,547	4,695,207	13,864,754
Change in associates accounted for using the equity method	-	131,179	-	-	46,117	-	(50,869)	-	(1,731)	-	124,696	1,134	125,830
Change in the Company's capital surplus due to the distribution of dividends to subsidiaries	-	1,052	-	-	-	-	-	-	-	-	1,052	-	1,052
Differences between the acquisition or disposition of the equity price of subsidiaries and the carrying amount	-	(50,072)	-	-	-	-	-	-	-	-	(50,072)	(27,167)	(77,239)
Change in ownership interest of subsidiaries	-	707	-	-	-	-	-	-	-	-	707	48,696	49,403
Disposal of equity instruments measured at fair value through other comprehensive income	-	-	-	-	125,315	-	(125,315)	-	-	-	-	-	-
Associate disposed the investment in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	33,357	-	(33,357)	-	-	-	-	-	-
BALANCE AT DECEMBER 31, 2021	53,528,751	3,403,003	19,759,271	119,451,597	13,856,572	(8,719,525)	2,195,786	23,392	2,574,951	(25,063)	206,048,735	63,366,183	269,414,918
Appropriation of the 2021 earnings	-	-	1,017,807	-	(1,017,807)	-	-	-	-	-	-	-	-
Legal reserve	-	-	-	-	(1,017,807)	-	-	-	-	-	-	-	-
Special reserve	-	-	-	779,995	(779,995)	-	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	(8,029,313)	-	-	-	-	-	(8,029,313)	-	(8,029,313)
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(5,290,167)	(5,290,167)
Cash dividends distributed by subsidiaries from capital surplus	-	-	-	-	-	-	-	-	-	-	-	(1,464,953)	(1,464,953)
Net income for the year ended December 31, 2022	-	-	-	-	8,160,292	-	-	-	-	-	8,160,292	5,180,858	13,341,150
Other comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	342,487	4,146,901	(1,384,912)	1,192	18,465	-	3,124,133	(7,782)	3,116,351
Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	8,502,779	4,146,901	(1,384,912)	1,192	18,465	-	11,284,425	5,173,076	16,457,501
Change in associates accounted for using the equity method	-	(288)	-	-	1,054	-	(142)	-	(6)	-	618	(7,585)	(6,967)
Change in the Company's capital surplus due to the distribution of dividends to subsidiaries	-	1,169	-	-	-	-	-	-	-	-	1,169	-	1,169
Change in ownership interest of subsidiaries	-	4,581	-	-	(301,813)	-	-	-	-	-	(297,232)	207,051	(90,181)
Share-based payment arrangements	-	76	-	-	-	-	-	-	-	-	76	123	199
Increase in non-controlling Interests	-	-	-	-	-	-	-	-	-	-	-	679,871	679,871
Associate disposed the investment in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	(26,382)	-	26,382	-	-	-	-	-	-
Reversal of special reserve	-	-	-	(1,088,934)	1,088,934	-	-	-	-	-	-	-	-
BALANCE AT DECEMBER 31, 2022	<u>\$ 53,528,751</u>	<u>\$ 3,408,541</u>	<u>\$ 20,777,078</u>	<u>\$119,142,658</u>	<u>\$ 13,294,029</u>	<u>\$ (4,572,624)</u>	<u>\$ 837,114</u>	<u>\$ 24,584</u>	<u>\$ 2,593,410</u>	<u>\$ (25,063)</u>	<u>\$209,008,478</u>	<u>\$ 62,663,599</u>	<u>\$271,672,077</u>

# FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

	<b>2022</b>	<b>2021</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income before income tax	\$ 17,149,630	\$ 17,827,305
Adjustments for:		
Depreciation	20,945,978	20,634,019
Amortization	6,778,942	6,916,743
Expected credit loss	329,171	283,543
Interest expense	3,340,022	2,691,754
Interest income	(441,709)	(266,179)
Dividend income	(148,385)	(87,330)
Share-based payment arrangements	199	-
Share of the profit of associates	(4,416,876)	(7,221,766)
Loss (gain) on disposal of non-financial assets	531,464	(1,004,040)
Loss on disposal of investments	3	63,092
Impairment loss	60,256	834,189
Write-down of inventories	364,176	34,773
Realized gain on the transactions with associates	(555)	(555)
Gain on change in fair value of investment properties	(341,971)	(249,820)
Gain on modifications of lease	-	(306)
Net changes in operating assets and liabilities		
Financial assets at fair value through profit or loss	149,104	(518,568)
Contract assets	(274,189)	(893,412)
Notes and accounts receivable	488,685	(2,815,713)
Other receivables	(389,306)	13,757
Inventories	(3,991,114)	(10,353,496)
Prepayments	749,821	(1,309,711)
Other current assets	(181,647)	(294,136)
Incremental cost of obtaining a contract	206,674	(418,324)
Financial liabilities at fair value through profit or loss	28,010	(10,247)
Contract liabilities	1,265,607	9,753,661
Notes and accounts payable	(392,164)	1,249,633
Notes and accounts payable to related parties	(125,382)	36,816
Other payables	(747,876)	1,627,786
Provisions	94,693	359,365
Other current liabilities	(443,102)	299,409
Net defined benefit assets and liabilities	(253,254)	(481,489)
Other non-current liabilities	(620,827)	(146,327)
Cash generated from operations	39,714,078	36,554,426
Interest received	420,544	291,443
Dividends received	5,334,049	5,031,452
Interest paid	(3,268,399)	(2,805,822)
Income tax paid	(3,689,420)	(2,693,719)
Net cash generated from operating activities	<u>38,510,852</u>	<u>36,377,780</u>

(Continued)

# FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

	2022	2021
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of financial assets at fair value through other comprehensive income	(3,003)	(5,248,450)
Proceeds from the disposal of financial assets at fair value through other comprehensive income	-	272,256
Cash received by reduction of capital of financial assets at fair value through other comprehensive income	15,769	21,450
Decrease (increase) in financial assets at amortized cost	891,412	(1,234,408)
Acquisition of investments accounted for using the equity method	(901,266)	(1,773,561)
Prepayments for long-term investment	(168,812)	-
Acquisition of property, plant, equipment and prepayments for equipment	(22,869,950)	(20,173,864)
Proceeds from the disposal of property, plant and equipment	138,674	3,130,060
Increase in refundable deposits	(259,096)	(5,337)
(Increase) decrease in other receivables	(1,618,640)	568,230
Acquisition of intangible assets	(760,501)	(684,663)
Increase in concessions	(336,028)	(171,271)
Proceeds from disposal of concessions	5,516	1,714
Proceeds on the disposal of intangible assets	41,291	19,411
Acquisition of right-of-use assets	-	(1,752)
Acquisition of investment properties	(30,285)	(21,258)
Proceeds from the disposal of investment properties	62,434	192,882
Decrease in other financial assets	192,509	325,014
Decrease (increase) in other non-current assets	212,821	(164,261)
Other investing activities	<u>1,864,609</u>	<u>3,163,755</u>
Net cash used in investing activities	<u>(23,522,546)</u>	<u>(21,784,053)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Increase in short-term borrowings	2,086,686	7,648,572
Increase (decrease) in short-term bills payables	26,365,800	(1,000,522)
Proceeds from issue of bonds	9,500,000	21,400,000
Repayments of bonds payables	(22,200,000)	(13,200,000)
Proceeds from long-term borrowings	266,109,827	230,986,198
Repayments of long-term borrowings	(266,058,369)	(243,049,759)
Increase in guarantee deposits received	2,498	37,081
Repayment of the principal portion of lease liability	(3,969,182)	(3,953,827)
Decrease in other non-current liabilities	(5,489)	(9,176)
Cash dividends paid	(8,029,313)	(7,226,382)
Increase on non-controlling interests	-	49,403
Issuance of ordinary shares for cash in subsidiaries	679,871	-
Acquisition of partial equity in subsidiaries from non-controlling interest	(90,181)	(77,239)
Dividends paid to non-controlling interests	<u>(6,754,712)</u>	<u>(6,746,753)</u>

(Continued)

## FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

### CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

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	<b>2022</b>	<b>2021</b>
Net cash used in financing activities	<u>(2,362,564)</u>	<u>(15,142,404)</u>
EFFECTS OF EXCHANGE RATE CHANGES	<u>73,794</u>	<u>(104,979)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	12,699,536	(653,656)
CASH AND CASH EQUIVALENTS, BEGINNING OF THE YEAR	<u>34,544,963</u>	<u>35,198,619</u>
CASH AND CASH EQUIVALENTS, END OF THE YEAR	<u>\$ 47,244,499</u>	<u>\$ 34,544,963</u>

(Concluded)

# Independent auditors' report

## (English Translation of a Report Originally Issued in Chinese)

The Board of Directors and the Shareholders  
Far Eastern New Century Corporation

### Opinion

We have audited the financial statements of Far Eastern New Century Corporation (the "Company"), which comprise the balance sheets as of December 31, 2022 and 2021, and the statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the report of other auditors (please refer to the Other Matter paragraph), the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and 2021, and its financial performance and cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

### Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion based on our audits and the reports of other auditors.

### Key Audit Matters

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

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

#### Fair Value Evaluation of Investment Properties (Including Investment Properties Held by Subsidiaries Accounted for Using the Equity Method)

The Company's investment properties (including the investment properties held by subsidiaries accounted for by using the equity method) are subsequently measured using the fair value model. The fair value evaluation involves significant accounting estimation and judgment. As a result, the fair value evaluation of investment properties (including the investment properties held by subsidiaries accounted for by using the equity method) is considered a key audit matter.

For the accounting policies, significant accounting judgment, estimations, and assumptions of the main sources of uncertainty related to investment properties, refer to Notes 4(i) and 5 to the accompanying financial statements. For more information about the Company's investment properties, refer to Note 13 to the financial statements.

For the fair value evaluation of investment properties, our corresponding audit procedures were as follows:

1. We assessed the competencies and independence of the external valuer engaged by the management, discussed with the management the valuer's work scope and process of engagement acceptance, evaluated the risk of possible impairment of the valuer's independence and determined that the valuer's work scope was free from limiting factors.
2. We assessed the reasonableness of the valuer's assumptions and methods used in the valuation.
3. We audited items from management's supporting documentation, including data which was used by the valuer in the valuation process.

#### Recognition of Revenue Derived from Mobile Telecommunications Service of a Subsidiary's Associate

Far EasTone, an associate of the Company's subsidiary is a material component. The mobile telecommunications service revenue is the main revenue source of Far EasTone. The calculation of mobile telecommunications service revenue relies heavily on automated systems and includes complicated and huge amounts of data transmission. In order to meet market demands and remain competitive, Far EasTone often launches different combinations of products and services. The charge rates of the aforementioned products and services are set manually to systems. Since the effectiveness of the design and implementation of internal controls over systems and rate settings relevant to telecommunications service revenue directly and significantly affects the accuracy of revenue calculation, the recognition of mobile telecommunications service revenue is considered a key audit matter.

By conducting tests of controls, we obtained an understanding of the recognition of mobile telecommunications service revenue and the design and implementation of related controls.

We also engaged internal information technology (IT) specialists to understand and assess the systems and internal controls relevant to mobile telecommunications service revenue and perform the corresponding audit procedures which are listed as follows. The IT specialists:

1. Identified key systems that processed mobile telecommunications service revenue; assessed and tested the general information technology controls of the aforementioned systems, including access controls and change controls.
2. Tested the completeness and accuracy of interface controls between the switch equipment and the billing systems.
3. Tested the access controls and change controls over the input of rates to the billing systems.
4. Tested the accuracy of the billing calculation.
5. Tested the completeness and accuracy of the calculation and billing of monthly fees, airtime fees and value-added service fees.

In coordination with the internal IT specialists, we:

1. Performed dialing tests to verify the accuracy and completeness of the traffic and information in the switch equipment.
2. Sampled user contracts to confirm the accuracy of the billing system information.

For the revenue recognition of billed and unbilled amounts, we conducted the following tests:

1. For the billed amounts, we compared whether there is any difference between the reports generated from the accounting system and the billing system.
2. For the unbilled amounts, we recalculated the service revenue for services provided as of the balance sheet date based on the applied charge rates to confirm the accuracy of the amounts.



## **Other Matter**

The financial statements of APG Polytech, LLC and Corpus Christi Polymers, LLC, associates of the Company's subsidiaries, were audited by other auditors. Our opinion, insofar as it relates to the amounts of investment accounted for using the equity method and comprehensive income included in the financial statements for these investees, is based solely on the reports of other auditors. The balance of investment accounted for using the equity method of the aforementioned investees was NT\$20,292,936 thousand and NT\$15,882,387 thousand, representing 6% and 5% of the Company's total assets as of December 31, 2022 and 2021. The comprehensive income of the aforementioned investees were NT\$3,321,429 thousand and NT\$854,804 thousand, representing 29% and 9% of the Company's total comprehensive income for the years ended December 31, 2022 and 2021, respectively.

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

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

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

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

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

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

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

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to

the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision, and performance of the audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partners on the audits resulting in this independent auditors' report are Chih-Ming Shao and Jr Shian Ke.

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

March 16, 2023

#### Notice to Readers

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

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

# FAR EASTERN NEW CENTURY CORPORATION

## BALANCE SHEETS

DECEMBER 31, 2022 AND 2021

(In Thousands of New Taiwan Dollars)

ASSETS	2022		2021	
	Amount	%	Amount	%
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	\$ 12,777,733	4	\$ 17,887,855	6
Financial assets at fair value through profit or loss	-	-	10,163	-
Notes and accounts receivable, net	7,315,406	2	7,749,273	2
Other receivables	293,306	-	306,763	-
Current tax assets	7,058	-	17,344	-
Inventories	7,549,667	2	6,656,153	2
Prepayments	591,340	-	585,473	-
Refundable deposits	67	-	5,592	-
Other current assets	222,784	-	238,962	-
Total current assets	<u>28,757,361</u>	<u>8</u>	<u>33,457,578</u>	<u>10</u>
<b>NON-CURRENT ASSETS</b>				
Investments accounted for using the equity method	289,347,328	84	274,119,131	82
Property, plant and equipment	21,800,981	7	22,808,295	7
Right-of-use assets	494,523	-	432,439	-
Investment properties	1,090,987	-	1,065,125	-
Other intangible assets	17,971	-	15,611	-
Deferred tax assets	19,359	-	12,638	-
Prepayments for equipment	354,757	-	28,102	-
Refundable deposits	58,473	-	57,348	-
Net defined benefit assets	1,563,512	1	1,322,348	1
Other financial assets	66,943	-	56,642	-
Other non-current assets	81,245	-	100,601	-
Total non-current assets	<u>314,896,079</u>	<u>92</u>	<u>300,018,280</u>	<u>90</u>
<b>TOTAL</b>	<u>\$ 343,653,440</u>	<u>100</u>	<u>\$ 333,475,858</u>	<u>100</u>
<b>LIABILITIES AND EQUITY</b>				
<b>CURRENT LIABILITIES</b>				
Short-term borrowings	\$ 4,683,921	1	\$ 3,772,868	1
Short-term bills payable	15,547,728	5	-	-
Financial liabilities at fair value through profit or loss	19,691	-	-	-
Contract liabilities	211,605	-	251,722	-
Notes and accounts payable	1,854,052	1	1,670,187	1
Notes and accounts payable to related parties	1,320,418	-	1,335,725	-
Payables to suppliers of machinery and equipment	7,390	-	1,804	-
Other payables	4,904,046	2	5,101,639	2
Lease liabilities	240,617	-	232,097	-
Current portion of long-term liabilities	10,663,990	3	9,496,599	3
Other current liabilities	811,390	-	779,180	-
Total current liabilities	<u>40,264,848</u>	<u>12</u>	<u>22,641,821</u>	<u>7</u>
<b>NON-CURRENT LIABILITIES</b>				
Lease liabilities	264,705	-	208,966	-
Bonds payable	56,649,673	16	61,631,311	18
Long-term borrowings	34,840,806	10	40,417,185	12
Deferred tax liabilities	2,579,382	1	2,481,372	1
Guarantee deposits received	1,043	-	1,043	-
Deferred credit-gains on related-party transactions	44,505	-	45,425	-
Total non-current liabilities	<u>94,380,114</u>	<u>27</u>	<u>104,785,302</u>	<u>31</u>
Total liabilities	<u>134,644,962</u>	<u>39</u>	<u>127,427,123</u>	<u>38</u>
<b>EQUITY</b>				
Share capital				
Common stock	53,528,751	15	53,528,751	16
Capital surplus	3,408,541	1	3,403,003	1
Retained earnings				
Legal reserve	20,777,078	6	19,759,271	6
Special reserve	119,142,658	35	119,451,597	36
Unappropriated earnings	13,294,029	4	13,856,572	4
Total retained earnings	<u>153,213,765</u>	<u>45</u>	<u>153,067,440</u>	<u>46</u>
Other equity	(1,117,516)	-	(3,925,396)	(1)
Treasury shares	(25,063)	-	(25,063)	-
Total equity	<u>209,008,478</u>	<u>61</u>	<u>206,048,735</u>	<u>62</u>
<b>TOTAL</b>	<u>\$ 343,653,440</u>	<u>100</u>	<u>\$ 333,475,858</u>	<u>100</u>

# FAR EASTERN NEW CENTURY CORPORATION

## STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2022		2021	
	Amount	%	Amount	%
OPERATING REVENUE				
Net sales	\$51,246,072	100	\$45,527,236	100
OPERATING COSTS				
Cost of goods sold	<u>43,950,999</u>	<u>86</u>	<u>38,592,537</u>	<u>85</u>
GROSS PROFIT	<u>7,295,073</u>	<u>14</u>	<u>6,934,699</u>	<u>15</u>
OPERATING EXPENSES				
Selling and marketing	5,322,093	10	4,848,388	11
General and administrative	1,980,934	4	1,906,015	4
Research and development	813,144	2	712,873	1
Expected credit loss	<u>6,695</u>	<u>-</u>	<u>22,361</u>	<u>-</u>
Total operating expenses	<u>8,122,866</u>	<u>16</u>	<u>7,489,637</u>	<u>16</u>
OPERATING (LOSS) INCOME	<u>(827,793)</u>	<u>(2)</u>	<u>(554,938)</u>	<u>(1)</u>
NON-OPERATING INCOME AND EXPENSES				
Share of the profit or loss of subsidiaries and associates	9,249,244	18	11,578,885	25
Interest income	44,953	-	13,560	-
Other income	251,601	-	349,873	1
Gain on disposal of property, plant and equipment	15,508	-	3,809	-
Gain (loss) on disposal of investments	83	-	(47,580)	-
Gain on change in fair value of investment properties	25,862	-	41,713	-
Exchange gain (loss), net	880,347	2	(194,288)	-
(Loss) gain on financial assets (liabilities) at fair value through profit or loss	(161,086)	-	71,185	-
Interest expense	(1,110,613)	(2)	(890,867)	(2)
Other expenses	(205,894)	-	(264,369)	(1)
Impairment (loss) recovery benefit	<u>60,872</u>	<u>-</u>	<u>(163,229)</u>	<u>-</u>
Total non-operating income and expenses	<u>9,050,877</u>	<u>18</u>	<u>10,498,692</u>	<u>23</u>
INCOME BEFORE INCOME TAX	8,223,084	16	9,943,754	22
INCOME TAX BENEFIT (EXPENSE)	<u>(62,792)</u>	<u>-</u>	<u>(259,170)</u>	<u>(1)</u>
NET INCOME	<u>8,160,292</u>	<u>16</u>	<u>9,684,584</u>	<u>21</u>

(Continued)

# FAR EASTERN NEW CENTURY CORPORATION

## STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2022		2021	
	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	131,201	-	334,120	1
Share of other comprehensive profit or loss of subsidiaries and associates	(801,101)	(1)	850,012	2
Income tax relating to items that will not be reclassified subsequently to profit or loss	<u>(26,240)</u>	<u>-</u>	<u>(66,824)</u>	<u>-</u>
	<u>(696,140)</u>	<u>(1)</u>	<u>1,117,308</u>	<u>3</u>
Items that may be reclassified subsequently to profit or loss:				
Share of other comprehensive profit or loss of subsidiaries and associates	<u>3,820,273</u>	<u>7</u>	<u>(1,632,345)</u>	<u>(4)</u>
Other comprehensive income (loss), net of income tax	<u>3,124,133</u>	<u>6</u>	<u>(515,037)</u>	<u>(1)</u>
TOTAL COMPREHENSIVE INCOME	<u>\$11,284,425</u>	<u>22</u>	<u>\$ 9,169,547</u>	<u>20</u>
EARNINGS PER SHARE (NEW TAIWAN DOLLARS)				
Basic	<u>\$ 1.63</u>		<u>\$ 1.94</u>	
Diluted	<u>\$ 1.63</u>		<u>\$ 1.94</u>	

(Concluded)

## FAR EASTERN NEW CENTURY CORPORATION

### STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

	Common Stock	Capital Surplus	Retained Earnings			Exchange Differences on Translation of Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Gain on Hedging Instruments	Gain on Property Revaluations	Treasury Shares	Total Equity
			Legal Reserve	Special Reserve	Unappropriated Earnings						
BALANCE AT JANUARY 1, 2021	\$ 53,528,751	\$ 3,320,137	\$ 19,028,517	\$117,342,360	\$ 13,744,880	\$ (7,218,941)	\$ 1,995,447	\$ 19,480	\$ 2,293,619	\$ (25,063)	\$204,029,187
Appropriation of the 2020 earnings											
Legal reserve	-	-	730,754	-	(730,754)	-	-	-	-	-	-
Special reserve	-	-	-	2,109,237	(2,109,237)	-	-	-	-	-	-
Cash dividends	-	-	-	-	(7,226,382)	-	-	-	-	-	(7,226,382)
Net income for the year ended December 31, 2021	-	-	-	-	9,684,584	-	-	-	-	-	9,684,584
Other comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	288,692	(1,500,584)	409,880	3,912	283,063	-	(515,037)
Total comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	9,973,276	(1,500,584)	409,880	3,912	283,063	-	9,169,547
Change in associates and subsidiaries accounted for using the equity method	-	81,814	-	-	98,746	-	(103,498)	-	(1,731)	-	75,331
Change in the Company's capital surplus due to the distribution of dividends to subsidiaries	-	1,052	-	-	-	-	-	-	-	-	1,052
Subsidiaries and associates disposal the investment in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	106,043	-	(106,043)	-	-	-	-
BALANCE, DECEMBER 31, 2021	53,528,751	3,403,003	19,759,271	119,451,597	13,856,572	(8,719,525)	2,195,786	23,392	2,574,951	(25,063)	206,048,735
Appropriation of the 2021 earnings											
Legal reserve	-	-	1,017,807	-	(1,017,807)	-	-	-	-	-	-
Special reserve	-	-	-	779,995	(779,995)	-	-	-	-	-	-
Cash dividends	-	-	-	-	(8,029,313)	-	-	-	-	-	(8,029,313)
Net income for the year ended December 31, 2022	-	-	-	-	8,160,292	-	-	-	-	-	8,160,292
Other comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	342,487	4,146,901	(1,384,912)	1,192	18,465	-	3,124,133
Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	8,502,779	4,146,901	(1,384,912)	1,192	18,465	-	11,284,425
Change in associates and subsidiaries accounted for using the equity method	-	4,369	-	-	(325,355)	-	24,454	-	(6)	-	(296,538)
Change in the Company's capital surplus due to the distribution of dividends to subsidiaries	-	1,169	-	-	-	-	-	-	-	-	1,169
Associates disposed the investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	(1,786)	-	1,786	-	-	-	-
Reversal of special reserve	-	-	-	(1,088,934)	1,088,934	-	-	-	-	-	-
BALANCE, DECEMBER 31, 2022	\$ 53,528,751	\$ 3,408,541	\$ 20,777,078	\$119,142,658	\$ 13,294,029	\$ (4,572,624)	\$ 837,114	\$ 24,584	\$ 2,593,410	\$ (25,063)	\$209,008,478

# FAR EASTERN NEW CENTURY CORPORATION

## STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

	2022	2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income before income tax	\$ 8,223,084	\$ 9,943,754
Adjustments for:		
Depreciation	2,305,187	2,378,051
Amortization	10,066	9,229
Expected credit loss	6,695	22,361
Interest expense	1,110,613	890,867
Interest income	(44,953)	(13,560)
Share of the profit of subsidiaries and associates	(9,249,244)	(11,578,885)
Gain on disposal of property, plant and equipment	(15,508)	(3,809)
(Gain)/loss on disposal of investments	(83)	47,580
(Reversal of) impairment loss	(60,872)	163,229
(Reversal of) write-down of inventories	(128,876)	121,694
Gain on change in fair value of investment properties	(25,862)	(41,713)
Net changes in operating assets and liabilities		
Financial assets at fair value through profit or loss	10,163	(10,163)
Notes and accounts receivable	427,172	(2,674,405)
Other receivables	13,457	(89,659)
Inventories	(764,638)	(2,496,534)
Prepayments	(5,867)	(529,386)
Other current assets	16,178	(61,420)
Contract liabilities	(40,117)	(43,034)
Notes and accounts payable	183,865	435,287
Notes and accounts payable to related parties	(15,307)	591,820
Other payables	(216,250)	843,150
Financial liabilities at fair value through profit or loss	19,691	(10,619)
Other current liabilities	32,210	12,470
Net defined benefit assets	(109,962)	(419,527)
Cash generated from operations	1,680,842	(2,513,222)
Interest received	44,953	13,648
Dividends received	10,277,476	8,073,232
Interest paid	(1,106,500)	(958,437)
Income tax received	12,543	15,518
Net cash generated from operating activities	<u>10,909,314</u>	<u>4,630,739</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Decrease (increase) in financial assets at amortized cost	-	300,000
Acquisition of investments accounted for using the equity method	(13,572,613)	(1,974,813)
Proceeds from the capital reduction on investments accounted for using the equity method	39,984	-
Acquisition of property, plant, equipment and prepayments for equipment	(1,373,552)	(857,796)
Proceeds from disposal of property, plant and equipment	16,641	5,262
Decrease in refundable deposits	4,400	10,450

(Continued)

# FAR EASTERN NEW CENTURY CORPORATION

## STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

	2022	2021
Decrease in other receivables	-	660,000
Acquisition of intangible assets	(12,426)	(8,560)
(Increase) decrease in other financial assets	(10,301)	14,701
Decrease (increase) in other non-current assets	<u>95,079</u>	<u>(46,455)</u>
Net cash used in investing activities	<u>(14,812,788)</u>	<u>(1,897,211)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Increase in short-term borrowings	911,053	310,375
Proceeds from short-term bills payable	15,600,000	-
Proceeds from issue of bonds	5,000,000	17,200,000
Repayments of bonds payable	(9,500,000)	(11,300,000)
Proceeds from long-term borrowings	168,162,380	146,039,764
Repayments of long-term borrowings	(173,090,734)	(149,069,299)
Repayment of the principal portion of lease liabilities	(260,034)	(236,321)
Decrease in guarantee deposits received	-	(121)
Cash dividends paid	<u>(8,029,313)</u>	<u>(7,226,382)</u>
Net cash used in financing activities	<u>(1,206,648)</u>	<u>(4,281,984)</u>
DECREASE IN CASH AND CASH EQUIVALENTS	(5,110,122)	(1,548,456)
CASH AND CASH EQUIVALENTS, BEGINNING OF THE YEAR	<u>17,887,855</u>	<u>19,436,311</u>
CASH AND CASH EQUIVALENTS, END OF THE YEAR	<u>\$ 12,777,733</u>	<u>\$ 17,887,855</u>

(Concluded)



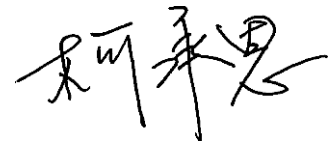
## Attachment II

### The Audit Committee's Review Report

To the 2023 General Shareholders' Meeting of Far Eastern New Century Corporation,

In accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, we have examined the Business Report, Financial Statements, and the Resolution for Allocation of Surplus Profit submitted by the Board of Directors for the year ending 2022 which had been audited by Deloitte & Touche, and found them in order.

The Convener of the Audit Committee: Chen-En Ko

Handwritten signature of Chen-En Ko in black ink.

May 9, 2023