

Stock Code 3673
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**TPK Holding Co., Ltd.**

## **Annual Report 2022**

**Annual report inquiry website**

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

**Website: <https://www.tpk.com>**

**Date of Printing: April 8, 2023**

**Notice to readers**

*This English-version annual report is a summary translation of the Chinese version and is not an official document of the General Meeting of Shareholders. If there is any discrepancy between the English and Chinese versions, the Chinese version shall prevail.*

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Web Site: <https://amplifitech.com>  
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CPA Name: Chuang, Pi-Yu, Kuo, Tzu-Jung      Address: The Twentieth Floor, No. 100, Songren  
CPA Firm: Deloitte Touche Tohmatsu Limited      Road, Sinyi District, Taipei.  
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### 5. Name of overseas trading office of listed valuable securities and the way to inquire information of valuable overseas securities:

Global Depository Shares	Trading office: Luxembourg Stock Exchange	Web Site: <a href="http://www.bourse.lu/Accueil.jsp">www.bourse.lu/Accueil.jsp</a>
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### 6. Web Site: <https://www.tpk.com>

## 7. Board members:

April 8, 2023

Position	Name	Nationality	Main Education/Experience Background
Chairman	Michael Chao-Juei Chiang	Canada	Business Administration, Fu Jen Catholic University TVM Corporation - Chairman Taiwan Video & Monitor Corporation - President
Director	Li-Chien Hsieh	Taiwan	Master of Business Administration (MBA), Duke University Lite-On Technology Corporation, Portable Image Device SBG - Chief Operation Officer Lite-On Young Fast Co. - President
Director	Tsung-Liang Tsai	Taiwan	Mechanical Engineering, Feng Chia University Business development at Green Point Incorporated Company -Director
Director	Capable Way Investments Limited	Samoa	Master of Business Administration, University of Michigan
	Representative: Hsi-Liang Liu	Taiwan	ASE Group -Vice President of Finance Citibank - Vice President of Unit Head
Director	Max Gain Management Limited	Samoa	Mechanical and Electrical Engineering, China University of Science and Technology Manufacturing department (China) of Tupo Optoelectronics Incorporated -Assistant Manager
	Representative: Heng-Yao Chang	Taiwan	Research departments of Chief Industrial Inc.-Assistant Manager TPK Holding Co., Ltd. - Senior Vice President
Director	High Focus Holdings Limited	Samoa	Mechanical Engineering , National Chin-Yi University of Technology
	Representative: Shih-Ming Liu	Taiwan	Quality assurance at TVM (PRC) Corporation- Assistant Vice President Amkor Co. Ltd.- Assistant Vice President
Independent Director	Ming-Jeng Weng	Taiwan	MBA, University of Southern California Citi Bank- Vice President Salomon Smith Barney Inc. Taipei Branch, Citi Group-General Manager Lehman Brothers Securities Taiwan Ltd.- Chairman Nomura International (Hong Kong) Limited, Taipei Branch -Managing Director
Independent Director	Yen-Wei Cheng	Taiwan	National Taipei Institute of Technology High Ten Corp. - Manager Hitron Technologies Inc. - Chairman & CEO
Independent Director	Hsiu-Chun Wang	Taiwan	PhD in Engineering-Economic Systems and Operations Research, Stanford University ABN AMRO Bank - Global Head of Semiconductor Research WK Technology Fund - Managing Director Grand River Capital Management Company - Consultant

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## **I. Letter to Shareholders**

In 2022, the global economy are still impacted by the COVID-19 pandemic and continued conflicts in Ukraine and Russia. In addition, the overall economy had not yet recovered, and the pressure of high inflation led the consuming power weakened. The inventory level of consumer electronics products gradually increased, causing related supply chain manufacturers to suffer setbacks, resulting in shipping delays or stagnation. Furthermore, with the Fed's consecutive interest rate hikes, global tech giants faced the dual pressures of the market demand and capital needs, and even implemented layoffs to reduce operating costs. Despite the unfavorable market conditions, the company actively adopted management strategies to improve the synergy and production efficiency of the group. With the best efforts of all employees, it executed efficient production, strict inventory control, and actively optimized costs. Although the annual revenue has decreased in 2022, the operating income is more profitable than the year before.

Looking forward to 2023, the COVID-19 pandemic is expected to be under control, and countries around the world are gradually lifting their quarantine policies and opening up. The global transportation network is also gradually returning to normal. However, the demand for consumer markets after the pandemic has not yet fully recovered. The company will continue to implement lean operations and adhere to innovative development, strengthen TPK's core competitiveness, keep up with market trends and grasp the new growth momentum. Meanwhile, TPK will work with existing customers to enhance the value of next-generation products and develop more state-of-the-art products for new customers. At the same time, the company will continue to explore new businesses, build up more connections with high-quality customers, expand the network of working partners, and strive for business growth and sustainable development.

### **Review of 2022 Company Strategy**

Since the second half of 2022, the COVID-19 pandemic has entered the post-epidemic phase, and market demand has already rebounded earlier, in addition, inflation and supply chain disruptions continue to influence the demand and shipment. This has posed many challenges for the company. In response to the worldwide economy circumstances, market demand, and industry changes, the strategic goals that the company has executed are outlined below.

#### **1. Product innovation and better efficiency**

Due to external factors such as the pandemic, material costs, transportation, labor, and prices of living have all been adversely affected. The company has adopted an efficient supply chain and production management to optimize costs and focus on improving product quality, yield rate, and production efficiency. This has increased customer satisfaction with product quality and service, and has also improved the company's profitability. TPK upholds the belief of being the main supplier for customers and actively seeks high-quality new customers. In addition to successfully mass producing new-generation products such as tablets and laptops, the company has also made significant gains in projects such as new electronic notebook and touch screen systems for new electric vehicles. By expanding product lines and service, TPK aims to increase the value of customers' products and

improve the best user experience for end-users.

## 2. Competitiveness enhancement and new business scope exploration

To adapt to the trend of climate change, anti-global warming, and carbon reduction, the company has actively developed innovative industries in new materials and new energy, and worked with more partners in trend industries to create new businesses with integrated manufacturing services. The R&D unit has been fully committed to developing new products, innovative engineering manufacturing, and strengthening the core competitiveness of the supply chain and production management to assist the development of new businesses. Currently, the company has obtained a project for the new energy vehicle cockpit central control system product. The company has also developed more diverse 3D printing product designs and layered manufacturing, and successfully expanded the product range and application by producing the dual-drive all-terrain two-wheel vehicle of a New Zealand brand last year.

## 3. Conservative policy and stable operation

In 2022, despite a decline in revenue, the company managed its expenses well, with an annual operating expense rate of approximately 3.7%. Furthermore, due to continuous improvement in automation equipment and production processes in recent years, the company can enjoy the flexibility of manpower scheduling, resulting in a slight reduction in the employee headcount from around 15,000 at the end of 2022 to around 14,800. To cope with increased operational risks, the company also rigorously managed accounts receivable and payable, as well as inventory turnover, while closely monitoring market information. As a result, the company demonstrated outstanding performance in risk control and cost management despite the challenges of reduced revenue and weak market demand.

## Financial Results

TPK reported sales of NT\$97.2 billion in 2022, down 5.7% year-on-year, and net profit for the parent company totaled NT\$544 million with a diluted earnings per share of NT\$1.34 decreased from 2021.

## Research & Development

As a leading company in touch solutions, our company continues to collaborate with customers to develop new designs, materials, and products in our existing product line. At the same time, we will continue to explore more diverse product applications, leveraging our rich experience in mass production manufacturing and supply chain management to assist our partners in adopting new technologies through innovative and optimized production processes, enabling rapid mass production and commercialization of products. As of the end of 2022, the group has been granted a total of 2,989 patents, including 1,731 invention patents and 1,258 utility model patents. In 2023, we will continue to actively assert our patent rights, engage in ongoing research and development, and apply for new patents to ensure our leading position in touch technology and a solid presence in new business ventures.

## Summary of Business Plans for 2023

Looking ahead to 2023, the global economy is facing significant pressures from inflation and high interest rates, as well as ongoing geopolitical risks and changes in the world's political and economic order, which constantly impact global economic and trade dynamics, as well as supply chain layout and management. Therefore, the company will continue to carefully assess international situations, economic demand, and industry changes, and respond timely to adjust our strategies accordingly. The outline of our business plan for 2023 is as follows:

### 1. Innovation with solid foundation and accumulation of extensive experiences

The company will leverage its strong R&D and manufacturing capabilities to serve as a mass production development partner and key supplier for customers' new products, and strive to gain more high-quality new customers. This year, in the development of new touch products, we will gradually introduce touch products of integrated assembly products for automotive display systems. We will work together with the existing customers to grow together, maintain stable production and quality of mass production products, and actively participate in the development and verification of next-generation products. On the basis of existing product supply, we will enhance product and service value for customers, expand our business, and deepen long-term cooperative relationships with customers.

### 2. Strengthening competitive expansion and gearing up for upcoming challenges

TPK will continue to innovate and steadily operate, expanding competitiveness in existing businesses while also extending core competencies in engineering, manufacturing, and production management to new ventures. In 2022, we have already secured projects in the production of complete sets of touch display systems for automotive applications, 3D printing manufacturing, and dual-wheel drive electric vehicle manufacturing. In 2023, the company will leverage its core competencies to participate in early-stage product design and development for brand customers, lead process development and implementation, optimize product validation, design and establish equipment production lines, and construct a managed supply chain to achieve high-quality and rapid mass production of new products for new customers. We will continue to expand into new fields such as new touch technology, new energy, and new materials, and strive to become a globally sustainable and continuously growing enterprise.

### 3. Conservative and steady operation

Due to global inflation and uncertain market demand, as well as potential interest rate hikes and the volatile economic and trade environment, our company will maintain a low financial leverage policy to cope with fluctuations in demand due to seasonality in the electronics industry. We will maintain a conservative and prudent financial structure to mitigate the impact on cash flow and profitability. Additionally, we will actively seek opportunities for effective cash management and foreign exchange hedging to stabilize the value of our funds and increase non-operating income.

## **Embrace the future**

In the coming year, the entire TPK team will uphold the attitude of relentless effort and continuous improvement. We will actively seek opportunities for transformation and providing professional manufacturing services, leveraging our rich manufacturing capabilities to extend the experience of TPK and deepen our manufacturing expertise in new fields. We will work hand-in-hand with our customers to launch more new products, and spare no effort to make 2023 a year of accumulation for TPK.

Meanwhile, the company will continue to uphold its social responsibility, strengthen environmental protection, care for the disadvantaged, and implement corporate governance (ESG) in accordance with laws and regulations. We will promote energy conservation and carbon reduction, establish green energy and energy-saving production, implement carbon auditing and carbon neutralization plans, and continue our journey towards sustainable development. Finally, the TPK management team would like to express our deepest gratitude to our shareholders, customers, and all employees for their long-term support and care. We sincerely hope that our shareholders and stakeholders will recognize and support the efforts and contributions of our company team, and endorse our strategies and direction for future development. Let us continue to move forward steadily, transform for growth, create maximum value for shareholders, and contribute to society as we always have.

Michael Chao-Juei Chiang, Chairman

Li-Chien Hsieh, Chief Executive Officer

## II. Company Profile

### 1. Date of Incorporation:

November 21, 2005

### 2. Company and Group Overview:

#### (1) Company Overview

TPK Holding Co., Ltd. (Hereinafter referred to as “this company”) was established in the Cayman Islands on November 21, 2005 with 28 subsidiaries which are responsible for the development, manufacturing, and sale of touch applications and other products.

TPK Touch Solutions Inc., as a base for TPK group, strives to develop touch technology. The company has become the smartphone touch sensor development partner of international companies after the successful ITO glass touch solution invented. Since then, the company settled the technology development directions and business strategy, which pursues capacitive touch related technology and manufacturing process. To fulfill capacity requests from the customers, and consider the amount of labors for manufacturing production, the company set up factories in Xiamen in 2005.

This company is the leading company in professional touch technology with vertical integrated manufacturing capability, and can provide customers with comprehensive touch solutions, from advanced research and development to product design and mass production, and hence the company can help customers to significantly reduce the lead time and streamline the production process of product development in order to confront the quickly changing electronics industry.

Touch is the most instinctive and humanized means of communication. Among a variety of recent touch technologies, the capacitive touch, which has multi-touch function with outstanding sensitivity and durability, has brought the best user experience to our customers. Capacitive touch related components, touch module and lamination services are TPK’s major business. TPK has the cutting edge touch technology in terms of yield rate and production efficiency, and has the orders from worldwide brand name companies. As touch market industry has entered into mature stage, the growth rate has slowed down, and hence the company make an effort to explore advanced technology and new market, such as 3D printing manufacturing for mass production and electronic vehicle manufacturing for nich market and etc. We are looking forward to find the new profit driven business in the blue ocean market.

(2) Group Structure: Please refer to the Subsidiaries Chart specified in Chapter VIII Special Events of the Annual Report.

(3) Risk Matters: Please refer to the 6. Risk items specified in Chapter VII of the Annual Report.

### 3. Company History:

<b>Date</b>	<b>Milestone</b>
May 2003	TPK Touch Solutions Inc. established
August 2004	TPK Touch Solutions (Xiamen) Inc. established
November 2005	This company was established and registered in British Cayman Islands
December 2005	Subsidiary Optera Technology (Xiamen) Co., Ltd. established
May 2006	Subsidiary TPK Lens Solutions Inc. established
June 2006	Subsidiary TPK Touch Systems (Xiamen) Inc. established
June 2007	Mass production
December 2007	Passed ISO TL9000/ISO9001:2000 International Quality Certificate
April 2008	Passed ISO 14001:2004 International Quality Certificate
May 2009	Passed ISO IEC17025:2005 International Quality Certificate
June 2009	Import Six Sigma
July 2009	TPK Touch Solutions (Xiamen) Inc. got the certification of China high-tech companies Optera Technology (Xiamen) Co., Ltd. got the certification of China high-tech companies
December 2009	Passed SA8000:2008 International Quality Certificate
January 2010	Board of directors and board of shareholders passed the application to return to Taiwan for the first listing Elected independent director and set Audit Committee
March 2010	TPK Lens Solutions Inc. got the certification of China high-tech companies This company got 50% stock rights of Optera TPK Holding Pte. Ltd. from Magna International (Hong Kong) Limited, and some assets as well as professional team from Optera Inc.
April 2010	Subsidiary Ray-Star Technology (Xiamen) Inc. established Subsidiary Ray-Star Optical Solutions (Xiamen) Inc. established Subsidiary TPK America, LLC established TPK Touch Solutions (Xiamen) Inc. got the title of SA 8000 (Social Accountability 8000) issued by SAI certificate company
July 2010	Handle IPO
October 2010	Stock listing
November 2010	Passed TL9000-H R5.0/R4.0/ISO9001:2008 certificate
December 2010	Subsidiary TPK Asia Pacific Sdn. Bhd. established Subsidiary Ray-Star Universal Solutions Limited established Subsidiary TPK Universal Solutions Limited established Chairman Michael Chao-Juei Chiang was awarded Manager Today-2010 MVP Manager President Ta-Min Sun got the title of “Excellent Administrator who cares for employees” issued by work committee of labor union of Xiamen development zone
January 2011	TPK Touch Solutions (Xiamen) Inc. was awarded as 2010 Xiamen excellent high-tech enterprise

<b>Date</b>	<b>Milestone</b>
February 2011	Subsidiary TPK Glass Solutions (Xiamen) Inc. established Subsidiary TPK Universal Solutions Limited, Taiwan Branch established TPK Touch Solutions (Xiamen) Inc. was awarded 2010 Xiamen top ten excellent enterprise Optera Technology (Xiamen) Co., Ltd. was awarded Xiamen major enterprise
April 2011	TPK Touch Solutions Inc. office relocated in Neihu Issued the 2011 first overseas unsecured convertible corporate bond Passed ISO14001:2004 certificate Passed ISO9001:2008 certificate Got subsidiary MasTouch Optoelectronics Technologies Co., Ltd. Got subsidiary Ray-Star System Solutions (Xiamen) Inc. Got subsidiary Ray-Star System Solutions Limited
May 2011	Passed the safety certification of German Rheinland Electrical Passed water balance test
July 2011	TPK Universal Solutions Limited purchased 19.9% stock rights of CANDO CORPORATION Got subsidiary CIM Corporation Got subsidiary Hallys Corporation
August 2011	Passed ISO9001 certificate
September 2011	TPK was awarded investment relation prize for IPO in Taiwan CEO Ta-Min Sun was awarded investment relation prize for CEO in Taiwan Chief financial officer Hsi-Liang Liu was awarded investment relation prize for chief financial prize in Taiwan
October 2011	TPK Touch Solutions Inc. was awarded best known enterprise by Commonwealth Magazine in Taiwan
November 2011	Set Compensation Committee TPK Touch Solutions Inc. was awarded 2011 top 20 innovative enterprises in Taiwan by MOEAIDB
December 2011	Won 77th of 500 Asia-Pacific High-Tech, High-Growth Fast Enterprises in 2012. TPK Touch Solutions (Xiamen) Inc. won the Xiamen Science and Technology Progress Award issued by Xiamen Science and Technology Bureau for its thin Layer Projected Capacitive Touch Screen Technology
February 2012	Passed ISO14001-2004 certificate
March 2012	Chief financial officer Hsi-Liang Liu was awarded the best chief financial officer
April 2012	Got subsidiary XiaMen Jan Jia Optoelectronics Co., Ltd. Got subsidiary TPK Specialty Materials Limited
May 2012	Subsidiary Hallys Hong Kong Limited established
June 2012	TPK Touch Systems (Xiamen) Inc. was awarded 2012 Xiamen “Water Saving” enterprise Subsidiary TPK Film Solutions Limited established

Date	Milestone
	TPK Touch Solutions (Xiamen) Inc. was awarded 2012 most innovative enterprise of China by Chinese Association of Productivity Science
	CEO Ta-Min Sun was awarded 2012 excellent innovative entrepreneur by Chinese Association of Productivity Science
July 2012	Subsidiary TPK Film Solutions (Xiamen) Inc. established
October 2012	Issuance of 2012 overseas unsecured convertible corporate bonds and overseas depository receipts
November 2012	Subsidiary Hallys (Xiamen) Inc. Established
February 2013	TPK Holding Co., Ltd. won the company management prize issued by The Asset Magarizonaine
	TPK Holding Co., Ltd. was awarded Taiwan Best Deal for its overseas unsecured convertible corporate bonds and overseas depository receipts by The Asset Magarizonaine
	Got subsidiary TPK MasTouch Solutions (Xiamen) Inc.
	Subsidiary TPK Touch Solutions (Pingtan) Inc. established
March 2013	Passed OHSAS18001:2007 certificate
April 2013	Passed IOS14001:2004 certificate
	President Ta-Min Sun was awarded the China top 10 credit entrepreneur by Credit Rating and Certification Center of China Academy of Commerce, the Credit Evaluation Research Center of China Academy of Management Science, the Credit Work Committee of China Market Association and the China Credit Construction Promotion Association.
	Subsidiary TPK Cando Solutions Inc. established
May 2013	MasTouch Optoelectronics Technologies Co., Ltd. was bought by TPK Touch Solutions Inc.
July 2013	TPK Holding Co., Ltd. was awarded the third best company in Taiwan by The Asset Magarizonaine
	TPK Holding Co., Ltd. won the second prize of best investor relation in Asia issued by The Asset Magarizonaine
	President Ta-Min Sun was awarded the third best President in Asia by The Asset Magarizonaine
	Chief financial office Hsi-Liang Liu was awarded the first best chief financial officer in Asia by The Asset Magarizonaine
	Chief financial officer Hsi-Liang Liu won the second prize of most professional investor relation in Asia issued by The Asset Magarizonaine
	TPK Touch Solutions (Xiamen) Inc. and TPK Touch Systems (Xiamen) Inc. were both awarded the Xiamen Energy Conservation Demonstration Project by Xiamen Municipal Energy Conservation Office and Xiamen Economic Development Bureau.
August 2013	Subsidiary TPK Material Solutions Inc. established
October 2013	TPK Holding Co., Ltd. was awarded 2013 best known photoelectricity enterprise in Taiwan by CommonWealth Magazine



<b>Date</b>	<b>Milestone</b>
November 2013	TPK Holding Co., Ltd. signed joint agreement with Nissha Printing Co., Ltd. and Cambrios Technologies Corp. to develop Silver Nanowire together Subsidiary Jin Shun Xin Development (Pingtan) Co., Ltd. established TPK Holding Co., Ltd. won the gold metal of management by The Asset Magarizonaine
December 2013	TPK Glass Solutions (Xiamen) Inc. was awarded the safe production standard three qualification enterprise by Xiamen Safety Production Management Association Optera Technology (Xiamen) Co., Ltd., Ray-Star Optical Solutions (Xiamen) Inc. and TPK Touch Systems (Xiamen) Inc. were awarded the safe production standard three qualification enterprises by Xiamen Safety Production Management Association
February 2014	Subsidiary TPK Touch Solutions (Xiamen) Inc. won China Patent Excellence Award for its “Capacitive Touch Circuit Graphics and Its Manufacturing Method” (200910129503.8) issued by the National Intellectual Property Office
May 2014	President Ta-Min Sun won the prize of most influential people in touch screen industry issued by China Communications Industry Association and Nikkei BP TPK Holding Co., Ltd. won the prize of most influential international brands in the touch screen industry issued by China Communications Industry Association and Nikkei BP TPK Touch Solutions Inc. was awarded 1000 enterprises across the Taiwan Straits by CommonWealth Magazine
July 2014	Subsidiary Ray-Star Optical Solutions (Xiamen) Inc. was awarded water saving enterprise by Xiamen Construction and Administration Bureau Subsidiary TPK Advanced Solutions Inc. established Subsidiary TPK Chenqi (Mainland) Solutions Inc. established
November 2014	Previous President Ta-Min Sun became Vice Chairman, Yi-Hua Chung was employed as President TPK Holding Co., Ltd. won “Best Quality Award” prize issued by ZTE
January 2015	TPK Holding Co., Ltd. won the 2015 Best Quality Planning Prize issued by ZTE Corporation’s Terminal Business Unit
March 2015	TPK Holding Co., Ltd. won the best investor relation prize issued by FinanceAsia
April 2015	Issue of 2015 overseas unsecured convertible corporate bonds and overseas depository receipts
December 2015	XiaMen Jan Jia Optoelectronics Co., Ltd. purchase the 100% stock right of Jin Tong suzhou Optoelectronics Co., Ltd. Subsidiary TPK Touch Solutions (Xiamen) Inc. was recognized as cross-strait youth entrepreneurship base by Taiwan Work Office of the Central

Date	Milestone
	Committee of the Communist Party of China and the Taiwan Affairs Office of the State Council
February 2016	Subsidiary TPK Material Solutions Inc. was awarded the excellent enterprise of tax payment of over NTD 10 million in 2015 by the management committee of Fujian Jinjiang Economic Development Zone
August 2016	Subsidiary TPK Touch Solutions (Pingtan) Inc. was awarded “Thirty Demonstration Enterprises” in the Fujian Province Free Trade Experimental Zone from 2015 to 2016 by the Office of the Leading Group of the China (Fujian) Free Trade Experimental Zone
November 2016	Subsidiary TPK Glass Solutions (Xiamen) Inc. won the third prize of Fire Torque Competition of Xiamen Torch High-tech Zone issued by the Management Committee of Xiamen Torch High-tech Zone
January 2017	TPK Holding Co., Ltd. was awarded 2016 Best Supplier by PEGATRON
March 2017	Subsidiary TPK Touch Solutions (Pingtan) Inc. disposed 91% equity of Jinshunxin Development (Pingtan) Co., Ltd. to Rayxin (Pingtan) Investment Co., Ltd.
April 2017	Audit supervisor PEI-CHI WANG was awarded the 26th Excellent Internal Auditor by the Internal Auditing Association of the Republic of China
June 2017	Subsidiary TPK Advanced Solutions Inc. won the second prize of “Torch Cup “Safety Production Knowledge Competition and the honorary certificate of organization issued by the Xiamen Torch High-tech Zone Management Committee and the Xiamen Development Zone Trade Union. TPK Touch Solutions (Xiamen) Inc., TPK Advanced Solutions Inc., TPK Glass Solutions (Xiamen) Inc., TPK MasTouch Solutions (Xiamen) Inc., TPK Touch Systems (Xiamen) Inc. and XiaMen Jan Jia Optoelectronics Co., Ltd. were awarded 2017 Xiamen Key Industrial Enterprise by Xiamen Economic informatization and Council
September 2017	Selected Hwai-Hai Chiang as President Issue 2017 overseas depository receipts
January 2018	Subsidiary Jan Jia Trading Company Limited established
March 2018	Subsidiary TPK Touch Solutions (Xiamen) Inc. got the honorary title of the 2017 Advanced Purchasing Manager Survey issued by the Xiamen Investigation Team of the National Bureau of Statistics.
May 2018	Subsidiary XiaMen Jan Jia Optoelectronics Co., Ltd. disposed the stock right of Jin Tong suzhou Optoelectronics Co., Ltd. for re-investment to Xiamen Jia Chong dream equity investment Partnership (limited partnership)
June 2018	Subsidiary TPK Touch Solutions (Xiamen) Inc., TPK Advanced Solutions Inc. was awarded the 2017 annual taxpayer enterprise by the Management Committee of Xiamen Torch Hi-Tech Industrial Development Zone Subsidiary TPK Glass Solutions (Xiamen) Inc. was awarded the 2017 Key Taxpaying Enterprise by the Management Committee of Xiamen Torch Hi-Tech Industrial Development Zone

Date	Milestone
	Subsidiary XiaMen Jan Jia Optoelectronics Co., Ltd. won the 2017 Taxation Star Enterprise prize issued by the Management Committee of Xiamen Torch Hi-Tech Industrial Development Zone
July 2018	TPK-KY (3673) is included in the 2017 Taiwan Stock Exchange “Taiwan Corporate Governance 100 Index” by its grade of top 20% corporate governance evaluation results. TPK Touch Solutions (Xiamen) Inc., TPK Advanced Solutions Inc., TPK Glass Solutions (Xiamen) Inc., TPK MasTouch Solutions (Xiamen) Inc., TPK Touch Systems (Xiamen) Inc. and XiaMen Jan Jia Optoelectronics Co., Ltd. were awarded 2018 Xiamen Key Industrial Enterprise by Xiamen Economic informatization and Council
August 2018	Passed ISO9001:2015 certificate Passed IATF16949:2016 certificate
October 2018	Subsidiary TPK Material Solutions (Xiamen) Inc. established
November 2018	Subsidiary TPK Cando Solutions Inc. closed the liquidation
December 2018	Li-Chien Hsieh was elected as President Subsidiary TPK Touch Solutions (Xiamen) Inc. got second prize of patent for its “pressure detecting device“ issued by Xiamen Government TPK has been independent assessed according to the FTSE4GOOD criteria, and has satisfied the requirements to become a constituent of the FTSE4GOOD TIP Taiwan ESG Index. Demonstrating strong Enviromental, Social and Governance (ESG) practices.
January 2019	Subsidiary TPK Touch Solutions (Xiamen) Inc. won the top ten benchmark projects of corporate financial management in 2018 issued by China Merchants Bank
February 2019	Subsidiary TPK Touch Solutions (Xiamen) Inc. and TPK Advanced Solutions Inc. won the assessment certificate of Integration of Informationization and Industrialization Management System Certificate issued by the Ministry of Industry and Information Technology (MIIT).
March 2019	Subsidiary TPK Touch Solutions (Xiamen) Inc. won the Workers' Home (Four Star) awarded by Xiamen City Federation of Trade Unions.
May 2019	Subsidiary TPK Touch Solutions (Xiamen) Inc. won the sample enterprise of China's foreign trade export index issued by the General Administration of Customs of the People's Republic of China.
June 2019	Chairman Michael Chao-Juei Chiang was awarded the Excellent builders of non-public economy in Fujian Province by the People’s Government of Fujian Province.
July 2019	Subsidiary TPK Touch Solutions (Xiamen) Inc. became the Top 500 China patent company, ranking 63 <sup>rd</sup> .
August 2019	Subsidiary TPK MasTouch Solutions (Xiamen) Inc. won the Laboratory Accreditation Certificate issued by China National Accreditation Service for Conformity Assessment (CNAS).

<b>Date</b>	<b>Milestone</b>
October 2019	Subsidiary TPK Touch Solutions (Xiamen) Inc. won the Best Customer Focus-Europe from the 2019 Visteon Strategic Supplier Conference.
November 2019	Subsidiary TPK Touch Solutions (Xiamen) Inc. won the 2019 Touch Display Industry Leading Enterprise Award from Shenzhen International Touch and Display Exhibition; Won the Xiamen Key Laboratory of Touch issued by Xiamen Science and Technology Bureau.
December 2019	Subsidiary Amplifi Technologies Inc. established. Subsidiary TPK Touch Solutions (Xiamen) Inc. was awarded the 2019 Intellectual Property Demonstration Enterprise by the National Intellectual Property Administration, PRC. Subsidiary TPK Advanced Solutions Inc. won the OUTSTANDING SUPPLIER in 2019 (2019 Best Quality Supplier Award) from Compal Smart Device (ChongQing) Co., LTD; won the 2019 Best Service Award from CD-FATP PSD IDSBG (Chengdu Foxconn)
January 2020	Subsidiary TPK Touch Solutions (Xiamen) Inc. won the Workers' Home (Five Star) awarded by Xiamen City Federation of Trade Unions
March 2020	Subsidiary Amplifi Technologies Inc. Taiwan Branch established
April 2020	Subsidiary Amplifi Tech Hong Kong Co., Limited established Subsidiary TPK Chenqi (Mainland) Solutions Inc. was renamed as Trend Trading (Xiamen) Inc.
May 2020	Subsidiary TPK Universal Solutions Limited Janpan Branch established
June 2020	TPK Holding Co., Ltd. was awarded “Best Liquidity and Investments Solution in Information Technology industry” of The Asset Triple A Treasury, Trade, SSC and Risk Management Awards 2020 by The Asset. Subsidiary TPK Touch Solutions (Xiamen) Inc., TPK Advanced Solutions Inc., TPK Glass Solutions (Xiamen) Inc., TPK MasTouch Solutions(Xiamen) Inc., and TPK Touch Systems (Xiamen) Inc. were awarded ”Provincial Leading Enterprises of Industry and Informatization in Fujian Province”.
November 2020	Subsidiary TPK Advanced Solutions Inc. and TPK Touch Solutions (Xiamen) Inc. were respectively awarded Top 100 Enterprises in Fujian in 2020, ranked 51 <sup>st</sup> and 76 <sup>th</sup> , and Top 100 Manufacturing Enterprises in Fujian in 2020, ranking 25 <sup>th</sup> and 40 <sup>th</sup> by Fujian Enterprises and Entrepreneurs Confederation, Fujian Media Group, and Fujian Academy of Social Sciences. Subsidiary TPK Touch Solutions (Xiamen) Inc. was awarded 2020 Touch Pannel Industry Leading Enterprise Annual Award by C-TOUCH&DISPLAY in Shenzhen. Subsidiary TPK Touch Systems (Xiamen) Inc. was awarded Excellent Partnership Award by Microsoft
December 2020	Subsidiary Amplifi Tech (Xiamen) Limited established TPK Group won Technology Innovation Award by Visionox

Date	Milestone
	Subsidiary TPK Advanced Solutions Inc. was awarded Best Strategic Partner by FOXCONN
January 2021	Subsidiary TPK Advanced Solutions Inc. was awarded” Quality Excellence Award in 2020” by CVTE
	Subsidiary TPK Touch Solutions (Xiamen) Inc. was awarded the AEO Advanced Certification Enterprise Certificate issued by Xiamen Customs
April 2021	Subsidiary TPK Touch Systems (Xiamen) Inc. was awarded the Laboratory Accreditation Certificate issued by China National Accreditation Service for Conformity Assessment (CNAS).
	Subsidiary Trend Trading (Xiamen) Inc. was renamed as Trend Technology (Xiamen) Inc.
August 2021	Subsidiary TPK Auto Tech Co., Limited established
September 2021	Subsidiary TPK Auto Tech (Xiamen) Limited established
October 2021	Subsidiary Amplifi Channels Hong Kong Co., Limited established
	Subsidiary TPK Touch Solutions (Xiamen) Inc. was awarded 2021 Touch Pannel Industry Leading Enterprise Annual Award by C-TOUCH&DISPLAY in Shenzhen.
November 2021	Subsidiary TPK Core Asset (Xiamen) Inc. established
	Subsidiary TPK Multi-Asset (Xiamen) Inc. established
	Subsidiary TPK Advanced Solutions Inc. and TPK Touch Solutions (Xiamen) Inc. were awarded Top 100 Enterprises in Fujian in 2021, ranking 63 <sup>rd</sup> & 97 <sup>th</sup> . Top 100 Manufacturing Enterprises in Fujian in 2021, ranking 29 <sup>th</sup> & 52 <sup>nd</sup> . TPK Touch Solutions (Xiamen) Inc. was awarded Top 100 Strategic Emerging Industry Enterprises in Fujian in 2021, ranking 6 <sup>th</sup> by Fujian Enterprises and Entrepreneurs Confederation, Fujian Media Group and Fujian Academy of Social Sciences.
December 2021	Subsidiary TPK Advanced Solutions Inc. was awarded 2021 Best Team Award by FOXCONN.
January 2022	Subsidiary TPK Advanced Solutions Inc. was awarded Best Partner in 2021 by BYD.
February 2022	Subsidiary TPK Touch Solutions (Xiamen) Inc., TPK Advanced Solutions Inc., TPK Touch Systems (Xiamen) Inc. were awarded Advanced Manufacturing Leading Enterprise in Xiamen by Xiamen Department of Industry and Information Technology.
March 2022	TPK Glass Solutions (Xiamen) Inc. Jimei Branch established
	Subsidiary TPK Auto Tech (Xiamen) Limited was Certified by IATF16949.
May 2022	Subsidiary TPK Touch Solutions Inc. acquires 50.22% equity of DS Energy Technology Co., Ltd.

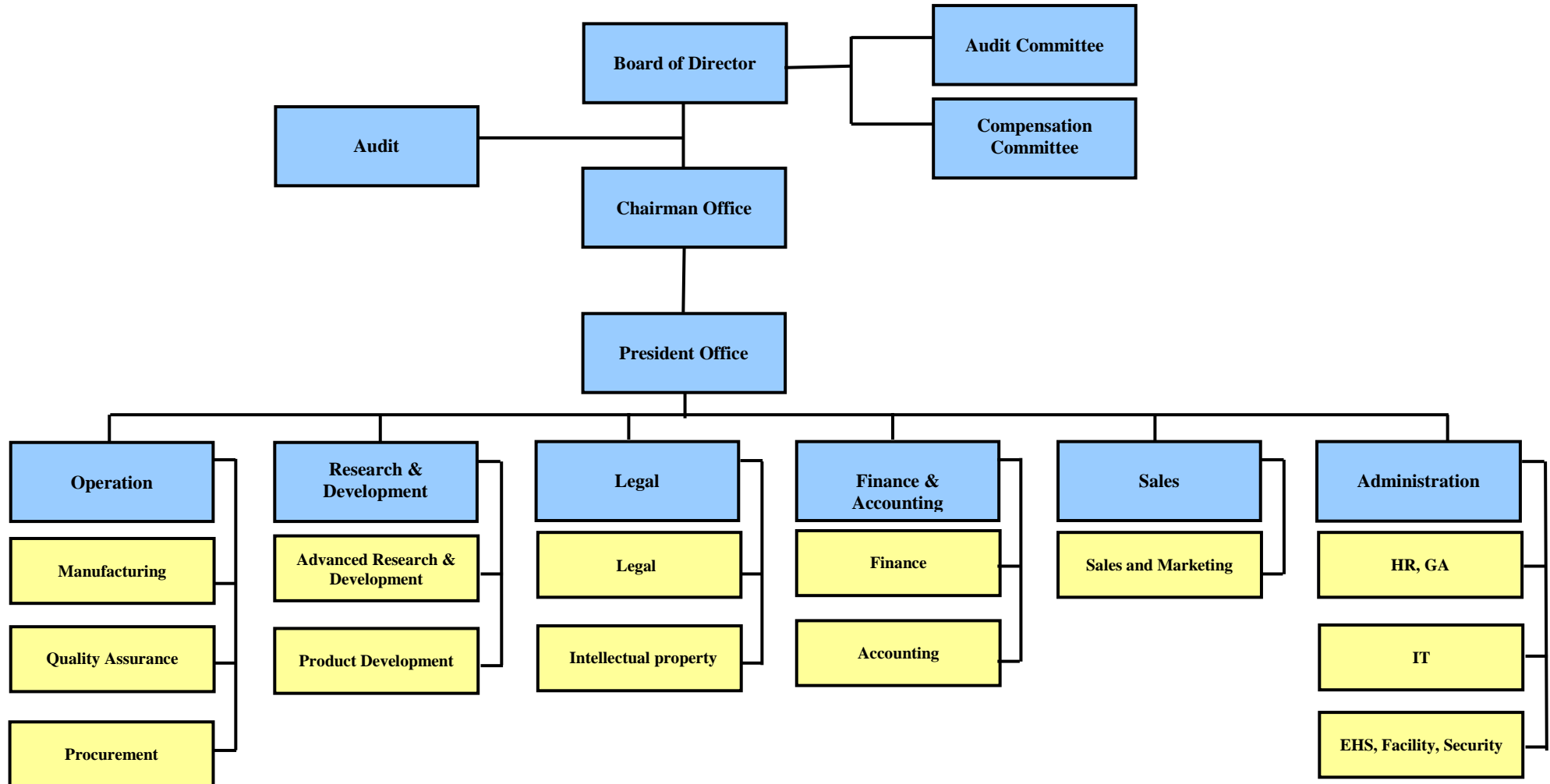
<b>Date</b>	<b>Milestone</b>
June 2022	Subsidiary TPK Advanced Solutions Inc. and TPK Touch Solutions (Xiamen) Inc. were awarded Sample enterprises of China Export Leading Indicator by General Administration of Customs. Of the PRC.
July 2022	Subsidiary TPK Touch Solutions (Xiamen) Inc. was awarded 23rd Chinese Patent Excellence Award by National Intellectual Property Administration, PRC.
December 2022	<p>Subsidiary TPK Advanced Solutions Inc. and TPK Touch Solutions (Xiamen) Inc. were awarded Top 100 Enterprises in Fujian in 2022, Top 100 Manufacturing Enterprises in Fujian in 2022, Top 100 Strategic Emerging Industry Enterprises in Fujian in 2022 ,by Fujian Enterprises and Entrepreneurs Confederation, Fujian Media Group and Fujian Academy of Social Sciences.</p> <p>Subsidiary TPK Touch Solutions (Xiamen) Inc. was certified by GB/T 29490-2013 ( Enterprise intellectual property management ) .</p>

### III. Corporate Governance Report

#### 1. Organization

##### (1) Organization Chart

As of December 31, 2022



(2) Key duties and functions of major divisions:

<b>Department</b>	<b>Duties and functions</b>
Chairman Office	Plan quality policies and objectives for business operation and appoint a main manager to promote business execution.
President Office	Execute the decisions made by the board of directors and be responsible for all company affairs.
Audit Committee	Assist with supervising the board of directors and strengthen management mechanisms according to the responsibility entrusted by the Company Law and Security Exchange Law.
Compensation Committee	Assist the board of directors with executing and evaluating the company's overall salary and welfare policies, as well as the salary for directors and managers.
Audit	Responsible for internal auditing and operation procedures, as well as ensuring they can follow management auditing.
Finance & Accounting	Responsible for capital movement, accounting transactions, and strategic investments, as well as implementing company operations, investor relations, and share affairs.
Research & Development	Responsible for developing and designing product technology, introducing new equipment/technology, and the trial production, testing, and verification of new products.
Operation	Responsible for matters related to production, quality, procurement, and information management, thus achieving annual production plans and objectives.
Sales	Responsible for market information collection, product sales, and customer service; develops new market and customers; and responsible for the introduction of new products and maintaining current customers.
Administration	Responsible for general affairs and the HR management system, making full use of organization and human resources, and ensuring good logistic support and harmonious labor-capital relationships.
Legal	Responsible for legal affairs and application for and maintenance of relative patents.



## 2. Director, Supervisor, President, Vice President, Assistant Vice President, departments, and branch heads

(1) Directors' names, shareholding, and education/experience background (this company does not have a Supervisor set.)

April 8, 2023

Position	Nationality/ registered address	Name	Gender Age	Elected Date	Term year	Date of the initial election	Shareholding when elected		Present shareholding		Present shareholding of spouse & minor children		Shares held in another name		Major Education/Experience Background	Current position in this company and in other company	With spouse or 2 <sup>nd</sup> degree relative who are a supervisor, Director or Supervisor			Remarks (Note 11)
							Shares	Ratio of shareholding	Shares	Ratio of shareholding	Shares	Ratio of shareholding	Shares	Ratio of shareholding			Position	Name	Relation	
Chairman	Canada	Michael Chao- Juei Chiang	Male 61~70	2022/06/23	3	2006/10/20	17,720,401	4.36%	17,720,401	4.36%	—	—	100,000	0.02%	Business Administration, Fu Jen Catholic University TVM Corporation - Chairman Taiwan Video & Monitor Corporation - President	Note 1	—	—	—	
Director	Taiwan	Li-Chien Hsieh	Male 51~60	2022/06/23	3	2022/06/23	—	—	—	—	—	—	—	—	Master of Business Administration (MBA), Duke University Lite-On Technology Corporation, Portable Image Device SBG - Chief Operation Officer Lite-On Young Fast Co. - President	Note 2	—	—	—	
Director	Taiwan	Tsung-Liang Tsai	Male 51~60	2022/06/23	3	2022/06/23	—	—	—	—	—	—	—	—	Mechanical Engineering, Feng Chia University Business development at Green Point Incorporated Company -Director	Note 3	—	—	—	
Director	Samoa	Capable Way Investments Limited (Note 10)	—	2022/06/23	3	2010/01/08	23,139,855	5.69%	23,139,855	5.69%	—	—	—	—	Master of Business Administration, University of Michigan	Note 4	—	—	—	
	Taiwan	Representative: Hsi-Liang Liu (Representative: Li-Chien Hsieh(Note 4))	Male 51~60				433,498	0.11%	433,498	0.11%	—	—	—	—	ASE Group - Vice President of Finance Citibank - Vice President of Unit Head					
Director	Samoa	Max Gain Management Limited (Note 10)	—	2022/06/23	3	2005/11/21 (2005/11/21~ 2006/10/20)	25,222,643	6.20%	25,222,643	6.20%	—	—	—	—	Mechanical and Electrical Engineering, China University of Science and Technology	Note 5	—	—	—	

Position	Nationality/ registered address	Name	Gender Age	Elected Date	Term year	Date of the initial election	Shareholding when elected		Present shareholding		Present shareholding of spouse & minor children		Shares held in another name		Major Education/Experience Background	Current position in this company and in other company	With spouse or 2 <sup>nd</sup> degree relative who are a supervisor, Director or Supervisor			Remarks (Note 11)
							Shares	Ratio of shareholding	Shares	Ratio of shareholding	Shares	Ratio of shareholding	Shares	Ratio of shareholding			Position	Name	Relation	
	Taiwan	Representative: Heng-Yao Chang	Male 51~60				543,643	0.13%	543,643	0.13%	—	—	—	—	Manufacturing department (China) of Tupo Optoelectronics Incorporated -Assistant Manager Research departments of Chief Industrial Inc.- Assistant Manager TPK Holding Co., Ltd.- Senior Vice President					
Director	Samoa	High Focus Holdings Limited (Note 10)	—	2022/06/23	3	2010/01/08	13,273,610	3.26%	13,273,610	3.26%	—	—	—	—	Mechanical Engineering National Chin-Yi University of Technology Quality assurance at TVM (PRC) Corporation-	Note 6	—	—	—	
	Taiwan	Representative: Shih-Ming Liu (Representative: Tsung-Liang Tsai(Note 6))	Male 51~60				70,945	0.02%	70,945	0.02%	—	—	—	—	Amkor Co. Ltd.- Assistant Vice President					
Independent Director	Taiwan	Ming-Jeng Weng	Male 61~70	2022/06/23	3	2013/05/22	—	—	—	—	—	—	—	MBA, University of Southern California Citi Bank- Vice President Salomon Smith Barney Inc. Taipei Branch, Citi Group- General Manager Lehman Brothers Securities Taiwan Ltd.- Chairman Nomura International (Hong Kong) Limited, Taipei Branch -Managing Director	Note 7	—	—	—		
Independent Director	Taiwan	Yen-Wei Cheng	Male 61~70	2022/06/23	3	2022/06/23	—	—	—	—	—	—	—	National Taipei Institute of Technology High Ten Corp. - Manager Hitron Technologies Inc. - Chairman & CEO	Note 8	—	—	—		
Independent Director	Taiwan	Hsiu-Chun Wang	Male 51~60	2022/06/23	3	2022/06/23	—	—	—	—	—	—	—	PhD in Engineering- Economic Systems and Operations Research, Stanford University ABN AMRO Bank - Global Head of Semiconductor Research	Note 9	—	—	—		

Position	Nationality/ registered address	Name	Gender Age	Elected Date	Term year	Date of the initial election	Shareholding when elected		Present shareholding		Present shareholding of spouse & minor children		Shares held in another name		Major Education/Experience Background	Current position in this company and in other company	With spouse or 2 <sup>nd</sup> degree relative who are a supervisor, Director or Supervisor			Remarks (Note 11)
							Shares	Ratio of shareholding	Shares	Ratio of shareholding	Shares	Ratio of shareholding	Shares	Ratio of shareholding			Position	Name	Relation	
															WK Technology Fund - Managing Director Grand River Capital Management Company - Consultant					

Note 1: Michael Chao-Juei Chiang's current position in this company and in other company: TPK Touch Solutions Inc.-Chairman, TPK Touch Solutions (Xiamen) Inc.-Executive Director , TPK Glass Solutions (Xiamen) Inc.-Executive Director , Trend Technology (Xiamen) Inc.-Executive Director , TPK Touch Systems (Xiamen) Inc.-Executive Director, TPK Touch Solutions (Pingtan) Inc.-Executive Director , TPK Advanced Solutions Inc.-Chairman, TPK Film Solutions (Xiamen) Inc.-Executive Director, Improve Idea Investments Ltd.-Director, TPK Asia Pacific Sdn. Bhd.-Director, Ray-Star Universal Solutions Limited-Director, TPK Universal Solutions Limited-Director, Upper Year Holdings Limited-Director, Optera TPK Holding Pte. Ltd.-Director, TPK America, LLC-Manager, Amplifi Technologies Inc.-Director, Amplifi Tech Hong Kong Co., Limited-Director, Amplifi Channels Hong Kong Co., Limited-Director, TPK Auto Tech (Xiamen) Limited-Chairman, TPK Auto Tech Co., Limite-Director, TPK Core Asset (Xiamen) Inc.-Executive Director, TPK Multi-Asset (Xiamen) Inc. -Executive Director, TES Touch Embedded Solutions Inc.-Director, TES Technology (Hong Kong) Limited-Director, TES Touch Embedded Solutions (Xiamen) Co.,Ltd.-Director, TES Trading(Xiamen)Co.,Ltd-Director, Champ Great Int'l Corporation-Director, Digitalking Technology Limited-Director, First Way Investments Limited-Director, Global Excellent Trading Co., Ltd. -Director, Cambrios Film Solutions Corporation-Director, Cambrios Film Solutions (Hong Kong) Limited-Director, CAM International (Hong Kong) Limited -Director, YING KUAN LIMITED –Director and Representative, Panshi Company Limited –Director and Representative, and Chuan Juei Investment Co. Ltd. –Manager, 36 in total.

Note 2: Li-Chien Hsieh's current position in this company and in other company: President of the Company, TPK Touch Solutions (Xiamen) Inc- President, TPK Glass Solutions (Xiamen) Inc.- President, Trend Technology (Xiamen) Inc.- President, TPK Touch Systems (Xiamen) Inc.- President, TPK Advanced Solutions Inc.-Director and President, XiaMen Jan Jia Optoelectronics Co., Ltd.- Executive Director, TPK Core Asset (Xiamen) Inc.-President, TPK Multi-Asset (Xiamen) Inc.-President and TPK Auto Tech (Xiamen) Limite-Director, 10 in total.

Note 3: Tsung-Liang Tsai's current position in this company and other company: Senior Vice President of the Company, Cambrios Film Solutions Corporation Taiwan Branch-Legal representative and Cambrios Film Solutions (Xiamen) Corporation-Legal representative, 3 in total.

Note 4: The company re-elected on June 23, 2022 ; Hsi-Liang Liu has assumed the position, Li-Chien Hsieh tenure expired.

Hsi-Liang Liu's current position in this company and other company: Senior Vice President of the Company, TPK Touch Solutions (Xiamen) Inc.-Supervisor, TPK Glass Solutions (Xiamen) Inc.-Supervisor, Trend Technology (Xiamen) Inc.-Supervisor, TPK Touch Systems (Xiamen) Inc.-Supervisor, TPK MasTouch Solutions(Xiamen) Inc.-Supervisor, TPK Touch Solutions (Pingtan) Inc.-Supervisor, TPK Advanced Solutions Inc.-Supervisor, TPK Film Solutions (Xiamen) Inc.-Supervisor, TPK Asia Pacific Sdn. Bhd.-Director, Ray-Star Universal Solutions Limited-Director, Optera TPK Holding Pte Ltd.-Director, XiaMen Jan Jia Optoelectronics Co., Ltd. –Supervisor, TPK Material Solutions (Xiamen) Inc.- Supervisor, TPK Core Asset (Xiamen) Inc.Supervisor, TPK Multi-Asset (Xiamen) Inc.Supervisor, EDOM Technology Co., Ltd.-Independent Director, Just Kitchen Holdings Corp. – Director, Casual Restaurants Inc. – Director, Pou Sheng International (Holdings) Limited- Independent Non-executive Director, DS Energy Technology Co., Ltd.- Representative of Corporate Director and Sino Horizon Holdings Limited- Independent Director, 22 in total.

Note 5: Heng-Yao Chang doesn't hold a position in this company and other company.

Note 6: The company re-elected on June 23, 2022 ; Shih-Ming Liu has assumed the position, Tsung-Liang Tsai tenure expired.

Shih-Ming Liu's current position in this company and in other company: Senior Vice President of the Company, TPK Film Solutions (Xiamen) Inc.- President, TPK MasTouch Solutions(Xiamen) Inc.-Executive Director and President, TPK Touch Solutions (Pingtan) Inc.- President, TPK Advanced Solutions Inc.-Director and TPK Material Solutions (Xiamen) Inc.-Manager, 6 in total.

Note 7: Ming-Jeng Weng's current position in this company and in other company: Millerful Capital Partners Inc. - Senior Partner and Egis Technology Inc. -Independent Director, 2 in total.

Note 8: Yen-Wei Cheng's current position in this company and in other company: Interactive Digital Technologies Inc. - Chairman & CEO, Sports Gear Co., Ltd. – Director, Artmo Inc. and Taiwan IC Packaging Corporation , Inc. - Independent Director - Chairman, 4 in total.

Note 9: Hsiu-Chun Wang's current position in this company and in other company: GRC Managers Limited - Director & Managing Partner, Swancor Holding Co -Independent Director, GreenPeak Renewables Company Limited – Director and Sinogreenenergy Management Company – Chairman, 4 in total.

Note 10: FINI name of Taiwan-Max Gain Management Limited: Yuanta Bank in custody for Max Gain Management Limited. ; Capable Way Investments Limited: CTBC BANK CO., LTD in custody for Capable Way Investments Limited. ; High Focus Holdings Limited: HSBC Bank (Taiwan) Limited in custody for High Focus Holdings Limited.

Note 11: The chairman and the general manager or the equivalent (the top manager) are the same person, and are spouses or relatives of one parent: none.

## 1. Main Shareholders of Juridical Person

April 8, 2023

<b>Name of Juridical Person</b>	<b>Main Shareholders of Juridical Person</b>	<b>Ratio of shareholding (%)</b>
Capable Way Investments Limited	Digitalking Technology Limited	100%
Max Gain Management Limited	Champ Great Int'l Corporation	100%
High Focus Holdings Limited	Champ Great Int'l Corporation	100%

Note: Taiwan FINI Account Name: Capable Way Investments Limited is the Capable Way special account for investment entrusted by CTBC Bank Co., Ltd.; Max Gain Management Limited is the Max Gain special account for investment entrusted by Yuanta Commercial Bank Co., Ltd.; High Focus Holdings Limited is the High Focus special account for investment entrusted by HSBC Bank (Taiwan) Limited.

## 2. The above Main shareholder is juridical person

April 8, 2023

<b>Name of Juridical Person</b>	<b>Main Shareholder of Juridical Person</b>	<b>Ratio of shareholding (%)</b>
Champ Great Int'l Corporation	Champ Great Management Co., Ltd.	100%
Digitalking Technology Limited	Champ Great Management Co., Ltd.	100%

(2) Disclosure of Information Regarding the Professional Qualifications and Experience of Directors and Supervisors and the Independence of Independent Directors

April 8, 2023

Qualification Name of Director	Professional qualifications and experience
Michael Chao-Juei Chiang	<p>Professional qualifications and experience of Directors, please refer to this annual report (1) Directors' names, shareholding, and education/experience background (P.17-19)</p> <p>None of the directors has any of the conditions of Article 30 of the Company Act (Note 1)</p>
Li-Chien Hsieh	
Tsung-Liang Tsai	
Capable Way Investments Limited Representative: Hsi-Liang Liu	
Max Gain Management Limited Representative: Heng-Yao Chang	
High Focus Holdings Limited Representative: Shih-Ming Liu	

Qualification Name of Independent Director	Professional qualifications and experience	Independence analysis	No. of other public companies at which the person concurrently serves as an independent director
Ming-Jeng Weng	<p>Professional qualifications and experience of Directors, please refer to this annual report (1) Directors' names, shareholding, and education/experience background (P.17-19)</p> <p>None of the directors has any of the conditions of Article 30 of the Company Act (Note 1)</p>	<p>All independent directors meet the following conditions:</p> <p>1. Comply with the relevant provisions of Article 14-2 of the Securities and Exchange Act promulgated by the Financial Supervisory Commission and " Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies " (Note 2)</p> <p>2. I (or in the name of others), my spouse and minor children do not hold shares in the company</p> <p>3. The amount of remuneration received from providing business, legal, financial, accounting and other services to the company or its affiliates in the last two years</p>	1
Yen-Wei Cheng			1
Hsiu-Chun Wang			1

Note 1: Article 30 of Company Act

Anyone who has one of the following circumstances shall not serve as a manager, and those who have already served shall be dismissed of course:

1. He has committed a crime stipulated in the Regulations on the Prevention of Organized Crime, and has been convicted by a conviction, but has not yet been executed, has not been executed yet, or has not been executed for five years, or after the probation period expires or the pardon has expired.
2. Those who have committed the crime of fraud, breach of trust, or embezzlement have been sentenced to fixed-term imprisonment of more than one year and have been sentenced to fixed-term imprisonment for more than one year.
3. Those who have committed crimes under the Code of Corruption and have been convicted of guilt, but have not yet been executed, have not yet been executed, or have been executed, have probation expired or have been pardoned for less than two years.
4. Those who have been declared bankrupt or have been ordered to start liquidation procedures by the court and have not been reinstated.
5. The use of the ticket has not yet expired after the transaction has been refused.
6. Those who are incapacitated or have limited capacity.
7. The declaration of assistance has not been revoked.

Note 2:

1. Governments, legal persons or their representatives not specified in Article 27 of the Company Act.

2. Concurrently serve as independent directors of other public offering companies, no more than three.
3. There is no one of the following conditions in the two years before the election and during the term of office:
  - (1) Employees of the company or its affiliates.
  - (2) Directors and supervisors of the company or its affiliates.
  - (3) I and my spouse, minor children or natural person shareholders who hold more than 1% of the total issued shares of the company in the name of others or hold the top ten shares.
  - (4) Spouses, relatives within the second degree of kinship, or lineal relatives within the third degree of kinship, of the managers listed in (1) or the persons listed in (2) and (3).
  - (5) A director, supervisor or employee of a legal person shareholder who directly holds more than 5% of the total issued shares of the company, and who holds the top five shares or who appoints a representative to serve as a director of the company in accordance with Article 27 of the Company Act.
  - (6) A director, supervisor or employee of another company controlled by the same person with more than half of the directors' seats or voting shares of the company.
  - (7) A director (director), supervisor (supervisor) or employee of another company or institution who is the same person or spouse as the company's chairman, general manager or equivalent.
  - (8) Directors (councils), supervisors (supervisors), managers or shareholders holding more than 5% of the shares of specific companies or institutions that have financial or business dealings with the company.
  - (9) Professionals, sole proprietorships, partnerships, companies or institutions that provide auditing or business, legal, financial, accounting and other related services for companies or affiliated companies with a cumulative amount of remuneration not exceeding NT\$500,000 in the last two years Principal, partner, director (council), supervisor (supervisor), manager and their spouse. However, it is not limited to those who serve as members of the Company's Compensation Committee.

### (3) Diversity and Independence of the Board of Directors

#### 1. Diversity of the board of directors:

The nomination and selection of members of the board of directors of the company follows the provisions of the company's articles of association, adopts the nomination system for candidates, and stipulates the "Director Election Method", which clearly defines the nomination, qualification and evaluation policies and standards of director candidates, and follows the "Corporate Election Method". Governance Best Practice Principles" strengthen the functions of the board of directors and achieve the diversity of board members.

At present, the members of the board of directors of the company have diverse backgrounds, including professional backgrounds in different industries, academia and finance. According to Article 20 of "Corporate Governance Best Practice Principles", board members should generally possess the knowledge, skills and qualities necessary to perform their duties. In order to achieve the ideal goal of corporate governance, the Bank's Board of Directors implements diversity as follows:

Diversity Core Program Name	Nationality	Gender	Age		Operational Judgment Ability	Accountant and Financial Analysis Ability	Operation Management Ability	Crisis Management Ability	Professional Expertise	View of World	Leadership	Decision- making Ability
			51 ~ 60	61 ~ 70								
Michael Chao-Juei Chiang	Canada	M		✓	✓		✓	✓	✓	✓	✓	✓
Li-Chien Hsieh	R.O.C	M	✓		✓	✓	✓	✓	✓	✓	✓	✓
Hsi-Liang Liu	R.O.C	M	✓		✓	✓	✓	✓	✓	✓	✓	✓
Heng-Yao Chang	R.O.C	M	✓		✓		✓	✓	✓	✓	✓	✓
Tsung- Liang Tsai	R.O.C	M	✓		✓		✓	✓	✓	✓	✓	✓
Shih-Ming Liu	R.O.C	M	✓		✓		✓	✓	✓	✓	✓	✓
Ming-Jeng Weng	R.O.C	M		✓	✓	✓	✓	✓		✓	✓	✓
Yen-Wei Cheng	R.O.C	M		✓	✓		✓	✓	✓	✓	✓	✓
Hsiu-Chun Wang	R.O.C	M	✓		✓	✓	✓	✓	✓	✓	✓	✓

#### 2. Independence of the board of directors:

Among the nine directors of the company, three are independent directors, accounting for 33% of the total number of directors, and there is no relationship between the directors of spouses or relatives within the second degree of kinship, nor is there any government agency or a single legal person organization and its subsidiaries occupying the When the number of seats on the board of directors is more than one-third.

(4) President, Vice President, Assistant Vice President, department and branch heads (Assistant Vice President is not available in this company):

April 8, 2023

Position	Nationality	Name	Gender	Elected date	Shareholding		Shareholding of spouse and minor children		Shares held in another's name		Major Education/Experience Background	Current position in other company	With spouse or 2 <sup>nd</sup> degree relative who are a president or vice president			Remarks
					Shares	Ratio of shareholding	Shares	Ratio of shareholding	Shares	Ratio of shareholding			Position	Name	Relation	
President	Taiwan	Li-Chien Hsieh	Male	2018/12/01	—	—	—	—	—	—	Master of Business Administration (MBA), Duke University Lite-On Technology Corporation, Portable Image Device SBG - Chief Operation Officer Lite-On Young Fast Co. - President	TPK Holding Co., Ltd.-Director TPK Touch Solutions (Xiamen) Inc.-President TPK Glass Solutions (Xiamen) Inc.-President Trend Technology (Xiamen) Inc.-President TPK Touch Systems (Xiamen) Inc.-President TPK Advanced Solutions Inc.-Director and President XiaMen Jan Jia Optoelectronics Co., Ltd- Executive Director TPK Core Asset (Xiamen) Inc.-President TPK Multi-Asset (Xiamen) Inc.-President TPK Auto Tech (Xiamen) Limited-Director	—	—	—	
Senior Vice President	Taiwan	Tsung-Liang Tsai	Male	2006/11/06	—	—	—	—	—	—	Mechanical Engineering, Feng Chia University Business development at Green Point Incorporated Company -Director	TPK Holding Co., Ltd.-Director Cambrios Film Solutions Corporation Taiwan Branch-Legal representative Cambrios Film Solutions (Xiamen) Corporation-Legal representative	—	—	—	



Position	Nationality	Name	Gender	Elected date	Shareholding		Shareholding of spouse and minor children		Shares held in another's name		Major Education/Experience Background	Current position in other company	With spouse or 2 <sup>nd</sup> degree relative who are a president or vice president			Remarks
					Shares	Ratio of shareholding	Shares	Ratio of shareholding	Shares	Ratio of shareholding			Position	Name	Relation	
Senior Vice President	Taiwan	Shih-Ming Liu	Male	2006/01/02	70,945	0.02%	—	—	—	—	Mechanical Engineering, National Chin-Yi University of Technology Quality assurance at TVM (PRC) Corporation- Assistant Vice President Amkor Co. Ltd.- Assistant Vice President	TPK Holding Co., Ltd.- Representative of Corporate Director TPK Film Solutions (Xiamen) Inc.-President TPK MasTouch Solutions(Xiamen) Inc.- Executive Director and President TPK Touch Solutions (Pingtan) Inc.-President TPK Advanced Solutions Inc.-Director TPK Material Solutions (Xiamen) Inc.-President	—	—	—	
Senior Vice President	Taiwan	Hsi-Liang Liu	Male	2009/09/01	433,498	0.11%	—	—	—	—	Master of Business Administration, University of Michigan ASE Group-Vice President of Finance Citibank- Vice President of Unit Head	TPK Holding Co., Ltd.- Representative of Corporate Director TPK Touch Solutions (Xiamen) Inc.- Supervisor TPK Glass Solutions (Xiamen) Inc.- Supervisor Trend Technology (Xiamen) Inc.- Supervisor TPK Touch Systems (Xiamen) Inc.- Supervisor TPK MasTouch Solutions(Xiamen) Inc.- Supervisor TPK Touch Solutions (Pingtan) Inc.- Supervisor	—	—	—	

Position	Nationality	Name	Gender	Elected date	Shareholding		Shareholding of spouse and minor children		Shares held in another's name		Major Education/Experience Background	Current position in other company	With spouse or 2 <sup>nd</sup> degree relative who are a president or vice president			Remarks
					Shares	Ratio of shareholding	Shares	Ratio of shareholding	Shares	Ratio of shareholding			Position	Name	Relation	
												TPK Advanced Solutions Inc.- Supervisor TPK Film Solutions (Xiamen) Inc.- Supervisor TPK Asia Pacific Sdn. Bhd.-Director Ray-Star Universal Solutions Limited-Director Optera TPK Holding Pte Ltd.-Director XiaMen Jan Jia Optoelectronics Co., Ltd.-Supervisor TPK Material Solutions (Xiamen) Inc.- Supervisor TPK Core Asset (Xiamen) Inc.Supervisor TPK Multi-Asset (Xiamen) Inc.Supervisor DS Energy Technology Co., Ltd.-Representative of Corporate Director EDOM Technology Co., Ltd.-Independent Director Just Kitchen Holdings Corp. - Director Casual Restaurants Inc. – Director Pou Sheng International (Holdings) Limited-				

Position	Nationality	Name	Gender	Elected date	Shareholding		Shareholding of spouse and minor children		Shares held in another's name		Major Education/Experience Background	Current position in other company	With spouse or 2 <sup>nd</sup> degree relative who are a president or vice president			Remarks
					Shares	Ratio of shareholding	Shares	Ratio of shareholding	Shares	Ratio of shareholding			Position	Name	Relation	
												Independent Non-executive Director Sino Horizon Holdings Limited- Independent Director				
Senior Vice President	Taiwan	Ming-Chung Chuang	Male	2018/10/09	5,000	0.00%	—	—	—	—	Institute of Electronics Engineering, National Tsing Hua University Wistron Corporation - TFT LCM OEM and ODM Department Supervisor of Optoelectronics Division Industrial PC Electronics Inc.- Executive Vice General Manager of China Agilent Technologies- Supervisor of China/HongKong/Taiwan HP Inc. - Department manager	—	—	—	—	
Senior Vice Presiden	Taiwan	Jen-I Tai	Male	2014/12/16	—	—	—	—	—	—	Department of Law, Soochow University Canatu Oy Ltd.- Director of China Lite On Young Fast (Huizhou) Co., Ltd.-Chief Operating Officer Imagic Technology Co.,Ltd.- Vice General Manager	Amplifi Tech (Xiamen) Limited.-Executive Director	—	—	—	
Vice President	Taiwan	Pei-Ching Tsai	Female	2020/02/21	14,264	0.00%	6,000	0.00%	—	—	Master of Finance, Saint Louis University. TPK Touch Solutions Inc- Senior Diretor of Finance Division	—	—	—	—	

Position	Nationality	Name	Gender	Elected date	Shareholding		Shareholding of spouse and minor children		Shares held in another's name		Major Education/Experience Background	Current position in other company	With spouse or 2 <sup>nd</sup> degree relative who are a president or vice president			Remarks
					Shares	Ratio of shareholding	Shares	Ratio of shareholding	Shares	Ratio of shareholding			Position	Name	Relation	
											TVM Corp.- Assistant Vice President of Finance and Accounting Division Taiwan Video & Monitor Corp.-Manager of Finance Division					
Vice President	Taiwan	Chun-An Wei	Male	2021/11/09	—	—	—	—	—	—	Master of Electrical Engineering, Tatung University SiPix Technology Inc.- Assistant Vice President of RD Department CPT Ltd-Director of module design Department. Hitachi Asia Ltd.-Dupty Mananger of RD Department.	—	—	—	—	
Accountant Officer	Taiwan	Hu-Yao Lin	Male	2017/09/01	—	—	—	—	—	—	Master of Accounting, Soochow University Manz Taiwan Ltd. - Manager of Accounting Department	TPK Auto Tech (Xiamen) Limited-Supervisor DS Energy Technology Co., Ltd.- Representative of Corporate Director	—	—	—	

### 3. Remuneration of the Director, Supervisor, President and Vice President

#### (1) Remuneration of Director and Independent Director

Unit: NT\$1,000

Position	Name	Remuneration of Director								Sum of A+B+C+D and ratio to net income		Remuneration in the capacity as an employee								Sum of A+B+C+D+E+ F+G and ratio to net income		Remuner- ation from an Invested Company Other than the Company 's Subsidiar y or parent Company
		Remuneration (A)		Pension (B)		Remuneration of Director (C)		Professional fees (D)				Salary, bonus & other fees (E)		Pension (F)		Employee Rewards (G)						
		The Compa ny	All companie s included in the financial report	The Compa ny	All compan ies include d in the financia l report	The Compan y	All compani es included in the financial report	The Comp any	All companies included in the financial report	The Company	All companie s included in the financial report	The Compa ny	All companie s included in the financial report	The Compa ny	All companies included in the financial report	The company		All companies included in the financial report		The Com pany	All companie s included in the financial report	
																Cash	Stock	Cash	Stock			
Chairman	Michael Chao-Juei Chiang	-	-	-	-	4,865	4,865	168	168	5,033 0.93%	5,033 0.93%	-	34,692	-	-	-	-	-	-	5,033 0.93%	39,725 7.31%	-
Director	Li-Chien Hsieh (note1)																					
Director	Tsung-Liang Tsai (note1)																					
Director	Capable Way Investments Limited Representative: Hsi-Liang Liu (note1) (Li-Chien Hsieh (note2))																					
Director	Max Gain Management Limited Representative: Heng-Yao Chang																					

Director	High Focus Holdings Limited Representative: Shih-Ming Liu (note1) (Tsung-Liang Tsai (note2))																					
Director	Global Yield International Co., Ltd. Representative: Shih-Ming Liu (note2)																					
Independent Director	Ming-Jeng Weng																					
Independent Director	Yen-Wei Cheng (note1)																					
Independent Director	Hsiu-Chun Wang (note1)	-	-	-	-	3,597	3,597	90	90	3,687 0.68%	3,687 0.68%	-	-	-	-	-	-	-	-	3,687 0.68%	3,687 0.68%	-
Independent Director	Horng-Yan Chang (note2)																					
Independent Director	Fong-Nien Chiang (note2)																					

1: Please describe Independent Directors' remuneration policies, procedures, standards, structure and connection between the amount of remuneration according to the responsibilities, risks, time spent and other factors:

Independent directors' remuneration is base on participation in the Company's operations and the individual contribution. The board of directors offer a fair remuneration according to the company's operating performance, risks of future and trends, also refer to domestic and foreign market standards.

2: In addition to the above table, Directors remunerations earned by providing services (i.e. non-employee consulting services) to all consolidated entertites in the financial statements: None.

Note1: The board of directors and independent directors had re-election on June 23, 2022.

Note2: The board of directors and independent directors' tenure expired on June 23, 2022.

## (2)Range of Remuneration to Director (include Independent Director)

Unit: NT\$

Range of Remuneration to Directors	Name of Director			
	Total Remuneration Amount (A+B+C+D)		Total Remuneration Amount (A+B+C+D+E+F+G)	
	The company	All companies included in the financial report (H)	The company	All companies included in the financial report (I)
Below NT\$ 1,000,000	Michael Chao-Juei Chiang, Li-Chien Hsieh , Tsung-Liang Tsai , Capable Way Investments Limited, Max Gain Management Limited, High Focus Holdings Limited, Global Yield International Co., Ltd. Yen-Wei Cheng, Hsiu-Chun Wang, Horng-Yan Chang, Fong-Nien Chiang,	Michael Chao-Juei Chiang, Li-Chien Hsieh , Tsung-Liang Tsai , Capable Way Investments Limited, Max Gain Management Limited, High Focus Holdings Limited, Global Yield International Co., Ltd. Yen-Wei Cheng, Hsiu-Chun Wang, Horng-Yan Chang, Fong-Nien Chiang,	Michael Chao-Juei Chiang, Li-Chien Hsieh , Tsung-Liang Tsai , Capable Way Investments Limited, Max Gain Management Limited, High Focus Holdings Limited, Global Yield International Co., Ltd. Yen-Wei Cheng, Hsiu-Chun Wang, Horng-Yan Chang, Fong-Nien Chiang,	Michael Chao-Juei Chiang, Max Gain Management Limited, Yen-Wei Cheng, Hsiu-Chun Wang, Horng-Yan Chang, Fong-Nien Chiang,
NT\$ 1,000,000 (include) ~ 2,000,000 (not include)	Ming-Jeng Weng	Ming-Jeng Weng	Ming-Jeng Weng	Ming-Jeng Weng,
NT\$ 2,000,000 (include) ~ 3,500,000 (not include)	—	—	—	Global Yield International Co., Ltd.
NT\$ 3,500,000 (include) ~ 5,000,000 (not include)	—	—	—	—
NT\$ 5,000,000 (include) ~ 10,000,000 (not include)	—	—	—	High Focus Holdings Limited, Tsung-Liang Tsai
NT\$ 10,000,000 (include) ~ 15,000,000 (not include)	—	—	—	—
NT\$ 15,000,000 (include) ~ 30,000,000 (not include)	—	—	—	Capable Way Investments Limited, Li-Chien Hsieh
NT\$ 30,000,000 (include) ~ 50,000,000 (not include)	—	—	—	—
NT\$ 50,000,000 (include) ~ 100,000,000 (not include)	—	—	—	—
Above NT\$ 100,000,000	—	—	—	—
<b>Total</b>	<b>12</b>	<b>12</b>	<b>12</b>	<b>12</b>

(3)Remuneration of Supervisor: Supervisor is not set in this company, thus it is not applicable.

(4) Remuneration of President and Vice President

Unit: NT\$ thousands

Position	Name	Salary (A)		Pension (B)		Bonus and extraordinary charge (C)		Employee Rewards (D)				Sum of A+B+C+D and ratio to net income (%)		Remuneration from an Invested Company Other than the Company's Subsidiary or parent Company
		The Company	All companies included in the financial report	The Company	All companies included in the financial report	The Company	All companies included in the financial report	The Company		All companies included in the financial report		The Company	All companies included in the financial report	
								Cash	Stock	Cash	Stock			
President	Li-Chien Hsieh	-	39,067	-	-	-	42,158	-	-	-	-	-	81,225 14.94%	-
Senior Vice President	Tsung-Liang Tsai													
Senior Vice President	Shih-Ming Liu													
Senior Vice President	Hsi-Liang Liu													
Senior Vice President	Ming-Chung Chung													
Senior Vice President	Jen-I Tai													
Vice President	Pei-Ching Tsai													
Vice President	Chun-An Wei													
Accountant Officer	Hu-Yao Lin													

Note 1: The remunerations disclosed in this table are different from incomes defined in Income Tax, thus this table is only used for information disclosure but not for tax.

Note 2: As of December 31, 2022.



## (5)Range of Remuneration of President and Vice President

Unit: NT\$

Range of Remuneration to President and Vice President	Name of President and Vice President	
	The company	All companies included in the financial report (E)
Below NT\$ 1,000,000	—	—
NT\$ 1,000,000 (include)~ 2,000,000 (not include)	—	—
NT\$ 2,000,000 (include)~ 3,500,000 (not include)	—	—
NT\$ 3,500,000 (include)~ 5,000,000 (not include)	—	Hu-Yao Lin
NT\$ 5,000,000 (include)~ 10,000,000 (not include)	—	Tsung-Liang Tsai, Shih-Ming Liu, Hsi-Liang Liu, Pei-Ching Tsai, Chun-An Wei
NT\$ 10,000,000 (include)~ 15,000,000 (not include)	—	Ming-Chung Chuang, Jen-I Tai
NT\$ 15,000,000 (include)~ 30,000,000 (not include)	—	Li-Chien Hsieh
NT\$ 30,000,000 (include)~ 50,000,000 (not include)	—	—
NT\$ 50,000,000 (include)~ 100,000,000 (not include)	—	—
Above NT\$ 100,000,000	—	—
<b>Total</b>	—	<b>9</b>

(6)Employee's rewards paid to managers, the names and allocation: None

(7)Separately compare and describe total remuneration as a percentage of net income as paid by this company, and by each other company included in the consolidated financial statements, during the past two fiscal years to its Director, Supervisor, President, and Vice President, and analyze and describe remuneration policies, standards, and packages, the procedure for setting remuneration, and relationships with performance and future risks (this company does not have a Supervisor).

1. Analysis of the proportion of the total remuneration paid by the company and all companies to its director, supervisor, president, and vice president in net income.

Unit: NT\$ thousands

Item	Ratio of total remuneration paid to directors, supervisors, president and vice presidents to net income.			
	2021		2022	
	Amount	%	Amount	%
Director	10,482	0.98%	8,720	1.61%
President and Vice President	75,106	7.03%	81,225	14.94%

Note: Net Income attributed to parent company in 2022 and in 2021 amounted to NT\$543,738 thousands and NT\$1,068,606 thousands respectively.

2. Policy, standards, and portfolio of remuneration paid, procedure for remuneration formulated and relationship with operation performance and future risks
- (1) In accordance with the amendments to the latest Company Act announced, and the General Meeting of Shareholders resolved to the amendment in the Articles on June 23, 2022, the Company accrued employees' compensation and remuneration of directors at rates of no less than 0.1% and no higher than 2%, respectively, of net profit before income tax, employees' compensation, and remuneration of directors. If the Company has losses of previous years, net profit before income tax should be retained for offsetting the amount of those losses.
- (2) The remuneration of the Director will be paid according to the service scope and value of this Director to the company and in line with like companies in the R.O.C and abroad. Meanwhile, the board performance evaluation has been conducted each year. The Company shall base its determination of an individual director's remuneration on the evaluation results of his or her performance. The criteria for evaluating the performance of the board of directors which the following five aspects: participation in the operation of the company; improvement of the quality of the board of directors' decision making; composition and structure of the board of directors; election and continuing education of the directors; and internal control. The criteria for evaluating the performance of the board members which the following six aspects: alignment of the goals and missions of the company; awareness of the duties of a director; participation in the operation of the company; management of internal relationship and communication; the director's professionalism and continuing education; and internal control.
- (3) The remuneration paid to the managerial officers over the past two years is divided into salaries and bonuses. Reasonable remuneration shall be distributed in consideration of the company's operating results, risk and development trends in the industry, and personal performance and contribution to the company's operating results. Evaluation of performance and reasonable of remuneration shall be reviewed by the Compensation Committee and the board of directors and may be adjusted in a timely manner according to the operations and related law and regulations, so as to achieve the company's sustainable development and risk management.

#### 4. Implementation of Corporate Governance

##### (1) Operation of the Board of Directors:

The Board of Directors had convened 6 times (A) from 2022 to April 8, 2023.

Attendance records are as follows:

Position	Name	Actual attendance (B)	Attendance through proxy	Actual attendance ratio (%) (B/A)	Remarks (Note)
Chairman	Michael Chao-Juei Chiang	5	1	80%	Re-election
Director	Li-Chien Hsieh	4	0	100%	Newly appointed
Director	Tsung-Liang Tsai	4	0	100%	Newly appointed
Director	Capable Way Investments Limited Representative: Hsi-Liang Liu (Representative: Li-Chien Hsieh (Note 2))	6	0	100%	Re-election
Director	Max Gain Management Limited Representative: Heng-Yao Chang	6	0	100%	Re-election
Director	High Focus Holdings Limited Representative: Shih-Ming Liu (Representative: Tsung-Liang Tsai (Note 3))	6	0	100%	Re-election
Director	Global Yield International Co., Ltd. Representative: Shih-Ming Liu	2	0	100%	Former
Independent Director	Ming-Jeng Weng	6	0	100%	Re-election
Independent Director	Yen-Wei Cheng	4	0	100%	Newly appointed
Independent Director	Hsiu-Chun Wang	4	0	100%	Newly appointed
Independent Director	Horng-Yan Chang	2	0	100%	Former
Independent Director	Fong-Nien Chiang	2	0	100%	Former

Note 1: The company re-elected on June 23, 2022 ; The actual attendance rate (%) is calculated based on the number of meetings held during the incumbent's term and their actual attendance at these meetings.

Note 2: The company re-elected on June 23, 2022 ; Hsi-Liang Liu has assumed the position, Li-Chien Hsieh tenure expired.

Note 3: The company re-elected on June 23, 2022 ; Shih-Ming Liu has assumed the position, Tsung-Liang Tsai tenure expired.

Other items that shall be disclosed:

1. When one of the following situations occurred to the operations of the Board, state the date and term of the Board meeting, content of proposals, opinions of all Independent Directors and the Company's actions in response to the opinions of the Independent Directors:

(I) Matters included in Article 14-3 of the Securities and Exchange Act: regulations from Article 14-3 are not applicable since the Company has already established an Audit Committee. For

explanations on matters stipulated in Article 14-5 of the Securities and Exchange Act, please see Operations of the Audit Committee.

(II) In addition to the aforementioned matters, any other resolutions from the Board of Directors where an Independent Director expressed a dissenting or qualified opinion that has been recorded or stated in writing: None.

2. The status of avoidance of conflict of interests by Directors on sensitive issues, it shall describe Director name, proposal contents, reasons and status of decisions:

Meeting Date	Proposal Contents	Reasons for avoidance of conflict of interests and status of decisions
March 17, 2022	Nomination of directors and independent directors and review.	Director Michael Chao-Juei Chiang, Li-Chien Hsieh, Heng-Yao Chang, Tsung-Liang Tsai, Shih-Ming Liu, Ming-Jeng Weng avoid of conflicts of interests; after the opinions of Directors were inquired by the Acting chairman, the plan passed without objection.
	Decide to pass the KPI bonus plan for senior managers in 2021.	Director Li-Chien Hsieh, Shih-Ming Liu and Tsung-Liang Tsai avoid of conflicts of interests; after the opinions of Directors were inquired by the chairman, the plan passed without objection.
May 10, 2022	Approve the overall executive compensation plan	Director Li-Chien Hsieh, Shih-Ming Liu and Tsung-Liang Tsai avoid of conflicts of interests; after the opinions of Directors were inquired by the chairman, the plan passed without objection.
	Propose the director remuneration distribution plan for 2021.	Director Michael Chao-Juei Chiang, Li-Chien Hsieh, Heng-Yao Chang, Tsung-Liang Tsai, Shih-Ming Liu, Horng-Yan Chang, Fong-Nien Chiang and Ming-Jeng Weng avoid of conflicts of interests; and after consulting with the directors present and receiving no objections, the proposal has been approved.
March 8, 2023	Decide to pass the KPI bonus plan for senior managers in 2022.	Director Li-Chien Hsieh, Shih-Ming Liu, Hsi-Liang Liu and Tsung-Liang Tsai avoid of conflicts of interests; after the opinions of Directors were inquired by the chairman, the plan passed without objection.

3. Performance evaluation of the Board of Directors:

Evaluation Cycle	Evaluation Period	Evaluation Scope	Evaluation Method	Evaluation Content
Annually	2021.11.01 to 2022.10.31	Board of Directors	Internal self-evaluation by the board of directors	The measurement items of the "Board Performance Evaluation Self-evaluation Questionnaire" cover five major aspects including participation in company operations, improvement of the decision-making quality of the board of directors, composition and structure of the board, selection and continuous education of directors, and internal control, totaling 38 evaluation indicators.
	2021.11.01 to 2022.10.31	Individual board members	Board member self-evaluation	The measurement items of the "Self-assessment Questionnaire for Directors' Performance Evaluation" include the mastery of the company's objectives and tasks, the awareness of directors' responsibilities, the degree of participation in company operations, internal relationship management and communication, directors' professional and continuing education, internal control, etc. In general, there are 22 evaluation indicators.

4. Strengthening the function of the board of directors and its execution condition in this year and last year (such as establishing an Audit Committee, improving information transparency):  
The board of directors authorizes its Audit Committee and Compensation Committee to separately assist with supervision. These two committees are each composed of three Independent Directors. The chairman of each committee shall regularly report its activities and decisions to the board of directors.

(2) Operation condition of Audit Committee:

The Audit Committee had convened 6 times (A) from 2022 to April 8, 2023.

Attendance records are as follows:

Position	Name	Actual attendance (B)	Attendance through proxy	Actual attendance ratio (%) (B/A)	Remarks (Note)
Independent Director	Ming-Jeng Weng	6	0	100%	Re-election
Independent Director	Yen-Wei Cheng	4	0	100%	Newly appointed
Independent Director	Hsiu-Chun Wang	4	0	100%	Newly appointed
Independent Director	Horng-Yan Chang	2	0	100%	Former
Independent Director	Fong-Nien Chiang	2	0	100%	Former

Note: The independent director was elected and appointed as a member of the Audit Committee of our company during the General Meeting of Shareholders on June 23, 2022. The actual attendance rate (%) of the independent director were calculated based on the number of Audit Committee meetings held during their tenure and their actual attendance at these meetings.

Other items that shall be disclosed:

1.If any of the following circumstances exists, specify the audit committee meeting date, meeting session number, content of the motion(s), the content of any dissenting or qualified opinion or significant recommendation of the independent directors, the outcomes of audit committee resolutions, and the measures taken by the Company based on the opinions of the audit committee:

(I) Matters included in Article 14-5 of the Securities and Exchange Act:

All resolutions have been approved with the consent of one-half or more of all Audit Committee members before a resolution has been reached at the Board meeting. There were no other resolutions which had not been approved with the concurrence of one-half or more

of all Audit Committee members but were undertaken upon the consent of two-thirds or more of all directors. (Please see 4. Implementation of Corporate Governance - (11) Major Resolutions of the General Meeting of Shareholders and Board Meetings)

(II) Except the items in the preceding issues, other resolutions which had not been approved with the concurrence of one-half or more of all Audit Committee members but were undertaken upon the consent of two-thirds or more of all directors: None

2. In regards to the recusal of independent directors from voting due to conflict of interests, the name of the independent directors, the resolutions, reasons for recusal due to conflict of interests and voting outcomes should be stated: None.

3. Communication condition between Independent Directors, internal auditing supervisor, and CPA (including communication of important events, methods, and results related to financial and business conditions):

Description:

- (1) Company's internal auditing supervisor will regularly communicate the audit results with members of the Audit Committee and report it in the Audit Committee meeting in each quarter. Under special situations, the auditing supervisor will also report to members of the Audit Committee, while special situation did not occur in the recent year. Audit Committee communicates well with internal auditing supervisor.

Date And Method	Communication focus	Communication situation and results
March 17, 2022 Audit Committee	1. Audit execution business and defect tracking report in the fourth quarter of 2021 Execution of internal audit plan declared in MOPS 2. Pass the 2021 Internal Control Statement	All attending committee members discussed and approved it.
May 10, 2022 Audit Committee	The first quarter of 2022 audit execution business and defect tracking report Please check the implementation of the internal audit plan of MOPS	All attending committee members agreed to take note of it.
July 1, 2022 Audit Committee	January to May of 2022 audit execution business and defect tracking report Please check the implementation of the internal audit plan of MOPS	All attending committee members agreed to take note of it.
August 18, 2022 Audit Committee	Audit execution business and defect tracking report for the second quarter of 2022 Please check the implementation of the internal audit plan of MOPS	All attending committee members agreed to take note of it.
November 4, 2022 Audit Committee	1. Audit execution business and defect tracking report in the third quarter of 2022 Please check the implementation of the internal audit plan of MOPS 2. Formulate the 2023 audit plan 3. Revision of the internal control system and internal audit system.	All attending committee members discussed and approved it.

- (2) Company's CPA will report financial report check or review results and other matters required in related laws in the annual Audit Committee meeting; under special situations, CPA will also report to members of the Audit Committee. There is no such special situation in the recent year. Audit Committee communicates well with CPA.  
CPA attended the Audit Committee meeting on March 17, 2021, August 18, 2022 and March 8, 2023.

Date And Method	Communication focus	Communication situation and results
March 17, 2022 Audit Committee	1. Arrange two accountants to brief the audit committee and explain the 2021 consolidated financial statements. 2. Accountants discuss and communicate with the Chairman and members of the Audit Committee on the issues inquired. The accountant issued an 110Y internal control proposal, and during the audit, no major deficiency in the company's internal control was found. 3. Recent regulatory changes report. 4. Discuss progress with the competent authority regarding the benchmarking of the special surplus reserve.	All attending committee members discussed and approved it.
August 18, 2022 Audit Committee	1. Arrange two accountants to brief the audit committee and explain the 2022 consolidated financial statements. 2. Accountants discuss and communicate with the Chairman and members of the Audit Committee on the issues inquired. 3. Recent regulatory changes report.	All attending committee members agreed to take note of it.
March 8, 2023 Audit Committee	1. Arrange two accountants to brief the audit committee and explain the 2021 consolidated financial statements. 2. Accountants discuss and communicate with the Chairman and members of the Audit Committee on the issues inquired. The accountant issued an 111Y internal control proposal, and during the audit, no major deficiency in the company's internal control was found. 3. Recent regulatory changes report. 4. Provide an explanation and audit quality indicators regarding the "Review Procedures for Pre-approval of Non-assurance Services Provided by the Auditor"	All attending committee members discussed and approved it.

#### 4. Annual key functions and operations:

##### (I) 2022 Annual key functions

1. Financial statements, business reports and Profit Distribution.
2. The assessment of the effectiveness of the internal control system and the plan of the audit program.
3. Appointment, dismissal, and independence evaluation of CPA.
4. Significant assets, capital loans, endorsement guarantees and derivative transactions.
5. New subsidiary case
6. Deliberation on internal control system and procedures for acquisition or disposition of assets.

##### (II) 2022 operations:

Matters included in Article 14-5 of the Securities and Exchange Act have all been reviewed or approved by members of the Audit Committee with no dissent from any of the Independent Directors. (Please refer to the annual report (11) Major Resolutions of the General Meeting of Shareholders and Board Meetings)

(3) Corporate Governance Implementation Status and Deviations from “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies”:

Evaluation Item	Implementation Status			Deviations from “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Summary	
1. Whether this company has formulated and disclosed the company’s corrective action plan according to SE/OTC listed companies’ corrective action?	✓		Our company has formulated an operation practice code and distributed it to the public information observation website; the operation of our company is based on business operation, we promote business operation through strengthening operation transparency and function of the board of directors.	There is no big deviation.
2. This company’s shareholding composition and shareholder’s equity (1) Whether this company has formulated internal operation procedure to deal with shareholder’s proposals, doubts, disputes, and lawsuits, and has been implemented according to the procedure?	✓		(1) In order to ensure shareholder equity, this company has set special personnel and e-mail (7777@tpk.com); special personnel for internal processing procedure can handle share affairs and investor relations, personnel for legal affairs can handle shareholder opinions, disputes, and lawsuits related to overseas income tax. At the same time, in response to the internal and external personnel’s	There is no big deviation.



Evaluation Item	Implementation Status			Deviations from “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Summary	
(2) Whether this company has the name list of main shareholders and the final controller of shareholders?	✓		reporting system for illegal (including corruption) and unethical behavior, the company has set an appeal mailbox (whistle.blowing@tpk.com), and special personnel will be assigned to handle relative affairs. (2) This company has set the unit for shares affairs and agent for shares affairs which can timely grasp the main shareholders of the company and the final controller of main shareholders.	There is no big deviation.
(3) This company’s efforts to set up and implement risk control mechanism and firewall with affiliates?	✓		(3) This company has formulated a transaction management method which can define the regulation for enterprise operation, business and financial relation with an interested party, and thus to reach the risk control mechanism.	There is no big deviation.
(4) Whether the company has formulated internal regulations to forbid purchasing and selling of	✓		(4) This company has formulated a processing procedure for important internal information to forbid purchasing	There is no big deviation.

Evaluation Item	Implementation Status			Deviations from “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Summary	
securities by internal employees with the use of undisclosed information in the market?			and selling of securities by internal employees with the use of undisclosed information in the market.	
3. The composition and responsibility of board of directors (1) Have a diversity policy and specific management objectives been adopted for the board and have they been fully implemented?	√		(1) Diversity policy and specific management objectives and implementation: Please refer to this annual report (3) Diversity and Independence of the Board of Directors(P.23)	There is no big deviation.
(2) Except for the establishment of Compensation Committee, whether this company has set other functional committees on its own?		√	(2) Our company has set salaries and a remuneration commission, Audit Committee, and other functional committees will be set according to actual demands in future.	There is no big deviation.
(3) Does the company formulate the performance evaluation methods for the Board of Directors, conduct performance evaluations annually and regularly, and report the results of the performance evaluations to the Board of Directors, and use them as a reference for individual directors' remuneration and nomination and renewal?	√		(3) The company has formulated the board of directors' performance evaluation method and its evaluation method, and regularly conducts performance evaluation every year, and submits the results of the performance evaluation to the board of directors, and uses it as a reference for the	There is no big deviation.

Evaluation Item	Implementation Status			Deviations from “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Summary	
(4) Regular assessment of the independent performance of the CPA in the auditing practice?	✓		<p>remuneration of individual directors and nominations for renewal.</p> <p>(4) The company has submitted the 2022 independent evaluation plan of the certifying CPA to the board of directors and Audit Committee on March 8, 2023, all directors decided that Deloitte Touche Tohmatsu Limited CPA Chuang, Pi-Yu and Kuo, Tzu-Jung can accord with independent and suitability standards, the evaluation is based on the “Certifying Accountant Review and Evaluation Form” prepared by the company and the “Accountant’s detached independence statement” issued by the accountant.</p> <p>Review table and detailed indications:</p> <ol style="list-style-type: none"> <li>1. Independent of CPA</li> <li>2. Morality of CPA</li> <li>3. Expertise of audit personnel</li> <li>4. Evaluate and supervise the existing or potential risks of the Company</li> </ol>	There is no big deviation.

Evaluation Item	Implementation Status			Deviations from “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Summary	
			5. Communication with top management 6. Reasonable fees	
4. Does the company set up an appropriate number of suitable personnel responsible for corporate governance matters and appoint a corporate governance manager responsible for corporate governance matters (including but not limited to providing information for directors to perform their functions, assisting directors with legal compliance, handling work related to meetings of the board of directors and the General Meeting of Shareholders in accordance with law, and producing minutes of board meetings and General Meeting of Shareholders).	√		The Company has a dedicated equity officer responsible for corporate governance-related matters. The Board of Directors has approved the appointment of the Company's Senior Vice President, Hsi-Liang Liu, as the head of corporate governance, responsible for corporate governance-related matters as the highest executive. The head of corporate governance will handle matters related to the Board of Directors, Audit Committee, Compensation Committee, and General Meeting of Shareholders in accordance with the law, assist directors in taking office and continuing education, provide information necessary for directors to execute their duties,	There is no big deviation.

Evaluation Item	Implementation Status			Deviations from “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Summary	
			and help directors comply with laws and regulations.	
5. Whether the Company has set communication channels for interested parties (including but not limited to shareholders, employees, customers and suppliers) and a special area on the website for interested parties, and whether the Company has responded to the enterprise social responsibility topics concerned by interested parties?	✓		The Company has set a special area for interested parties, established communication channels with interested parties such as investors, employees, customers, suppliers, media, district and government departments and execution conditions, handle and response company’s external relations and matters related to interested party.	There is no big deviation.
6. Whether the company has entrusted an agent to handle affairs of the board of shareholders?	✓		The Company has entrusted Yuanta Securities Co. LTD. to handle affairs of the board of shareholders.	There is no big deviation.
7. Disclosure of information (1). Whether the Company has installed a website to fully disclose the information regarding this company’s financial business standing as well as management?	✓		(1). The Company has installed a website (www.tpk.com) to disclose relative information at time, company overview, Corporate Governance Information and financial information will be declared to	There is no big deviation.

Evaluation Item	Implementation Status			Deviations from “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Summary	
(2). Whether other methods have been adopted by the Company to disclose information (e.g., installation of websites in English, appointment of designated personnel to collect and disclose information, process for presentation of commercial papers, firm enforcement of spokesperson system, installation of company website, etc.)	√		the public information website according to the regulations of authority. (2). 1. The Company has installed a website, and has set the website for financial information and business operation information. 2. The Company has set a spokesperson system, and implemented it according to relative laws. Investors can send emails to IR@tpk.com if there are any doubts, and special personnel will respond. 3. The Company’s juridical person briefing will provide a live webcast or live conference call, and the recording files as well as briefings will be placed in the public information observation website and company website.	There is no big deviation.
(3). Did the company publicly disclose and file its financial report within two months of the end of the fiscal year and publicly disclose and file financial reports for the		√	(3). The company's first, second, third and annual financial reports for 2022 and monthly revenues are announced and	There is no big deviation.

Evaluation Item	Implementation Status			Deviations from “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Summary	
first, second, and third quarters and monthly operational status reports prior to the time limits set by regulations?			declared at the public information observatory before the prescribed deadline, and uploaded to the company's website simultaneously.	
8. Whether the Company has important information for others to know the business operations (including but not limited to employee rights, employee care, investor relation, supplier relation, rights of interested parties, training of directors and Supervisors, risk management policy and execution of risk measurement standard, execution condition of customer policy, the condition of the company to buy insurance for directors and Supervisors)?	√		<p>(1) Employee right and benefit: The Company has formulated an employee remuneration method (refer to articles of association), employee performance award method, and employee stock option method.</p> <p>(2) Employee care: The Company pays attention to human rights and employee interests, except for basic requirements in labor laws, the Company has set up a welfare commission, Good News and Wecare to care for employee, and encourages employees to participate in road running, mountain climbing or swimming; in addition, it provides a gym, training center (playing movies</p>	There is no big deviation.

Evaluation Item	Implementation Status			Deviations from “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Summary	
			<p>irregularly), staff restaurants, staff travel and fire detection drills to maintain a good working environment, and actively develop community activities, so employees can grow healthily.</p> <p>(3) Investor relation: The Company has set letter box IR@tpk.com, provided a channel for investors to express opinions, and set special personnel to respond; the important information will be released on the public information station and website in a timely manner.</p> <p>(4) Training of board of directors: Training courses for authority (shown in the following table).</p> <p>(5) Execution condition of risk management policy and risk measurement standard: Except for strict internal control system and audit carried out by internal auditing</p>	



Evaluation Item	Implementation Status			Deviations from “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Summary	
			<p>personnel, relative insurances are set to avoid risks.</p> <p>(6) Execution condition of customer policy: The Company adheres to credit management and pays attention to customer rights, and the Company has set internal regulations for employees according to relative laws.</p> <p>(7) The situation of the company purchasing liability insurance for directors: The Company has insured liability insurance for directors, which is regularly evaluated every year and reports to directors on the renewal of directors' liability insurance.</p>	
<p>9. Please describe the improvement in the results of the recent corporate management review issued by the Corporate Governance Center of the Taiwan Stock Exchange, and give priority to strengthening measures for those matters which have not been improved.</p> <p>The company's most recent annual corporate governance evaluation results are in the top 36%~50% of listed companies. In the future, we will continue to work hard to safeguard shareholders' rights and treat shareholders equally, strengthen the structure and operation of the board of directors, improve information transparency and promote sustainable development and strengthen corporate governance. The 2022 Sustainability Report will be completed in September 2023.</p>				

Attached Table:

(1) Director select proper training courses according to their time management and project background, training courses are shown as follows:

Position	Name	Organizer Unit	Training Course	Training Date	Training Hours	Whether training can accord with regulation (Note)
Chairman	Michael Chao-Juei Chiang	Securities and Futures Institute	111Y annual insider equity transaction legal compliance publicity briefing	October 12, 2022	3	yes
		Taiwan Institute for Sustainable Energy	2022 GCSF International Online Forum	November 09, 2022	1	yes
		Co-hosted by Cathay Financial Holdings and its subsidiaries and the Taiwan Stock Exchange Corporation	2022 Cathay Pacific Sustainable Finance and Climate Change Summit Forum	November 13 2022, November 14, 2022	9	yes
Director	Li-Chien Hsieh	Securities and Futures Institute	111Y annual insider equity transaction legal compliance publicity briefing	October 19, 2022	3	yes
		Taiwan Corporate Governance Association	Global Trend Analysis - Risks and Opportunities	November 04, 2022	3	yes
Director	Hsi-Liang Liu	Taiwan Stock Exchange Corporation	International Double Summit Online Forum	May 04, 2022	2	yes
		Taiwan Corporate Governance Association	Looking at corporate sustainable governance from the perspective of risk - from corporate governance to ESG	August 12, 2022	3	yes
		Securities and Futures Institute	111Y annual insider equity transaction legal compliance publicity briefing	October 12, 2022	3	yes
		Securities and Futures Institute	111Y Annual Insider Trading Prevention Promotion Conference	October 21, 2022	3	yes
		Taiwan Corporate Governance Association	Global Trend Analysis - Risks and Opportunities	November 04, 2022	3	yes
		Taiwan Institute for Sustainable Energy	2022 GCSF International Online Forum	November 09, 2022	1	yes
Director	Heng-Yao Chang	Securities and Futures Institute	111Y annual insider equity transaction legal compliance publicity briefing	October 26, 2022	3	yes
		Taiwan Corporate Governance Association	Global Trend Analysis - Risks and Opportunities	November 04, 2022	3	yes
Director	Tsun-Liang Tsai	Securities and Futures Institute	111Y annual insider equity transaction legal compliance publicity briefing	October 26, 2022	3	yes
		Taiwan Corporate Governance Association	Global Trend Analysis - Risks and Opportunities	November 04, 2022	3	yes
Director		Securities and Futures Institute	111Y annual insider equity transaction legal compliance publicity briefing	October 26, 2022	3	yes

	Shih-Ming Liu	Taiwan Corporate Governance Association	Global Trend Analysis - Risks and Opportunities	November 04, 2022	3	yes
Independent Director	Ming-Jeng Weng	Taiwan Corporate Governance Association	Prevention and Countermeasures of Insider Trading	August 10, 2022	3	yes
			Global Trend Analysis - Risks and Opportunities	November 04, 2022	3	yes
Independent Director	Yen-Wei Cheng	Taiwan Institute of Financial Incorporation	Corporate Governance and Corporate Sustainability Seminar	June 22, 2022	3	yes
		Taiwan Corporate Governance Association	Responsibilities of Directors, Supervisors and Corporate Governance of Foreign-funded Enterprises in Taiwan	November 09, 2022	3	yes
Independent Director	Hsiu-Chun Wang	Taiwan Stock Exchange Corporation, Securities Counter Trading Center	Sustainable Development Roadmap Industry Theme Publicity Conference	July 27, 2022	3	yes
		Securities and Futures Institute	111Y annual insider equity transaction legal compliance publicity briefing	October 05, 2022	3	yes
		Taiwan Corporate Governance Association	Global Trend Analysis - Risks and Opportunities	November 04, 2022	3	yes

Note1: Means whether it can accord with the training hours, training scope, training system, training arrangements and information disclosure as stipulated in the “Implementation of the Directors of SE/OTC and the implementation of the Supervisor training”.

(2) Main manager and audit supervisor of the Company will select suitable courses according to the project, and their participation in the training is shown as follows:

Position	Name	Organizer Unit	Training Course	Training Date	Training Hours
President	Li-Chien Hsieh	Securities and Futures Institute	111Y annual insider equity transaction legal compliance publicity briefing	October 19, 2022	3
		Taiwan Corporate Governance Association	Global Trend Analysis - Risks and Opportunities	November 04, 2022	3
Chief Strategy Officer / Corporate Governance Officer.	Hsi-Liang Liu	Taiwan Stock Exchange Corporation	International Double Summit Online Forum	May 04, 2022	2
		Taiwan Corporate Governance Association	Looking at corporate sustainable governance from the perspective of risk - from corporate governance to ESG	August 12, 2022	3
		Securities and Futures Institute	111Y annual insider equity transaction legal compliance publicity briefing	October 12, 2022	3
		Securities and Futures Institute	111Y Annual Insider Trading Prevention Promotion Conference	October 21, 2022	3
		Taiwan Corporate Governance Association	Global Trend Analysis - Risks and Opportunities	November 04, 2022	3
		Taiwan Institute for Sustainable Energy	2022 GCSF International Online Forum	November 09, 2022	1
Financial Executive	Pei-Ching Tsai	Taiwan Corporate Governance Association	Global Trend Analysis - Risks and Opportunities	November 04, 2022	3
		Co-hosted by Cathay Financial Holdings and its subsidiaries and the	2022 Cathay Pacific Sustainable Finance and Climate Change Summit Forum	November 14, 2022	6

		Taiwan Stock Exchange Corporation			
Accountant Officer	Hu-Yao Lin	Accounting Research and Development Foundation	" Financial Report Examination" and related laws and regulations on supervision practices and common deficiencies in enterprises	January 17 , 2022	6
			Financial Technology and Emerging Money Laundering Techniques - Analysis of Legal Liability Cases	May 31 , 2022	3
			Discussion on How Independent Directors Properly Exercising Their Powers from the Responsibilities of the Securities and Exchange Law-Also on the Audit Committee	June 20 , 2022	3
Audit Supervisor	Pei-Chi Wang	The Institute of Internal Auditors-Chinese Taiwan	How to use digital technology to explore and improve operational processes and fraud detection	April 07 , 2022	6
		Accounting Research and Development Foundation	Common deficiencies in corporate financial report preparation and compliance with internal audit and internal control laws and regulations	December 05, 2022	6

#### (4) Operation condition of Compensation Committee

##### 1. Information of members of Compensation Committee

April 8, 2023

Position	Condition Name	The professional qualifications and experience of the Company's Compensation Committee.	The independence status of the Company's Compensation Committee	Number of companies where the person also acts as a member of Compensation Committee
Independent Director (Convener)	Ming-Jeng Weng	The Compensation Committee of the Company consists of all three independent directors. The professional qualifications and experience of the members, please refer to this annual report (1) Directors' names, shareholding, and education/experience background (P.17-19)	All members of the Compensation Committee meet the following conditions: 1. Comply with Article 14-6 of the Securities and Exchange Act promulgated by the Financial Supervisory Commission and "Regulations Governing the Appointment and Exercise of Powers by the Compensation Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange" (Note) Relevant regulations. 2. I (or in the name of others), my spouse and minor children do not hold shares in the company. 3. The amount of remuneration received from providing business, legal, financial, accounting and other services to the company or its affiliates in the last two years.	1
Independent Director	Yen-Wei Cheng			1
Independent Director	Hsiu-Chun Wang			1

Note: There is no one of the following two years before the election and during the term of office:

- (1) Employees of the company or its affiliates.
- (2) Directors and supervisors of the company or its affiliates.
- (3) I and my spouse, minor children or natural person shareholders who hold more than 1% of the total issued shares of the company in the name of others or hold the top ten shares.
- (4) Spouses, relatives within the second degree of kinship, or lineal relatives within the third degree of kinship, of the managers listed in (1) or the persons listed in (2) and (3).
- (5) A director, supervisor or employee of a legal person shareholder who directly holds 5% or more of the total issued shares of the company, and who holds the top five shares or appoints a representative to serve as a director of the company in accordance with Article 27 of the Company Act.
- (6) A director, supervisor or employee of another company controlled by the same person with more than half of the directors' seats or voting shares of the company.
- (7) A director (director), supervisor (supervisor) or employee of another company or institution who is the same person or spouse as the company's chairman, general manager or equivalent.
- (8) Directors (councils), supervisors (supervisors), managers or shareholders holding more than 5% of the shares of specific companies or institutions that have financial or business dealings with the company.
- (9) Professionals, sole proprietorship, partnership, company or institution business owners who provide auditing or business, legal, financial, accounting and other related services for companies or affiliated companies with a cumulative amount of remuneration exceeding NT\$500,000 in the last two years, partners, directors (council), supervisors (supervisors), managers and their spouses. However, it is not limited to those who serve as members of the Company's Compensation Committee.

##### 2. Operation condition of Compensation Committee

(1) There are three members in the Compensation Committee.

(2) Tenure of members of committee: From July 1, 2022 to June 22, 2025. The Compensation Committee had convened 3 times (A) from 2022 to April 8, 2023.

Attendance condition is shown as follows:

Position	Name	Actual attendance (B)	Attendance through proxy	Actual attendance ratio (%) (B/A)	Remarks
Convener	Ming-Jeng Weng	3	0	100%	Re-election
Commission Member	Yen-Wei Cheng	1	0	100%	Newly appointed
Commission Member	Hsiu-Chun Wang	1	0	100%	Newly appointed
Convener	Horng-Yan Chang	2	0	100%	Former

Commission Member	Fong-Nien Chiang	2	0	100%	Former
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Note: Approved by the board of directors on July 1, 2022 for the appointment of members of the Compensation Committee for a term beginning on July 1, 2022 until full re-election of directors. The actual attendance(%) was calculated based on the number of meetings and the actual number of attendances during his tenure.

Responsibilities of the Compensation Committee

- (1) Regularly review organization regulation and put forward corrective suggestions.
- (2) Plan and regularly review annual and long-term performance objective as well as policy, system, standard and structure of remuneration for directors and managers.
- (3) Regularly evaluate the realization condition of performance objective for directors and managers, and plan the content and amount for individual remuneration.

Others:

1. If the board of directors does not adopt or revise the opinions of the Compensation Committee, the date, stage, proposal contents, decision results of the board of directors, and company's processing to the opinions of the Compensation Committee (if the remuneration passed by the board of directors is better than the remuneration proposal made by the Compensation Committee) shall be described: None.
2. If any members do not agree with the decision of the Compensation Committee with record or written statement, the date, stage, proposal contents, opinions of all members and processing to opinions of the Compensation Committee shall be described:

Compensation Committee	Agenda	Resolution	The Company's handling of the opinions of the Compensation Committee
The 9 <sup>th</sup> meeting of the 4 <sup>th</sup> Compensation Committee March 17, 2022	1. Report the results of the performance evaluations to the Board of Directors.	All the attending committee members agree to approve and submit a report to the board of directors	Proposal to the board of directors shall be agreed by all directors present
	2. Decide to pass the KPI bonus plan for senior managers in 2021.	All the attending committee members agree to approve and submit to the board of directors for discussion	Proposal to the board of directors shall be approved by all directors present
The 10 <sup>th</sup> meeting of the 4 <sup>th</sup> Compensation Committee May 10, 2022	1. Decide to pass remuneration distribution plan of Director for annual surplus in 2021.	All the attending committee members agree to approve and submit to the board of directors for discussion	Proposal to the board of directors shall be approved by all directors present
	2. Decide to pass the remuneration plan for senior managers.	All the attending committee members agree to approve and submit to the board of directors for discussion	Proposal to the board of directors shall be approved by all directors present
The 1 <sup>st</sup> meeting of the 5 <sup>th</sup> Compensation Committee March 8, 2023	1. Report the results of the performance evaluations to the Board of Directors	All the attending committee members agree to approve and submit a report to the board of directors	Proposal to the board of directors shall be agreed by all directors present
	2. Decide to pass the KPI bonus plan for senior managers in 2022.	All the attending committee members agree to approve and submit to the board of directors for discussion	Proposal to the board of directors shall be approved by all directors present

(5) The state of the company's promotion of sustainable development, any variance from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, and the reason for any such variance:

Assessment Item	Implementation Status			Deviations from "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	no	Summary	
1. Does the company establish a governance structure to promote sustainable development, and set up a dedicated (part-time) unit to promote sustainable development, and the board of directors authorizes senior management to handle it, and the board of directors supervises the situation?	✓		<p>Following TPK's CSR policy and guidelines, the chairman's office has promoted the establishment of CSR committee which is responsible for dedicated CSR work in January 2016. The committee serves as a platform for cross-departmental communication with top and bottom integration and horizontal linkage.</p> <p>Through the annual meeting, identify sustainable issues related to company operations and stakeholders, formulate corresponding strategies and work plans, and track the implementation results to ensure that CSR policies are fully implemented into the company's daily operation and management.</p> <p>In 2022, the CSR Committee organized an annual management review meeting for each subsidiary in Mainland China to exchange and discuss issues around social responsibility management. TPK's current CSR management system is appropriate, clear and effective, and meets the relevant requirements of stakeholders. It will continue to be optimized in the future in order to improve CSR management.</p> <p>The relevant implementation results and work plans are reported to the Board of Directors from time to time by CEO, the chairman of the CSR committee, and the Board of Directors supervises the company's sustainable development management policy, strategy, goal formulation and review measures. The greenhouse gas inventory and verification schedule was reported to the Board of Directors on May 10, 2022.</p>	There is no big deviation.

Assessment Item	Implementation Status			Deviations from "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	no	Summary	
			<p>In order to implement the vision and mission of the ESG policy, a "Sustainable Development Committee" was established in the first quarter of 2023 as the highest level of decision making center for sustainable development within company. The Committee was led by Chairman, the CEO is the Vice Chairman, and the Vice President Administration is designated as the Executive Secretary.</p> <p>Under the Sustainable Development Committee, the Corporate Governance Group, the Environmental Planning and Management Group, the Social Engagement Group, and the Customer Management Group are established to review the company's core operating capabilities with the senior executives of each business center and to formulate medium or long-term sustainable development plans.</p>	
<p>2. Does the company conduct risk assessments on environmental, social and corporate governance issues related to company operations in accordance with the principle of materiality, and formulate relevant risk management policies or strategies?</p> <p>(Note: The principle of materiality refers to those who have a significant impact on the company's investors and other</p>	√		<p>1. The risk assessment covers the company's sustainable development performance in key locations from January 2022 to December 2022. The assessment boundary is based on the TPK's mainland subsidiaries, including established operating locations in Mainland China, Taiwan and other parts of Asia.</p> <p>2. The Sustainable Development Committee conducts analysis based on the principle of materiality and assesses materiality issues after communicating with internal and external stakeholders and reviewing national and international studies. It also establishes risk management policies for effective identification, measurement evaluation, monitoring and control, and takes specific action plans to reduce the impact of related risks.</p> <p>3. Based on the assessed risks, formulate relevant risk management policies or strategies as follows:</p>	There is no big deviation.



Assessment Item	Implementation Status					Deviations from "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and Reasons	
	Yes	no	Summary				
stakeholders in relation to environmental, social and corporate governance issues.)				Substantive issues	Risk Assessment Program	Details	
				Environment	Energy	The company implements PDCA management cycle of the ISO50001 Energy Management System, with Resource Conservation, Green first, law-abiding self-discipline, full participation, management optimization, and continuous improvement, as the energy management policy. Establish an energy management system following ISO international standards, and formulate the Group Energy Management Manuals. To reduce energy consumption and demand for products and services. Set energy targets to reduce energy consumption and demand for products and services and achieve effective energy management. Since the establishment of the mainland's subsidiary companies have introduced ISO50001 energy management system and to maintain operations, of which, TPK Advanced Solutions Inc., TPK Glass Solutions (Xiamen) Inc. got	

Assessment Item	Implementation Status					Deviations from "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	no	Summary			
					SO50001 management system certification in 2022.	
				Water and Wastewater	1.The company was committed to the proper management and recycling of water resources optimization, water resources risk analysis, and operational continuity planning, the water resources management model of source management, rational reduction and recycle loop reuse was established, and the water balance analysis of each plant area was carried out through the internal water resources information platform, to continuously improve the management, formulate water crisis response mechanism in advance to ensure the good operation of the company's water system.  2.The waste water in each factory should be properly treated by the wastewater treatment facilities and discharged after meeting the standards. In addition to self-testing of the waste water samples, the on-line testing of the waste water quality was carried out simultaneously by the qualified cooperation organizations as the	

Assessment Item	Implementation Status					Deviations from "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	no	Summary			
					manufacturer to avoid the environmental impact of wastewater discharge and to ensure that the wastewater quality of the plant can meet local effluent standards and clear all inspection.	
				Waste Management	The company has established an environmental management system according to ISO international standards, formulate the "Group Environment, Occupational Health and Safety Management Manual" and implement environmental management in accordance with the standards, including formulating environmental policies, implementing and implementing relevant requirements of the policies, etc. In 2022, all the subsidiaries in the mainland had completed ISO14001 management system certification annually. The whole process of waste supervision was controlled from source identification to disposal by details. To ensure the accuracy and efficiency of data statistics, the e-system was established to manage all of the information from input to output and did the disposer audit annually.	

Assessment Item	Implementation Status				Deviations from "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	no	Summary		
					Ensure the related disposal operation is lawful. According to the discharge status of each company, the company actively carries out the project of resource reuse and zero-landfill, effectively reducing waste generation and environmental pollution.
				Greenhouse Gas Emissions	According to ISO14064, we conduct an annual inventory of the greenhouse gas emissions of each subsidiary, develop and build a group carbon inventory as a long-term operation carbon reduction target management tool. According to the results of the carbon inventory, it continues to implement carbon reduction measures and effectively reduce carbon emissions.
				Supplier Environmental Assessment	New suppliers are required to pass the screening of environmental standards before cooperation, and an annual audit plan is formulated for major cooperative suppliers to audit their compliance with relevant environmental laws and regulations; if negative environmental impacts are identified, TPK will take timely action with suppliers to promote solutions.

Assessment Item	Implementation Status				Deviations from "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and Reasons	
	Yes	no	Summary			
				Social	Occupational Health and Safety	Continuously improve working conditions and employee benefits, all factories and subsidiaries on the mainland had introduced the ISO45001 occupational health and safety management system and complete annually certification. The company formulate safety emergency measures, and conduct regular enterprise safety production standardized assessments, detection of occupational hazards and declaration of occupational hazard since inception; every year, various safety education training and publicity will be carried out in each factory on a regular basis to enhance employees' safety awareness.
					Labor-employment relations	We are committed to providing a warm, healthy and safe working environment for our employees and building a harmonious labor-employee relationship.  1 <sup>st</sup> We support, respect and follow internationally recognized human rights regulations and principles, and develop the TPK CSR Management Manual to implement human rights protection policy guidelines. Organize training

Assessment Item	Implementation Status				Deviations from "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	no	Summary		
					every year to raise employees' awareness of human rights protection and reduce related risks. 2 <sup>nd</sup> We have established a code of conduct for employees and various management system related to labor employment to regulate corporate management. And also protect the rights and interests of employees and improve welfare benefits. 3 <sup>rd</sup> Through multiple channels such as employee satisfaction surveys and suggestion boxes, continue to communicate with employees to understand their needs or opinions, actively build harmonious labor relations, and avoid labor disputes.
				Customer Privacy	Establish a series of safe and corresponding management procedures for the protection of business secrets based on the "Management Rules for the Protection of Business Secrets", and conducts training for all employees on it. For those involved in new product development, additional confidentiality agreements are required to be signed to protect the rights of customers and

Assessment Item	Implementation Status					Deviations from "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and Reasons	
	Yes	no	Summary				
						company. There were no substantiated complaints of invasion of customer privacy or loss of customer information in 2022.	
				Governan ce	Economic Performance	Our company is a leading provider of touch technology applications and has vertical integration manufacturing capabilities. We offer comprehensive touch technology application solutions to our customers, ranging from research and development to product design and mass production. We have established partnerships with world-renowned brand manufacturers.  Furthermore, leveraging our extensive experience in mass production, we assist customers in reducing product development lead time and optimizing production processes. We are committed to diversifying our business.  Our company strives to provide customers with high-quality products and services that meet their customized needs. We aim to deliver excellent operational performance to our shareholders as a token of our gratitude.	

Assessment Item	Implementation Status				Deviations from "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	no	Summary		
				Market Status	TPK provides fair employment opportunities, makes good use of diversified recruitment channels to attract talents. We break the time and geographical restrictions and combine on-site and video interviews to provide a variety of recruitment modes for various job seekers and enhance our brand image.  According to the industry nature, we establish a complete talent cultivation plan and promotion mechanism. According to the market salary level, economic trend and individual performance, we formulate a reasonable salary incentive system and improve it regularly to maintain the overall salary competitiveness.
				Sourcing Practices	We believe suppliers are important partners in our sustainable operation. We categorize and manage our suppliers according to the characteristics of the products or services they provide, and continuously reduce procurement costs in multiple ways.  Through economic, environmental and social risk assessment and audit verification, we work with



Assessment Item	Implementation Status					Deviations from "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	no	Summary			
					suppliers to continuously improve in order to comply with local laws and regulations and customer specifications, reduce operational risks, and jointly pursue sustainable operation and growth.	
				Anti-corruption	TPK uphold the highest standards of integrity in all business interactions. We have a zero-tolerance policy and prohibit any form of corruption. And a series of regulations such as the "Employee Integrity Management Regulations", "Conflict of Interest Management Regulations" and "Employee Reward and Punishment Management Regulations" have been established. Also, we adopt the "Supplier Integrity Management Regulations" and the requirement to sign the "Supplier Integrity Pledge" to exercise necessary and effective restraint on corrupt practices of related parties.  In order to strengthen the culture of integrity, we have formulated an "Integrity Handbook" and conduct integrity promotion and training activities irregularly to deepen the integrity	

Assessment Item	Implementation Status						Deviations from "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	no	Summary				
						awareness of employee and business partners and prevent dishonest behavior. If there is dishonest behavior involving our company or employees, the relevant parties can report through TPK's dishonest behavior reporting channels. It will combine internal annual audit to ensure that any form of corruption is dealt with.	
3. Environmental issues							
(1) Has the company established an appropriate environmental management system according to its industrial characteristics?	✓					(1) Establish an appropriate environmental management system according to the company's industrial characteristics. All factories and subsidiaries are implemented in accordance with the ISO14001 management system and pass the verification of third-party manufacturers continuously. Greenhouse gas inventory is carried out every year in accordance with ISO14064-1 specifications to track the effect of emission reduction. The relevant certifications are disclosed on the company's website.	There is no big deviation.
(2) Is the company committed to improving energy efficiency and using recycled materials with low impact on the environment?	✓					(2) To implement the theme of sustainable operation, the company continues to refine the production process and improve quality, and at the same time cooperate with management issues such as water saving, electricity saving, carbon reduction and emission reduction, to promote the sustainable development of the group, and fulfill the responsibility of the group to protect the environment and protect the earth.	There is no big deviation.

Assessment Item	Implementation Status			Deviations from "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	no	Summary	
(3) Has the company assessed the current and future potential risks and opportunities of climate	√		<p>a) Promoting paperless e-operations, at present, the file management system has been used to gradually comprehensively e-form standardized documents to reduce the amount of paper and reduce environmental pollution.</p> <p>b) Implement energy conservation and effective reuse of resources. In 2022, the amount of water saved through water-saving projects such as wastewater reuse will reach 793,000 tons, accounting for 20% of the total water consumption for the year; the company will continue to formulate various water-saving measures according to the actual situation, and is committed to reducing water consumption and improving the recycling rate of waste water at the same time.</p> <p>c) In 2022, the electricity saving was 4,585,000 kWh, achieved an annual saving of 1.2% of electricity consumption, and the company will continue to improve the efficiency of renewable energy use year by year through measures such as energy efficiency management and technological transformation.</p> <p>d) Since 2016, the company has continued to implement the plan for the reduction of hazardous waste empty barrels and the secondary use of clean cloths, realizing the recycling and reuse of the original empty barrels and the reuse of clean cloths. Up to now, the amount of waste generated has been reduced by approximately 578.67 tons.</p> <p>(3) Filling out the annual questionnaire of the CDP carbon disclosure project to disclose information on changes in the climate system and water security, mainly to show whether climate-related issues affect the company's strategy and financial</p>	There is no big deviation.

Assessment Item	Implementation Status			Deviations from "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and Reasons															
	Yes	no	Summary																
<p>change to the company, and taken relevant countermeasures?</p> <p>(4) Has the company counted greenhouse gas emissions, water consumption and total waste weight in the past two years, and formulated policies for greenhouse gas reduction, water use reduction or other waste management ?</p>	✓		<p>planning, and to drive the company to further Explore climate-related risk management.</p> <p>(4)</p> <p>1. The company completes internal inspections in accordance with the ISO14064-1 standard, and regularly inspects the achievement of goals.</p> <p>Greenhouse gas emissions in the last 2 years:</p> <table border="1"> <thead> <tr> <th>Year</th><th>Scope 1 (tons)</th><th>Scope 2 (tons)</th><th>Scope 3 (tons)</th><th>Emissions Intensity (tons of CO<sub>2</sub>e/ NT\$1,000 turnover)</th></tr> </thead> <tbody> <tr> <td>2021</td><td>7,263</td><td>347,090</td><td>38,680</td><td>0.0034</td></tr> <tr> <td>2022</td><td>12,190</td><td>294,255</td><td>34,082</td><td>0.0032</td></tr> </tbody> </table> <p>Note 1: Greenhouse gases: including carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons, sulfur hexafluoride, nitrogen trifluoride and others announced by the central competent authority.</p> <p>Note 2: Scope 1: Direct emissions, i.e. directly from emission sources owned or controlled by the company.  Scope 2: Indirect energy emissions, that is, indirect greenhouse gas emissions from imported electricity, heat or steam.  Scope 3: Other indirect emissions, that is, emissions from company activities that are not indirect emissions from energy sources but originate from emissions owned or controlled by other companies.</p> <p>Note 3: The boundaries in 2021 covered information include TPK Touch Solutions (Xiamen) Inc., TPK Auto Tech (Xiamen) Limited. , TPK Advanced Solutions Inc., TPK Glass Solutions (Xiamen) Inc., TPK Touch Systems (Xiamen) Inc., TPK Touch Solutions (Pingtan) Inc. And the 2022 information</p>	Year	Scope 1 (tons)	Scope 2 (tons)	Scope 3 (tons)	Emissions Intensity (tons of CO <sub>2</sub> e/ NT\$1,000 turnover)	2021	7,263	347,090	38,680	0.0034	2022	12,190	294,255	34,082	0.0032	There is no big deviation.
Year	Scope 1 (tons)	Scope 2 (tons)	Scope 3 (tons)	Emissions Intensity (tons of CO <sub>2</sub> e/ NT\$1,000 turnover)															
2021	7,263	347,090	38,680	0.0034															
2022	12,190	294,255	34,082	0.0032															

Assessment Item	Implementation Status			Deviations from "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	no	Summary	
			<p>boundary increase covers TPK Glass Solutions (Xiamen) Inc.Jimei Branch , Amplifi Tech (Xiamen) Limited, TPK Material Solutions (Xiamen) Inc., Xiamen Jan Jia Optoelectronics.Co., Ltd., Trend Technology (Xiamen) Inc., TPK Multi-Asset (Xiamen) Inc., TPK Touch Solutions Inc., TPK Universal Solutions Limited Taiwan Branch, Amplifi Technologies Inc. Taiwan Branch, DS Energy Technology Co., Ltd..</p> <p>In 2022, the combined GHG emissions of Scope 1 and Scope 2 were 306,445 tons of CO<sub>2</sub>e, and the unit emissions were 0.0032 tons of CO<sub>2</sub>e/NT \$1,000 turnover. These emissions were mainly from electricity emissions of 294,255 tons of CO<sub>2</sub>e inScope 2, accounting for 96.02% of the total emissions among Scope1&amp;Scope2.</p> <p>To keep up with the international trend of reduction, the company conducts reduction tracking through the Council for Sustainable Development. At the same time, we carry out energy-saving and carbon reduction projects in each subsidiary, such as FFU load shedding, air conditioning temperature control, etc. Among them, TPK Glass Solutions (Xiamen) Inc. completed the construction of the rooftop photovoltaic power plant in 2022 and will start generating electricity in January 2023 with several initiatives to promote energy saving and carbon reduction goals. In 2022, TPK Advanced Solutions Inc. achieved 100% use of renewable energy; TPK Glass Solutions (Xiamen) Inc.Jimei Branch reached the renewable energy use target at 10%.</p> <p>2. The water-saving plan and water-use equipment are monitored every year, and various water-saving measures are formulated according to the actual situation.</p>	

Assessment Item	Implementation Status			Deviations from "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons									
	Yes	no	Summary										
			<p>From 2016 to 2022, the water consumption has been reduced year by year for 7 consecutive years.</p> <p>Water consumption in the last 2 years (covering all factories and companies in mainland China):</p> <table><tr><th>Year</th><th>Total water consumption (tons)</th><th>Water Intensity (tons/ NT \$ 1,000 turnover )</th></tr><tr><td>2021</td><td>5,258,000</td><td>0.05</td></tr><tr><td>2022</td><td>3,893,000</td><td>0.04</td></tr></table> <p>Note: The information boundary cover TPK Touch Solutions (Xiamen) Inc., TPK Auto Tech (Xiamen) Limited. , TPK Advanced Solutions Inc., TPK Glass Solutions (Xiamen) Inc., TPK Touch Systems (Xiamen) Inc., TPK Touch Solutions (Pingtan) Inc., TPK Glass Solutions (Xiamen) Inc.Jimei Branch , Amplifi Tech (Xiamen) Limited, TPK Material Solutions (Xiamen) Inc., Xiamen Jan Jia Optoelectronics.Co., Ltd., Trend Technology (Xiamen) Inc., TPK Multi-Asset (Xiamen) Inc., TPK Touch Solutions Inc., TPK Universal Solutions Limited Taiwan Branch, Amplifi Technologies Inc. Taiwan Branch, DS Energy Technology Co., Ltd..</p> <p>From 2021 to 2022, we have achieved a 26% decrease in total water consumption by continuing to promote the water conservation project. In the future, it will continue to use water resources management and water-saving technologies to generate water-saving benefits.</p>	Year	Total water consumption (tons)	Water Intensity (tons/ NT \$ 1,000 turnover )	2021	5,258,000	0.05	2022	3,893,000	0.04	
Year	Total water consumption (tons)	Water Intensity (tons/ NT \$ 1,000 turnover )											
2021	5,258,000	0.05											
2022	3,893,000	0.04											

Assessment Item	Implementation Status			Deviations from "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons												
	Yes	no	Summary													
			<p>3. Waste management: TPK is committed to environmental protection. The whole process of waste supervision was controlled from source identification to disposal by details. To ensure the accuracy and efficiency of data statistics, the e-system was established to manage all of the information from input to output and did the disposer audit annually. Based on high standards of waste management, the company obtained the highest level of UL zero landfill platinum certification (waste conversion rate reached 100%) in waste management in 2018.</p> <p>Waste output in the last 2 years:</p> <table><tr><th>Year</th><th>Hazardous Waste (tons)</th><th>General Waste (tons)</th><th>Waste Intensity (tons/NT \$1,000 turnover)</th></tr><tr><td>2021</td><td>373.32</td><td>6,134.07</td><td>0.0001</td></tr><tr><td>2022</td><td>355.09</td><td>7,748.37</td><td>0.0001</td></tr></table> <p>Note: The information boundary cover TPK Touch Solutions (Xiamen) Inc., TPK Auto Tech (Xiamen) Limited. , TPK Advanced Solutions Inc., TPK Glass Solutions (Xiamen) Inc., TPK Touch Systems (Xiamen) Inc., TPK Touch Solutions (Pingtan) Inc., TPK Glass Solutions (Xiamen) Inc.Jimei Branch , Amplifi Tech (Xiamen) Limited, TPK Material Solutions (Xiamen) Inc., Xiamen Jan Jia Optoelectronics.Co., Ltd., Trend Technology (Xiamen) Inc., TPK Multi-Asset (Xiamen) Inc., TPK Touch Solutions Inc., TPK Universal Solutions Limited Taiwan Branch, Amplifi Technologies Inc. Taiwan Branch, DS Energy Technology Co., Ltd.</p>	Year	Hazardous Waste (tons)	General Waste (tons)	Waste Intensity (tons/NT \$1,000 turnover)	2021	373.32	6,134.07	0.0001	2022	355.09	7,748.37	0.0001	
Year	Hazardous Waste (tons)	General Waste (tons)	Waste Intensity (tons/NT \$1,000 turnover)													
2021	373.32	6,134.07	0.0001													
2022	355.09	7,748.37	0.0001													

Assessment Item	Implementation Status			Deviations from "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	no	Summary	
4. Social Issues				
(1) Does the company formulate relevant management policies and procedures in accordance with relevant laws and international human rights conventions?	✓		<p>(1) TPK support, respect and follow internationally recognized human rights laws, and principles, including the Universal Declaration of Human Rights, the UN Global Compact Principles, the UN Guiding Principles on Business and Human Rights, the International Labor Office (ILO) Core Labor Standards etc. The "TPK CSR Management Manual" defines the human rights policy guidelines for implementation and is posted on the TPK website.</p> <p>We conduct self-evaluation every year by following major social issues, questionnaires, data analysis, etc. to identify and evaluate potential human rights risks and groups at risk. For identified potential risks, we will formulate plan to control, and continuously monitor and track the implementation results of the improvement plans.</p> <p>In addition, human rights protection-related training is carried out every year for employee, and new employees are trained at the time of joining. Therefore, the training covers all employees every year to raise awareness of human rights protection and reduce the possibility of related risks.</p>	There is no big deviation.
(2) Does the company formulate and implement reasonable employee welfare measures (including remuneration, vacation and other benefits, etc.), and appropriately reflect business performance or results in employee compensation?	✓		<p>(2) TPK have established employee codes, salary and performance incentive policy, which clearly regulate remuneration, reward and punishment standards. We also assess the company's operating conditions continuously and provide market-compatible remuneration levels in line with social responsibility.</p> <p><u>Employee Remuneration:</u></p> <p>Employees are paid according to their positions, work experience, education and skills, and in accordance with company's internal payroll policy. We conduct annual market salary surveys and adjust salaries according to market</p>	There is no big deviation.



Assessment Item	Implementation Status			Deviations from "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	no	Summary	
			<p>salary levels, economic trends and individual performance in order to maintain overall salary competitiveness.</p> <p><u>Employee Welfare:</u></p> <p>a) Legally mandated benefits: legal benefits, social insurance and retirement policies are provided in accordance with the laws of the employee's location.</p> <p>b) Paid vacation: vacation days are provided to all workers as legally entitled for work-life balance, such as statutory annual leave, marriage leave, mourning leave, prenatal check-up, maternity leave, paternity leave, lactation leave, parental leave, etc.</p> <p>c) Monetary gifts: provide monetary gifts on employee's birthday, wedding and childbirth etc.</p> <p>d) Bonus and allowance: according to different grades/position, employees can enjoy various bonuses and allowances, such as: night duty allowance, high temperature allowance, post and environmental allowance, travel allowance, telephone allowance etc. And the year-end bonus will be issued according to the company's annual operation and individual performance evaluation. In addition, to motivate and retain employees by providing special incentives to employees with excellent performance according to the company's operation.</p> <p>e) Health and protection: in order to prevent various health risks, we provide commercial insurance to supplement the protection for employees. In addition, regular welfare health checkups are arranged for employees, and a medical office is set up to provide basic medical care, as well as a psychological</p>	

Assessment Item	Implementation Status			Deviations from "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	no	Summary	
(3) Does the company provide employees with a safe and healthy working environment, and conduct regular safety and health education for employees?	√		<p>counseling hotline to provide consultation and counseling to address physical and mental health issues.</p> <p><u>Diversity and equality :</u> We offer equal pay for equal work and equal opportunity for advancement. According to the company's 2022 employee data, the average proportion of female employees was 39%, and the average proportion of female supervisors was 24%. We promote an equal employment environment, for example, by establishing a health center to provide employment platforms for blind masseurs.</p> <p><u>Business performance reflects employee remuneration:</u> Base on the company's annual operating conditions and the performance of departments and employees, we will evaluate year-end bonus and operating performance bonuses, which are paid to employees after accounting in accordance with internal regulations to encourage employees to grow with company and strive for success.</p> <p>(3) <u>Occupational health and safety policies:</u> The company believes that employees who are physically and mentally healthy can create high-efficiency and high-quality work performance. In accordance with the international occupational health and safety management system and local regulations, the company formulates occupational safety and health policies to promote the health and safety management of each plant area and create all employees. The best working environment has obtained ISO45001 occupational safety and health management system verification certification.</p>	There is no big deviation.

Assessment Item	Implementation Status			Deviations from "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	no	Summary	
			<p>In terms of physical health, the company has a gym, regularly holds employee health checks, and holds outdoor activities from time to time to relieve the pressure of working on weekdays; in terms of work safety, the company has trained employees to respond to emergencies through continuous education, training and publicity. Ability and safety concept, strengthen employees' cognitive ability, establish a work-related injury prevention and tracking system, and create a safe working environment, in order to reduce the probability of accidents in the working environment and reduce the adverse impact on company assets and employee safety.</p> <p>In 2022, there were 19 work-related injuries involving 19 people, with a total work-related injury rate of 0.09‰, reached the target of ≤0.2‰. On this basis, the company continues to seek improvement plans with the ultimate goal of zero work-related injuries.</p> <p><u>Labor working environment:</u></p> <p>In order to ensure the health and safety of employees and provide a comfortable working environment for employees, for positions with environmental hazards, the current situation of the workplace is evaluated every three years, and third-party manufacturers are entrusted to conduct environmental inspections on the workplace every year, and monthly sampling for internal testing.</p> <p>And formulate the "Group Environmental Safety and Health Hazard Identification and Risk Assessment and Control Program" to identify the hazard factors in the potential working environment, carry out job hazard analysis (JHA) risk assessment improvement for medium and high risks, and formulate</p>	

Assessment Item	Implementation Status			Deviations from "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	no	Summary	
			<p>"Group Occupational Health Management Regulations" and "Group Personal Protective Equipment Management Regulations", compliantly manage occupational hazard positions, and complete pre-job, on-the-job and off-the-job physical examinations for those personnel in occupational hazards position; E-way system monitors on-the-job maintenance and management and identifies personal protective equipment (PPE) for hazardous positions wearing requirements.</p> <p><u>Accident Potential Hazard Assessment:</u></p> <p>In order to reduce the potential safety hazards on the job site, strengthen the standardized management of health, environmental protection and safety work in each factory. In 2022, the EHS Department has implemented preventive measures, inspections and audits in accordance with the "Group Accident Hazard Investigation, Management and Reporting Management Regulations" and relevant management standards, and implement special projects and continue to improve to establish a safe production environment.</p> <p><u>Device Security Management:</u></p> <p>Prevention is the first priority, and the machine acceptance card control is carried out in the early stage of the equipment entering the factory to ensure the safety acceptance of the machine and reduce the incidence of safety accidents from the source. Through risk identification/assessment, the environmental safety department of the plant's operating equipment conducts quantitative or qualitative risk analysis, so as to formulate and implement safety countermeasures.</p>	

Assessment Item	Implementation Status			Deviations from "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	no	Summary	
(4) Does the company establish an effective career development training program for employees?	√		<p><u>Staff education and training:</u></p> <p>Through various safety education training and publicity, we will enhance employees' safety awareness. From 2021, we have opened the online course of Level 3 safety education and combine online and offline to realize the training for all employees, and complete the initial training of Level 3 safety education for 4,047 people and retraining for 8,125 people in 2022.</p> <p>(4) We regard our employees as important assets and attach great importance to the cultivation of talents, and have designed different training programs for career development according to each function. For new employees, we will provide training for them when they join TPK to help them become familiar with the rules and regulations, master the processes and policies they need to know, it can improve their recognition of the corporate culture, and integrate into the department and become competent in their positions as soon as possible.</p> <p>For in-service employees, we provide management or professional learning and development routes in each position for chosen. They can choose management or professional learning and development routes according to their career development plans and capability, and join the corresponding incubation programs in order to receive the appropriate upgrading training at each development stage.</p> <p>In terms of training content, we plan and execute training through four dimensions: core competency, management competency, professional competency, and general competency, and combine face-to-face training with online training to provide employees with flexible and efficient learning</p>	There is no big deviation.

Assessment Item	Implementation Status			Deviations from "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	no	Summary	
(5) Regarding issues such as customer health and safety, customer privacy, marketing and labelling of products and services, does the company follow relevant laws and international standards, and formulate relevant policies and complaint procedures for the protection of consumers or customers' rights and interests?	✓		<p>methods. In 2022, a total of 113,042 participants (excluding newcomers) attended various face-to-face courses, accumulating 121,989 hours of learning. And a total of 100,868 participants have completed various online training courses, with a total of 113,970 learning hours.</p> <p>(5) Our products and services are marketed and labeled in accordance with relevant laws and regulations. For raw materials and products required for production, we have established the "Green Product Management Program" to identify and test harmful substances or restricted substances and ensure the use of qualified materials to meet regulatory and customer requirements.</p> <p>In order to properly protect and manage the business secrets of our affiliates, we have established a secure and compliant business secrets system based on the "Business Secrets Protection Management Regulations", combined with the "Information Security Management Regulations", "System Security Management Regulations", "Compliance and Education Management Regulations", and through system and document encryption technology, to ensure the security and control of personnel information, products, facilities and logistics, and to protect the rights and interests of TPK and customers.</p> <p>Also, we had set up a customer service department to provide complete technical service and after-sales service tracking, evaluation, review and improvement for different customers' needs, and to deal with customers' problems immediately.</p>	There is no big deviation.
(6) Has the company formulated a supplier management policy,	✓		(6) The "TPK Supplier CSR Code of Conduct" specifies the qualification assessment conditions for the cooperation of suppliers in CSR such as environmental	

Assessment Item	Implementation Status			Deviations from "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	no	Summary	
requiring suppliers to follow relevant norms on issues such as environmental protection, occupational safety and health, or labor rights, and their implementation?			<p>protection, occupational safety and health or labor human rights. And it communicates our requirements and expectations for suppliers in the areas of business ethics, employment, environmental and employee safety practices. Suppliers need to sign the "Supplier CSR and Ethics Commitment" and other relevant contracts before cooperation, in order to urge suppliers to follow our business goals of sustainable management, environmental protection and energy conservation, integrity and social responsibility.</p> <p>In addition, suppliers are included in our CSR management and are regularly assessed through self-assessment forms, online audits or on-site audits to encourage suppliers to actively cooperate with us to improve CSR management.</p>	There is no big deviation.
5. Does the company refer to the internationally accepted report preparation standards or guidelines to prepare reports such as Sustainability reports that disclose non-financial information of the company? Has the previous disclosure report obtained the assurance or assurance opinion of the third-party verification unit?		√	<p>Although the company has not prepared a Sustainability report, it operates with reference to internationally accepted reporting standards and guidelines, and disclose relevant information on TPK's website. Every year, we accept CSR audit conducted by our customer or their designated third-party agency in accordance with international standards such as the RBA and have achieved good results.</p> <p>In 2023, the 2022 Sustainability Report will be prepared in accordance with the four major standards of GRI Standards, SASB Sustainability Accounting Standards, TCFD Climate Related Financial Disclosures, and the Sustainability Indicators for Listed Companies - Optical Industry. It will be verified in accordance with the AA1000 Type I Moderate Guarantee, and information disclosure will be completed and published on the company website in September 2023.</p>	There is no big deviation.

Assessment Item	Implementation Status			Deviations from "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	no	Summary	
6. If the company has established the sustainable development principles based on "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" please describe any discrepancy between the Principles and their implementation: TPK’s sustainable development responsibilities all operate in accordance with the relevant codes, and there is no difference.				
7. Other important information helpful to understand the implementation of the promotion of sustainable development :				
1. Xiamen subsidiary cooperates with Xiamen University of Technology and Xiamen University Tan Kah Kee College in cooperative education, and cooperates with Fuzhou Polytechnic and Xiamen Ocen Vocational College in integrated teaching, providing learning and employment opportunities for students.				
2. To fulfill our social responsibility, Xiamen subsidiary cooperates provide employment opportunities for the blind and recruits 45 blind masseurs.				
3. To fulfill our social responsibility and actively participate in various social activities, TPK Trade Unions and Xiamen Central Blood Station agreed that September 9 would be "TPK Blood Donation Day" and jointly organized blood donation activities for the public. In the past five years, TPK has organized more than 1,500 blood donations with a total volume of more than 400,000 ml. In 2022, our employees donated 104,720 ml of blood, the highest amount ever donated. Through the activity, we encourage our colleagues to promote the traditional virtue of helping each other.				
4. Another, since 2018, TPK has been regularly carrying out activities and donating food and oil to the socially disadvantaged groups every year. In 2022, with the help of Xiamen Disabled Persons' Federation, through the donation of materials and companionship, to send warmth to the disadvantaged groups such as "Tongan Happiness Home Trainees" and "Physically Disabled in Jinshang Community ", a total of 1,276 kg of food and oil were donated.				
5. In order to protect the physical and mental health of the company's female employees, we hold health care seminars irregularly and set up a warm, convenient, hygienic and private breastfeeding rooms in each campus.				
6. TPK regards "healthy TPK, healthy employees" as the goal of sustainable operation, provides comprehensive protection for employees. In order to guide employees to pay attention to their own health and master scientific and effective health methods, company offers free yoga classes, dance classes, and holds TBA basketball leagues and sports games to improve employees’ awareness of sports fitness and team assistance.				
7. By organizing the parent-child carnival, we convey the spirit of "people-oriented" corporate culture, enhance the feeling of closeness and joy of TPK family among employees and their families, increase the opportunities for sharing and communication among colleagues from different departments, and sent parent-child gifts and thank-you cards to employees' children. We have held a number of timely and appropriate employee activities, such as				



Assessment Item	Implementation Status			Deviations from "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	no	Summary	
<p>online competition of occupational disease prevention and control knowledge, pancake activity, fun grapefruit peeling competition, etc. The activities have attracted thousands of colleagues to participate. And it’s not only enriched the leisure life of our employee, but also provided them with opportunities for communication and interaction, enhancing team cohesion and passing on folk culture.</p> <p>8. In order to express the company's care and concern for employees in difficulty, we will give condolences to the Group's employees in difficulty by means of family condolences and seminars, and present condolences and money to them on the occasion of the 2023 Spring Festival. And provide emergency assistance to employees whose families are in distress due to major diseases or accidents.</p> <p>9. We attach great importance to environmental protection. It has implemented garbage classification and no disposable tableware in the staff restaurant, and promoted the awareness of caring for the factory area and protecting the environment to employees.</p> <p>10. Cooperate with the local police station to set up a police office next to the gate of Xiamen subsidiary cooperates to ensure the public security and safety around the company, reduce emergency security incidents, and maintain the personal safety of employees.</p>				

(6) Implementation of Ethical Corporate Management and Deviations from "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies" and Reasons:

Assessment Item	Implementation Status			Deviations from "Ethical Corporate Management Best Practice Principles For TWSE/GTSM Listed Companies" and Reasons
	Yes	No	Summary	
<p>1. Establishment of Corporate Conduct and Ethics Policy and Implementation Measures</p> <p>(1) Does the company have a clear ethical corporate management policy approved by its Board of Directors, and bylaws and publicly available documents addressing its corporate conduct and ethics policy and measures, and commitment regarding implementation of such policy from the Board of Directors and the top management team?</p> <p>(2) Whether the company has established an assessment mechanism for the risk of unethical conduct; regularly analyzes and evaluates within a business context, the business activities with a higher risk of unethical conduct; has formulated a program to prevent unethical conduct with a scope no less than the activities prescribed in paragraph 2, Article 7 of the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies?</p>	<p>√</p> <p>√</p>		<p>(1) The company has formulated the Ethical Corporate Management Best Practice Principles which has been supported and approved by the board of directors. The management of the company advocates its business philosophy that the company attaches importance to and implements integrity through group conferences or emails at irregular intervals.</p> <p>(2) In order to implement the Ethical Corporate Management Best Practice Principles, the company has formulated the Ethical Management Standard Operating Procedure and Behavior Guidelines to detailedly stipulate the matters to be noted by the company's personnel when carrying out business. The contents of the Ethical Corporate Management Best Practice Principles and the Ethical Management Standard Operating Procedure and Behavior Guidelines include but are not limited to the activities prescribed in paragraph 2, Article 7 of the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies.</p> <p>Under the guidance of the above two superordinate guidelines, there are relevant Standard Operating</p>	<p>There is no big deviation.</p> <p>There is no big deviation.</p>

Assessment Item	Implementation Status			Deviations from "Ethical Corporate Management Best Practice Principles For TWSE/GTSM Listed Companies" and Reasons
	Yes	No	Summary	
(3) Whether the company has established relevant policies that are duly enforced to prevent unethical conduct, provided implementation procedures, guidelines, consequences of violation and complaint procedures, and periodically reviews and revises such policies?	√		<p>Procedures (SOPs) for business activities with high risk of dishonest behavior implemented, such as the Agreement on Protection of Trade Secrets, Intellectual Property Rights and Non Competition; the Regulation on Company Personnel Behaviors of Honesty-Trust of TPK Holding Co., Ltd (hereinafter referred to as TPK); TPK Group Supplier Integrity Behavior Management Measures; the Supplier Honesty and Integrity Commitment Letter; and the Business Entertainment Expenses Application Standard Operating Procedure.</p> <p>The company actively promotes the construction of a culture of integrity: the Chairman's office regularly promotes culture through integrity posters, computer screen savers featuring integrity topics, and organizes various employee activities, such as visiting anti-corruption and integrity education bases, holding seminars on staying away from occupational crimes, integrity culture certification, integrity TPK-themed movie events, and clean-lamp riddle guessing activities.</p> <p>(3) For internal employees, the company's Employee Handbook and various procedure books have provisions on punishment for violation of regulations, and a perfect and transparent complaint channel has been set up in the process of punishment, so as not to</p>	There is no big deviation.

Assessment Item	Implementation Status			Deviations from "Ethical Corporate Management Best Practice Principles For TWSE/GTSM Listed Companies" and Reasons
	Yes	No	Summary	
			<p>indulge any internal employees. For external partners including but not limited to all suppliers and clients, a channel for reporting violations of integrity is set up and disclosed on the company's website.</p> <p>The authority and responsible unit shall revise relevant systems according to the amendment of laws and regulations or the practical operation needs of the company at irregular intervals every year.</p>	
<p>2. Ethic Management Practice</p> <p>(1) Whether the company has assessed the ethics records of which it has business relationship with and includes business conduct and ethics related clauses in the business contracts?</p>	✓		<p>(1) The company has formulated the Ethical Management Standard Operating Procedure and Behavior Guidelines, TPK Group Supplier Integrity Behavior Management Measures and the Supplier Honesty and Integrity Commitment Letter. The company has clearly stipulated that all suppliers shall sign and abide by them. For suppliers, gift money, kickback and transactions with related parties are all prohibited. In case of any violation, the contact with the suppliers shall be cut off, in order to achieve the most reasonable offer, the best quality and the best service.</p>	There is no big deviation.
<p>(2) Whether the company has set up a unit which is dedicated to promoting the company's ethical standards and regularly (at least once a year) reports directly to the Board of Directors on its ethical corporate management policy and</p>	✓		<p>(2) The Human Resources Department of the company handles the revision, implementation and interpretation of corporate integrity management policies and related procedures, and is committed to promoting the improvement of the corporate integrity system.</p>	There is no big deviation.

Assessment Item	Implementation Status			Deviations from "Ethical Corporate Management Best Practice Principles For TWSE/GTSM Listed Companies" and Reasons
	Yes	No	Summary	
<p>relevant matters, and program to prevent unethical conduct and monitor its implementation?</p> <p>(3) Whether the company has established policies to prevent conflict of interests provide appropriate communication and complaint channels and implement such policies properly?</p>	✓		<p>The internal auditors of the company conduct inspections and evaluate the implementation effects in accordance with relevant regulations, and report the inspection results to the audit committee and the board of directors at least quarterly. In addition, the Audit Office accepts reports, investigations and handling of dishonest behaviors by the company's internal personnel .</p> <p>The chairman office carries out posters and PC wallpapers on integrity regularly, and organizes various employee activities, such as visiting anti-corruption education bases, promoting lectures on avoiding job-related crimes, integrity culture certification examination, watching integrity-themed movies, lantern riddles competition,etc., to actively promote the construction of a culture of integrity.</p> <p>(3) The company has formulated “Regulation of Conflict of Interest Management” to stipulate the reporting and handling workflow for any situation that may cause potential conflict of interest.</p> <p>New employees are required to sign the Ethical Corporate Management Best Practice Principles and the Ethical Management Standard Operating Procedure and Behavior Guidelines. They are required to be honest and upright, and are prohibited</p>	There is no big deviation.

Assessment Item	Implementation Status			Deviations from "Ethical Corporate Management Best Practice Principles For TWSE/GTSM Listed Companies" and Reasons
	Yes	No	Summary	
<p>(4) To implement relevant policies on ethical conducts, has the company established effective accounting and internal control systems, audit plans based on the assessment of unethical conduct, and have its ethical conduct program audited by internal auditors or CPA periodically?</p> <p>(5) Does the company provide internal and external ethical conduct training programs on a regular basis?</p>	<p>✓</p> <p>✓</p>		<p>to accept kickback, so as to avoid sacrificing the interests of the company due to the employees' personal interests.</p> <p>(4) In order to ensure the ethic management practice, the company has established an effective accounting system and an internal control system. The company's internal auditors carry out various audits according to the annual audit plan in accordance with the risk assessment results.</p> <p>(5) All employees have signed the "Commitment to Integrity and Self-Discipline" and pledged not to engage in any dishonest behavior. The company regularly holds training and education to promote the principle of integrity among employees. In 2022, a total of 7,254 people attended training courses for a total of 5,527 hours, including three courses: "Adhering to the Principle of Integrity and Building a Culture of Integrity at TPK", "Types, Harms, and Prevention of Private Enterprise Occupational Crimes", and "Integrity Culture Certification Exam", to build a culture of integrity at TPK.</p>	<p>There is no big deviation.</p> <p>There is no big deviation.</p>
<p>3. Implementation of Complaint Procedures</p> <p>(1) Does the company establish specific complaint and reward procedures, set up conveniently accessible complaint channels, and designate</p>	<p>✓</p>		<p>(1) The company has set a complaint mailbox (7777@tpk.com) and a dedicated unit to handle</p>	<p>There is no big deviation.</p>

Assessment Item	Implementation Status			Deviations from "Ethical Corporate Management Best Practice Principles For TWSE/GTSM Listed Companies" and Reasons
	Yes	No	Summary	
responsible individuals to handle the complaint received?			relevant affairs in accordance with the procedures stipulated.	
(2) Whether the company has established standard operation procedures for investigating the complaints received, follow-up measures after investigation are completed, and ensuring such complaints are handled in a confidential manner?	✓		(2) The company has set procedures for reporting and investigation. After the investigation is completed, the company will put forward suggestions for improvement and ask the responsible department to conduct parallel inspection to avoid similar problems. The director and personnel unit are responsible for keeping confidential on the data of the parties.	There is no big deviation.
(3) Does the company adopt proper measures to prevent a complainant from retaliation for his/her filing a complaint?	✓		(3) The identity of the whistleblower shall be kept confidential during the company's whistleblowing process to prevent whistleblower from being misconducted.	There is no big deviation.
4. Information Disclosure Does the company disclose its guidelines on business ethics as well as information about implementation of such guidelines on its website and Market Observation Post System ("MOPS")?	✓		The company has a website to disclose information such as relevant measures, corporate culture, and business policies.	There is no big deviation.
5. If the company has established corporate governance policies based on Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies, please describe any discrepancy between the policies and their implementation: None.				
6. Other important information for the learning of the execution condition of the company's credit management: (such as the review and revision of credit management rule)				

Assessment Item	Implementation Status			Deviations from "Ethical Corporate Management Best Practice Principles For TWSE/GTSM Listed Companies" and Reasons
	Yes	No	Summary	
(1) The Company’s “Rules of Board Meeting Procedures” has a system for avoidance of directors’ interests, the directors shall not take part in the decision if the cases listed in the board of directors have a relation with him or the juridical person represented by him, which will impair the company’s interest, and shall not represent other directors to exercise voting rights.				
(2) The Company has formulated “Preventing Internal Line Trading Management Operation”, which specifies that directors, managers and servants must not disclose important internal information that they know to others, and must not inquire or collect personal information from those who know important information within the company, and shall not disclose undocumented internal information to others if the information is got rather than business execution.				

(7) If the company has formulated company rules and relative regulations, the query method of rules and regulations shall be disclosed:

This company has formulated the business operation rule and released it on the public information observation website. The company has operated and implemented related rules according to the company's operation spirit, and it will promote business operation by formulation of the relative management method and strengthening of transparent function of board of directors.

(8) Other important information which can facilitate the understanding of business operations: None.



(9) Implementation of Internal Control System

1. Statement of Internal Control System

TPK Holding Co., Ltd.

Statement of Internal Control System

Date: March 8, 2023

We hereby declare the results of the self-assessment of our internal control system in 2022 as below:

1. We acknowledge that it is the responsibility of the Company's Board of Directors and managers to establish, implement, and maintain the internal control system. We have established said system. Its purpose is to reasonably ensure that operational effectiveness and efficiency (including revenue, performance, and asset safety) and reporting are reliable, timely and transparent, as well as to ensure compliance with relevant regulations and laws.
2. Due to the inherent limitations of the internal control system, an effective internal control system can only provide reasonable assurance about the achievements of the three goals above, no matter how completely it is designed. Also, the effectiveness of an internal control system may vary when environment and circumstances change. However, our internal control system contains a self-supervision mechanism. We will immediately take corrective action towards any deficiency identified therefrom.
3. We determine the effectiveness of the design and implementation of our internal control system based on the criteria set forth in the "Regulations Governing Establishment of Internal Control Systems by Public Companies" (hereinafter called the "Regulations"). The Regulations specify five elements during the management and control process that constitute the internal control system: a. control environment, b. risk assessment, c. control activities, d. information and communications, e. supervision activities. Each constituent element may include several topics. The foregoing elements are as described in the Regulations.
4. We have adopted the above criteria of the internal control system to assess the effectiveness of the design and implementation of our internal control system.
5. Based on the results of said assessment, we determined that our internal control system (including the supervision and management of subsidiaries) as of December 31, 2022 have provided an effective design and implementation to reasonably ensure the achievement of goals, including the understanding of the achievement level of our effectiveness and efficiency goals, the reliability, timeliness, and transparency of reporting, as well as compliance with relevant regulations and laws.
6. This Report will form the major part of our annual report and prospectus, and will be disclosed to the public. Any misrepresentation, concealment and other illegal conduct will result in liability under Articles 20, 32, 171, and 174 of the Securities and Exchange Act.
7. This Report has been passed by the Board of Directors on March 8, 2023. Among the nine directors present at the meeting, zero members had objections, and the rest agreed to the statement herein.

TPK Holding Co., Ltd.

Chairman: Michael Chao-Juei Chiang

General Manager: Li-Chien Hsieh

2. If an accountant is entrusted to review internal audit control, the accountant review report shall be disclosed: None.

(10) Any penalties for violations of regulations or the Company's internal control systems; Major defects and the status of corrections of internal control systems for the most recent year and up to the publication date of this annual report: None

(11) Major Resolutions of the General Meeting of Shareholders and Board Meetings:

1. Major Resolutions of 2022 General Meeting of Shareholders:

Date	Major Resolution		Implementation Status
June 23, 2022	Admit	1. To approve 2021 Business Report and Consolidated Financial Statements.	Material information has been announced and released in accordance with the resolution.
		2. To approve the Proposal for 2021 Profit Distribution.	The ex-dividend base date is July 27, 2022, and the cash dividend distribution date is August 15, 2022. (A cash dividend of NT\$1.5 per share is distributed.)
	Election	1. The re-election of Directors	Election Result: Directors: Michael Chao-Juei Chiang 、Li-Chien Hsieh 、Tsung-Liang Tsai 、Capable Way Investments Limited (Representative: Hsi-Liang Liu) 、Max Gain Management Limited (Representative: Heng-Yao Chang) 、High Focus Holdings Limited (Representative: Shih-Ming Liu) Independent Directors: Ming-Jeng Weng 、Yen-Wei Cheng 、Hsiu-Chun Wang
	Discussion	1. To amend the Amended and Restated Memorandum of Association and Articles of Association	Passed according to the decision of the board of directors and announced after 2022 General Meeting of Shareholders, began to implement relative operation.
		2. To amend the Procedures of the Acquisition or Disposal of Assets	Passed according to the decision of the board of directors and announced after 2022 General Meeting of Shareholders, began to implement relative operation.
		3. Proposal to Release the Newly-Elected Directors and its representative from Non-Competition Restrictions	Implement the resolution after 2022 General Meeting of Shareholders.

2. Major Resolutions of board of directors of fiscal year 2022 and up to April 8, 2023:

<b>Date</b>	<b>Major Resolution</b>	<b>Implementation Status</b>
The 15 <sup>th</sup> meeting of the 5 <sup>th</sup> Board of Directors  March 17, 2022	1. The Company's 2021 consolidated financial report and business report and other final accounts (Note)	Announced on March 17, 2022 and submitted to the competent authority for completion on March 30, 2022. It has been voted and approved by the 2022 General Meeting of Shareholders.
	2. The Company's 2021 Employee Remuneration and Directors' Remuneration Distribution Plan (Note)	Announced on March 17, 2022 and reported by the 2022 General Meeting of Shareholders.
	3. Plan to pass the 2021 internal control system effectiveness assessment and issue a statement (Note)	Included in the annual report as required.
	4. The Company's 2021 Independence Assessment Case for Appointment of Certified Public Accountants (Note)	According to the evaluation results, both CPA Pi-Yu Chuang and CPA Tzu-Jung Kuo of Deloitte & Touche met the company's independence and suitability evaluation standards in 2021.
	5. The company's 2022 annual operation plan	Execute according to its content
	6. Amend the Procedures of the Acquisition or Disposal of Assets (Note)	It has been approved by the board of directors and also has been approved in the 2022 General Meeting of Shareholders.
	7. Nomination of the Corporate Governance Officer as a candidate for director is under consideration for approval.	It has been announced in accordance with the resolution.
	8. Proposal for re-election of directors of the company	It has been approved by the board of directors and the 6th board of directors has been elected in the 2022 General Meeting of Shareholders.
	9. The nominations and the review of directors and independent directors	It has been approved by the board of directors; and the list of nominees has been disclosure on MOPS.
	10. Release the newly-elected Directors and its representative from non-competition restrictions	It has been approved by the board of directors and also has been approved in the 2022 General Meeting of Shareholders.
	11. The company's 2022 General Meeting of Shareholders is proposed to be held, the date, time, place and reasons for the convening	It has been announced in accordance with the resolution.
	12. Affairs related to nominated directors/Independent Director by the 2022 General Meeting of Shareholders	It has been announced in accordance with the resolution.
	13. To formulate matters related to the acceptance of shareholder proposals at the company's 2022 General Meeting of Shareholders	It has been announced in accordance with the resolution.

Date	Major Resolution	Implementation Status
	14. The 2021 annual over-target bonus distribution case for high-level managers	It has been announced in accordance with the resolution.
	15. To handle the approval of the company's bank quota	It has been announced in accordance with the resolution.
The 16 <sup>th</sup> meeting of the 5 <sup>th</sup> Board of Directors  May 10, 2022	1. 2022 first quarter Consolidated Financial Report (Note)	Material information has been announced and released in accordance with the resolution.
	2. The Company's 2021 Earnings Distribution Plan (Note)	Material information has been released on May 10, 2022. It has been voted and approved by the 2022 General Meeting of Shareholders.
	3. 7.Amend the Amended and Restated Memorandum of Association and Articles of Association	It has been approved by the board of directors and also has been approved in the 2022 General Meeting of Shareholders.
	4. Plan to pass the overall reward and remuneration case for senior managers	Implemented in accordance with the resolution.
	5. Proposed the company's compensation distribution plan for directors in 2021	Implemented in accordance with the resolution.
	6. Proposed lifting of the company's managers' non-compete restrictions	It has been disclosure on MOPS on May 10, 2023.
	7. It is proposed to handle the loan and loan case of TPK Universal Solutions Limited to the company (Note)	Implemented in accordance with the resolution.
	8. To handle the loan and loan case of subsidiary TPK Universal Solutions Limited to Amplifi Technologies Inc. (Note)	Implemented in accordance with the resolution.
	9. To handle the case of capital loan from subsidiary TPK Universal Solutions Limited to Amplifi Tech Hong Kong Co., Limited (Note)	Implemented in accordance with the resolution.
The 1 <sup>ST</sup> meeting of the 6 <sup>th</sup> Board of Directors  July 1, 2022	1. Appointment of the members of the 5th Compensation committee	Appointed Weng, Ming-Jeng 、 Cheng, Yen-Wei 、 Wang, Hsiu-Chun to be the 5th commissioners of Remuneration Committee.
	2. Determining the ex-dividend base date for the company to distribute 2021 cash dividends	It has been announced that July 21, 2022 was set as the ex-dividend date, with July 27, 2022 as the record date, and the dividend was executed on August 15, 2022.
The 2 <sup>nd</sup> meeting of the 6 <sup>th</sup> Board of Directors	1. 2022 second quarter Consolidated Financial Report (Note)	Material information has been announced and released in accordance with the resolution.
	2. To handle the approval of the company's bank quota	Implemented in accordance with the resolution.

Date	Major Resolution	Implementation Status
August 18, 2022	3. To handle the endorsement guarantee case from XiaMen Jan Jia Optoelectronics Co., Ltd. to Jan Jia Trading Company Limited (Note).	Implemented in accordance with the resolution.
The 3 <sup>rd</sup> meeting of the 6 <sup>th</sup> Board of Directors  November 4, 2022	1. 2022 third quarter Consolidated Financial Report (Note)	Material information has been announced and released in accordance with the resolution.
	2. Drafting the company's "2023 Annual Audit Plan" (Note)	The announcement has been completed, and in accordance with the law and implemented accordingly.
	3. Proposed to amend the Company's internal control and internal audit systems of the "Computer Information System Operation Cycle" (Note)	It has become effective in accordance with the resolution of the board of directors.
	4. Proposed to revise some of the provisions of the Company's " Internal Major Information Processing Operating Procedures" (Note)	It has become effective in accordance with the resolution of the board of directors.
	5. Proposed the termination of Global Depository Receipt (GDR) Issuance on the Luxembourg Stock Exchange. (Note)	The issuance has been terminated, and the effective date is December 13th, 2022.
	6. Proposed to handle the case of the subsidiary Amplifi Tech Hong Kong Co., Limited establishing a Thailand subsidiary (Note)	Due to a slowdown in customer demand, the establishment process is currently on hold.
	7. The subsidiary Upper Year Holdings Limited proposed that TPK Touch Solutions (Xiamen) Inc. issue new shares to Upper Year Holdings Limited and acquire 100% of Optera TPK Holding Pte. Ltd.'s shares held by Upper Year Holdings Limited in exchange. (Note)	Implemented in accordance with the resolution.
	8. Proposed to apply for the approval of the extension of the endorsement guarantee amount of TPK Universal Solutions Limited by TPK Touch Solutions (Xiamen) Inc. (Note)	Implemented in accordance with the resolution.
	9. Proposed to handle the case of capital loan to the company from subsidiary TPK Universal Solutions Limited (Note)	Implemented in accordance with the resolution.
	10. Proposed to handle the case of capital loan from subsidiary TPK Universal Solutions Limited to Amplifi Tech Hong Kong Co., Limited (Note)	Implemented in accordance with the resolution.

Date	Major Resolution	Implementation Status
The 4 <sup>th</sup> meeting of the 6 <sup>th</sup> Board of Directors  March 8, 2023	1. The Company's 2022 consolidated financial report and business report and other final accounts (note)	It has been announced on March 8, 2023 and submitted to the competent authority for completion on March 31, 2023, and it will be included in the 2023 General Meeting of Shareholders.
	2. The Company's 2022 Employee and Director Remuneration Distribution Plan (Note)	Announced on March 8, 2023, and included in the 2023 General Meeting of Shareholders' Report.
	3. Drafting the Company's 2022 Earnings Distribution Plan (Note)	The significant event was announced on March 8, 2023, and will be included in the agenda of the 2023 General Meeting of Shareholders.
	4. The Company's 2023 annual operation plan	Execute according to its content.
	5. Proposed to pass the 2022 internal control system effectiveness assessment and issue a statement (Note)	Included in the annual report as required.
	6. The Company's 2022 Independence Assessment Case for Appointment of Certified Public Accountants (Note)	According to the evaluation results, both CPA Chuang, Pi-Yu and CPA Kuo, Tzu-Jung of Deloitte & Touche in 2022 met the Company's independence and suitability evaluation standard.
	7. Proposed the replacement of Certified Public Accountant due to the internal job rotation of accounting firm (Note)	Implemented in accordance with the resolution.
	8. To amend the Amended and Restated Memorandum of Association and Articles of Association	It has been passed in accordance with the resolution of the board of directors; it will be included in the discussion at the 2023 General Meeting of Shareholders.
	9. To amend the Rules of Shareholders' Meeting Procedures (Note)	It has been passed in accordance with the resolution of the board of directors; it will be included in the discussion at the 2023 General Meeting of Shareholders.
	10. To amend the Rules of Board Meeting Procedures (Note)	It has been passed in accordance with the resolution of the board of directors; It will be effective immediately upon approval at the 2023 General Meeting of Shareholders.
	11. Proposed to hold the Company's 2023 General Meeting of Shareholders, the date, time, place and reasons for the convening	Implemented in accordance with the resolution.
	12. To formulate matters related to the acceptance of shareholder proposals at the Company's 2023 General Meeting of Shareholders	Implemented in accordance with the resolution.
	13. To decide to pass the KPI bonus plan for senior managers in 2022	Implemented in accordance with the resolution.

Date	Major Resolution	Implementation Status
	14. Proposed to handle the approval of the company's bank quota	Implemented in accordance with the resolution.
	15. Proposed to handle the case of capital loan to the company from subsidiary TPK Universal Solutions Limited (Note)	Implemented in accordance with the resolution.
	16. Proposed to handle the case of capital loan from subsidiary TPK Universal Solutions Limited to Amplifi Tech Hong Kong Co., Limited (Note)	Implemented in accordance with the resolution.
	17. To cancel the endorsement guarantee case from XiaMen Jan Jia Optoelectronics Co., Ltd. to Jan Jia Trading Company Limited (Note).	Implemented in accordance with the resolution.
	18. Proposed to handle the case of the subsidiary TPK Touch Solutions Inc. establishing a Taiwan subsidiary (Note)	Company establishment in progress.

Note: Matters included in Article 14-5 of the Securities and Exchange Act.

- (12) Major dissenting comments among directors over board meeting resolutions for the most recent year and up to the publication date of this annual report: None
- (13) In the most recent year and up to the date of publication of the annual report, Resignation or Dismissal of the Company related persons (include Chairman, President, Accounting Supervisor, CFO, Internal Audit Supervisor, Corporate Governance Supervisor and R&D Supervisor): None

## 5. Information on CPA Professional Fees

Amount Unit: NT\$ thousands

Accounting Firm	Name of CPA	CPA's Audit Period	Audit Fee	Non-audit Fee	Total	Remark
Deloitte & Touche	Pi-Yu Chuang	01/01/2022-12/31/2022	11,000	2,750	13,750	Non-audit fees mainly include fees paid for services to prepare transfer pricing report, tax filing and paper processing and company registration.
	Tzu-Jung Kuo					

The Company shall disclose CPA professional fees if given any one of the following conditions:

- The company changes its accounting firm and the audit fees paid for the fiscal year in which such change took place are lower than those for the previous fiscal year, the amounts decreased and reasons of reduction must be disclosed: Not applicable.
- Audit fees paid for the current fiscal year are lower than those for the previous fiscal year by 10% or more: Not applicable.

## 6. Information on Replacement of CPA:

- (1). Former CPAs: None.
- (2). Successor CPAs: None.
- (3). The Reply of Former CPAs on Article 10.6.1 and Article 10.6.2.3 to the Regulations Governing Information to be Published in Annual Reports of Public Companies: None.

## 7. Audit Independence :

TPK's Chairman, CEO, CFO, and Managers in Charge of Its Finance and Accounting Operations Did Not Hold Any Positions within the Accounting Firm or Its Affiliates of TPK's CPA in the Most Recent Year.



8. Changes in shareholding and/or pledge of Directors, Supervisors, Managers, and major shareholders with more than 10 percent shareholding during the most recent year or as of the annual report printing date:

- (1) Change in shareholding of directors, Supervisors, managers, and major shareholders with more than 10 percent shareholding.

Position	Name	2022		Current year (2023) as of April 8, 2023	
		Increase (decrease) of shareholding	Increase (decrease) of shares pledged	Increase (decrease) of shareholding	Increase (decrease) of shares pledged
Chairman	Michael Chao-Juei Chiang	—	—	—	—
Director	Capable Way Investments Limited Representative: Hsi-Liang Liu(note1) (Representative: Li-Chien Hsieh(note2))	—	—	—	—
Director	Max Gain Management Limited Representative: Heng-Yao Chang	—	—	—	—
Director	High Focus Holdings Limited Representative: Hsi-Liang Liu(note1) (Representative: Tsung-Liang Tsai(note2))	—	—	—	—
Director	Global Yield International Co., Ltd. Representative: Shih-Ming Liu(note2)	—	—	—	—
Independent Director	Ming-Jeng Weng	—	—	—	—
Independent Director	Yen-Wei Cheng (note1)	—	—	—	—
Independent Director	Hsiu-Chun Wang (note1)	—	—	—	—
Independent Director	Horng-Yan Chang(note2)	—	—	—	—
Independent Director	Fong-Nien Chiang(note2)	—	—	—	—
Director /President	Li-Chien Hsieh (note1)	—	—	—	—
Director /Senior Vice President	Tsung-Liang Tsai(note1)	(50,372)	—	—	—
Senior Vice President	Shih-Ming Liu	—	—	—	—
Senior Vice President	Hsi-Liang Liu	—	—	—	—
Senior Vice President	Ming-Chung Chuang	—	—	—	—
Senior Vice President	Jen-I Tai	—	—	—	—
Vice President	Pei-Ching Tsai	—	—	—	—
Vice President	Chun-An Wei (Note)	—	—	—	—
Accountant Officer	Hu-Yao Lin	—	—	—	—

Note1: The board of directors and independent directors had re-election on June 23, 2022.

Note2: The board of directors and independent directors' tenure expired on June 23, 2022.

- (2) Relative person of equity transfer or equity pledge of related party: Not applicable.

## 9. Information on relationships among the Top 10 Shareholders

April 8, 2023; Unit: Shares; %

Name	Shareholding		Present shareholdings of spouse and minor children		Shares held in another's name		Name and relationship between the company's top ten shareholders, or spouses or relatives within two degrees	
	Shares	Ratio of shareholding	Shares	Ratio of shareholding	Shares	Ratio of shareholding	Name	Relation
Max Gain Management Limited Representative: Michael Chao-Juei Chiang	25,222,643	6.20%	—	—	—	—	(1) Capable Way Investments Limited (2) High Focus Holdings Limited	Same shareholder
Capable Way Investments Limited Representative: Michael Chao-Juei Chiang	23,139,855	5.69%	—	—	—	—	(1) Max Gain Management Limited (2) High Focus Holdings Limited	Same shareholder
Michael Chao-Juei Chiang	17,720,401	4.36%	—	—	100,000	0.02%	—	—
High Focus Holdings Limited Representative: Michael Chao-Juei Chiang	13,273,610	3.26%	—	—	—	—	(1) Capable Way Investments Limited (2) Max Gain Management Limited	Same shareholder
Vanguard Emerging Markets Stock Index Fund A Series Of Vanguard International Equity Index Funds	4,633,288	1.14%	—	—	—	—	—	—
JPMorgan Chase Bank N.A. Taipei Branch in custody for Vanguard Total International Stock Index Fund a series of Vanguard Star Funds	4,615,313	1.13%	—	—	—	—	—	—
Acadian Emerging Markets Small Cap Equity Fund LLC	4,511,000	1.11%	—	—	—	—	—	—
Norges Bank	4,393,806	1.08%	—	—	—	—	—	—
Tseng Wan Ting	3,424,000	0.84%	—	—	—	—	—	—
Evermajesty Invest Limited Representative: Chiu-Kuei Wu Hsieh	3,119,000	0.77%	—	—	—	—	—	—

10. The Total Number of Shares and Total Equity Stake Held in Any Single Enterprise by the Company, its directors and Supervisors, Managers, and Any Companies Controlled Either Directly or Indirectly by the Company

As of December 31, 2022; Unit: Share; %

Long-term Investment (Note 1)	Ownership by TPK		Ownership by Directors, Supervisors, Managers and Directly/Indirectly Controlled Subsidiaries		Total Ownership	
	Shares	%	Shares	%	Shares	%
TPK Touch Solutions Inc.	50,717,000	100.00%	—	—	50,717,000	100.00%
Cando Corporation	77,124,591	19.78%	—	—	77,124,591	19.78%
Upper Year Holdings Limited	261,344,530	100.00%	—	—	261,344,530	100.00%
Improve Idea Investments Ltd.	154,490,000	100.00%	—	—	154,490,000	100.00%
Optera TPK Holding Pte. Ltd.	1,079,816,942	100.00%	—	—	1,079,816,942	100.00%
TPK America, LLC	Note 2	100.00%	—	—	Note 2	100.00%
Ray-Star Universal Solutions Limited	469,498,000	100.00%	—	—	469,498,000	100.00%
TPK Universal Solutions Limited	664,245,254	100.00%	—	—	664,245,254	100.00%
TPK Asia Pacific Sdn. Bhd.	632,187	100.00%	—	—	632,187	100.00%
TPK Touch Solutions (Xiamen) Inc.	Note 2	100.00%	—	—	Note 2	100.00%
TPK Touch Systems (Xiamen) Inc.	Note 2	100.00%	—	—	Note 2	100.00%
TPK Glass Solutions (Xiamen) Inc.	Note 2	100.00%	—	—	Note 2	100.00%
XiaMen Jan Jia Optoelectronics Co., Ltd.	Note 2	100.00%	—	—	Note 2	100.00%
Jan Jia Trading Company Limited	500,000	100.00%	—	—	500,000	100.00%
TPK Film Solutions (Xiamen) Inc.	Note 2	100.00%	—	—	Note 2	100.00%
TPK MasTouch Solutions (Xiamen) Inc.	Note 2	100.00%	—	—	Note 2	100.00%
TPK Touch Solutions (Pingtan) Inc.	Note 2	100.00%	—	—	Note 2	100.00%
TPK Material Solutions Inc.	Note 3	—	—	—	Note 3	—
TPK Advanced Solutions Inc.	Note 2	100.00%	—	—	Note 2	100.00%
Trend Technology (Xiamen) Inc.	Note 2	100.00%	—	—	Note 2	100.00%
TPK Material Solutions (Xiamen) Inc.	Note 2	100.00%	—	—	Note 2	100.00%
Amplifi Technologies Inc.	60,000,000	57.69%	—	—	60,000,000	57.69%
Amplifi Tech Hong Kong Co., Limited	1,153,800	57.69%	—	—	1,153,800	57.69%
Amplifi Tech (Xiamen) Limited	Note 2	57.69%	—	—	Note 2	57.69%
TPK Auto Tech Co., Limited	900,000	90.00%	—	—	900,000	90.00%
TPK Auto Tech (Xiamen) Limited	Note 2 & 4	90.00%	—	—	Note 2 & 4	90.00%
Amplifi Channels Hong Kong Co., Limited	5,769 (Note 5)	57.69%	—	—	5,769 (Note 5)	57.69%
TPK Core Asset (Xiamen) Inc.	Note 2 & 6	100.00%	—	—	Note 2 & 6	100.00%
TPK Multi-Asset (Xiamen) Inc.	Note 2 & 7	100.00%	—	—	Note 2 & 7	100.00%
DS Energy Technology Co., Ltd.	6,000,000 (Note 8)	50.22%	—	—	6,000,000 (Note 8)	50.22%

Note 1: Invested by Equity Method

Note 2: These firms do not issue shares. TPK's investment is measured as a percentage of ownership.

- Note 3: The process of dissolution and liquidation of TPK Material Solutions Inc. was completed in June 2022.
- Note 4: TPK had sold 10% shares of TPK Auto Tech (Xiamen) Limited to TES Touch Embedded Solutions (Xiamen) Co., Ltd. in May 2022.
- Note 5: TPK had set up Amplifi Channels Hong Kong Co., Limited in October 2021 and a capital was invested in January 2022.
- Note 6: TPK had set up TPK Core Asset (Xiamen) Inc. in November 2021, while the real estate investment and capital injection were completed in December 2021 and January 2022, respectively.
- Note 7: TPK had set up TPK Multi-Asset (Xiamen) Inc. in November 2021 and a capital was invested in June and December 2022, respectively.
- Note 8: TPK had participated in the cash capital increase of DS Energy Technology Co., Ltd. and acquired 50.22% of the equity in May 2022.

## IV. Capital Overview

### 1. Capital and Shares

#### (1). Source of share capital

##### 1. Capital formation

Unit: NT\$ thousands/One thousand shares

Date/Month	Issuing Price	Authorized Capital Stock		Issued Capital Stock		Notes		
		Shares	Amount	Shares	Amount	Source of share capital	Written off with property other than cash	Other
November 2005	USD 0.1	500,000	USD50,000	250,000	USD25,000	Increment of cash	—	—
August 2006	USD 0.1	500,000	USD50,000	308,261	USD30,826	Increment of cash	—	—
February 2010	NT\$10	300,000	3,000,000	180,000	1,800,000	(1) Authorized equity changes from USD50,000,000 to NT\$3,000,000,000 (2) Issued equity changes from USD30,826,000 to NT\$1,000,000,000 (3) Handle Stock Div-Cpl Reserve NT\$800,000,000	—	Note 1
July 2010	NT\$10	300,000	3,000,000	196,068	1,960,675	Handle stock issuance of 9,000,000 options and 7,067,522 employee stock options	—	Note 2
October 2010	NT\$10	300,000	3,000,000	224,068	2,240,675	Cash increase 28,000,000	—	Note 3
August 2011	NT\$10	400,000	4,000,000	235,271	2,352,709	Surplus to increment 11,203,376	—	Note 4
May 2012	NT\$10	600,000	6,000,000	236,961	2,369,609	1,690,000 employee stock options	—	
June 2012	NT\$10	600,000	6,000,000	238,550	2,385,499	1,589,000 employee stock options	—	
July 2012	NT\$10	600,000	6,000,000	309,131	3,091,312	Surplus to increment 70,581,269	—	Note 5
August 2012	NT\$10	600,000	6,000,000	309,320	3,093,202	189,000 employee stock options	—	
September 2012	NT\$10	600,000	6,000,000	309,357	3,093,572	37,000 employee stock options	—	
October 2012	NT\$10	600,000	6,000,000	326,980	3,269,802	23,000 employee stock options Overseas Depository Receipts 17,600,000	—	
November 2012	NT\$10	600,000	6,000,000	326,996	3,269,962	16,000 employee stock options	—	
December 2012	NT\$10	600,000	6,000,000	327,135	3,271,352	139,000 employee stock options	—	
January 2013	NT\$10	600,000	6,000,000	327,140	3,271,402	5,000 employee stock options	—	
February 2013	NT\$10	600,000	6,000,000	327,152	3,271,522	12,000 employee stock options	—	
March 2013	NT\$10	600,000	6,000,000	327,180	3,271,802	28,000 employee stock options	—	
May 2013	NT\$10	600,000	6,000,000	328,508	3,285,078	1,198,000 employee stock options Foreign Convertible Bonds 129,592	—	
June 2013	NT\$10	600,000	6,000,000	328,600	3,286,008	93,000 employee stock options	—	
July 2013	NT\$10	600,000	6,000,000	328,854	3,288,538	253,000 employee stock options	—	
August 2013	NT\$10	600,000	6,000,000	329,015	3,290,148	161,000 employee stock options	—	
September 2013	NT\$10	600,000	6,000,000	329,102	3,291,018	87,000 employee stock options	—	
October 2013	NT\$10	600,000	6,000,000	329,105	3,291,048	3,000 employee stock options	—	
November 2013	NT\$10	600,000	6,000,000	329,110	3,291,098	5,000 employee stock options	—	
December 2013	NT\$10	600,000	6,000,000	329,289	3,292,888	179,000 employee stock options	—	
January 2014	NT\$10	600,000	6,000,000	329,295	3,292,948	6,000 employee stock options	—	
February 2014	NT\$10	600,000	6,000,000	329,310	3,293,098	15,000 employee stock options	—	
March 2014	NT\$10	600,000	6,000,000	329,535	3,295,348	225,000 employee stock options	—	
May 2014	NT\$10	600,000	6,000,000	329,743	3,297,428	208,000 employee stock options	—	

Date/Month	Issuing Price	Authorized Capital Stock		Issued Capital Stock		Notes		
		Shares	Amount	Shares	Amount	Source of share capital	Written off with property other than cash	Other
June 2014	NT\$10	600,000	6,000,000	330,736	3,307,358	993,000 employee stock options	—	
July 2014	NT\$10	600,000	6,000,000	330,938	3,309,378	202,000 employee stock options	—	
August 2014	NT\$10	600,000	6,000,000	330,956	3,309,558	18,000 employee stock options	—	
September 2014	NT\$10	600,000	6,000,000	331,136	3,311,358	180,000 employee stock options	—	
October 2014	NT\$10	600,000	6,000,000	331,152	3,311,518	16,000 employee stock options	—	
November 2014	NT\$10	600,000	6,000,000	331,273	3,312,728	121,000 employee stock options	—	
December 2014	NT\$10	600,000	6,000,000	331,295	3,312,948	22,000 employee stock options	—	
January 2015	NT\$10	600,000	6,000,000	331,383	3,313,828	88,000 employee stock options	—	
February 2015	NT\$10	600,000	6,000,000	331,387	3,313,868	4,000 employee stock options	—	
April 2015	NT\$10	600,000	6,000,000	351,387	3,513,868	Overseas Depository Receipts 20,000,000	—	
June 2015	NT\$10	600,000	6,000,000	351,604	3,516,038	217,000 employee stock options	—	
July 2015	NT\$10	600,000	6,000,000	351,618	3,516,178	14,000 employee stock options	—	
August 2015	NT\$10	600,000	6,000,000	351,631	3,516,318	14,000 employee stock options	—	
March 2016	NT\$10	600,000	6,000,000	346,634	3,466,338	Cancel the treasury stock 4,998,000	—	Note 6
September 2017	NT\$10	600,000	6,000,000	406,634	4,066,338	Overseas Depository Receipts 59,820,000, 180,000 employee stock options total issuance of 60,000,000 stocks	—	
November 2017	NT\$10	600,000	6,000,000	406,664	4,066,638	30,000 employee stock options	—	

Note 1: Passed by the board of shareholders on January 8, 2010, took effect on February 25, 2010.

Note 2: Passed by the board of directors on June 23, 2010, took effect on July 1, 2010.

Note 3: Passed by the board of directors on August 23, 2010, took effect on September 28, 2010.

Note 4: Passed by the board of directors on June 28, 2011, took effect on August 23, 2011.

Note 5: Passed by the board of directors on June 11, 2012, took effect on July 20, 2012.

Note 6: Passed by the board of directors on February 26, 2016, took effect on March 16, 2016.

## 2. Listed Stocks

Unit: share

Stocks	Authorized capital stock			Notes
	Outstanding Shares	Unissued Shares	Total	
Common stock	406,663,759	193,336,241	600,000,000	As of April 8, 2023

3. Summarize relative information of declaration system: Not applicable.

## (2) Composition of shareholders

April 8, 2023; share; %

Composition of shareholders Quantity	Government entity	Financial institutions	Other judicial persons	Foreign entities and individuals	Individuals	Total
Shareholders	0	0	204	178	48,188	48,570
Shareholding (shares)	0	0	6,630,575	133,936,787	266,096,397	406,663,759
Ratio of shareholding	0%	0%	1.63%	32.93%	65.44%	100.00%

Note 1: Shares held by Mainland Chinese investors is 0%.

(3) Distribution Profile of Share Ownership

1. Common Share: NT\$10 par value

April 8, 2023; Unit: share/NT\$10 par value

Shareholding scale	Number of shareholders	Number of shares held	Percentage of shareholding
1 ~ 999	9,406	480,985	0.12%
1,000 ~ 5,000	29,806	63,060,827	15.51%
5,001 ~ 10,000	4,810	38,392,436	9.44%
10,001 ~ 15,000	1,449	18,804,048	4.62%
15,001 ~ 20,000	934	17,365,893	4.27%
20,001 ~ 30,000	796	20,653,441	5.08%
30,001 ~ 40,000	412	14,753,436	3.63%
40,001 ~ 50,000	234	10,905,838	2.68%
50,001 ~ 100,000	418	29,771,807	7.32%
100,001 ~ 200,000	179	24,829,533	6.11%
200,001 ~ 400,000	70	19,750,448	4.86%
400,001 ~ 600,000	16	7,691,080	1.89%
600,001 ~ 800,000	10	6,918,071	1.7%
800,001 ~ 1,000,000	6	5,239,000	1.29%
More than 1,000,001	24	128,046,916	31.48%
Total	48,570	406,663,759	100%

2. Preferred stock: This Company is no issuing of preferred stock

(4) Major shareholders (Top 10 shareholders):

April 8, 2023; shares

Names of major shareholders	Number of shares	Shareholding (Shares)	Percentage
Max Gain Management Limited		25,222,643	6.20%
Capable Way Investments Limited		23,139,855	5.69%
Michael Chao-Juei Chiang		17,720,401	4.36%
High Focus Holdings Limited		13,273,610	3.26%
Vanguard Emerging Markets Stock Index Fund A Series Of Vanguard International Equity Index Funds		4,633,288	1.14%
JPMorgan Chase Bank N.A. Taipei Branch in custody for Vanguard Total International Stock Index Fund a series of Vanguard Star Funds		4,615,313	1.13%
Acadian Emerging Markets Small Cap Equity Fund LLC		4,511,000	1.11%
Norges Bank		4,393,806	1.08%
Tseng Wan Ting		3,424,000	0.84%
Evermajesty Invest Limited		3,119,000	0.77%

(5) Market Price, Net Worth, Earnings, and Dividends per Common Share

Unit: NT\$/thousand shares

Item		Year	2021	2022
Market Price Per Share	Highest		58.00	46.40
	Lowest		36.70	28.00
	Average		44.08	34.50
Net Worth Per Share	Before Distribution		86.64	91.11
	After Distribution		85.14	90.61(Note 1)
Earnings Per Share	Weighted Average Shares		406,949	406,936
	Diluted Earnings Per Share		2.63	1.34
Dividends Per Share (Note 6)	Cash Dividends		1.50	0.50 (Note 1)
	Stock Dividend Distribution	From Retained Earnings	—	— (Note 1)
		From Capital Reserve	—	— (Note 1)
	Accumulated Undistributed Dividend (Note 2)		—	—
Return on Investment	Price/Earnings Ratio (Note 3)		16.79	25.82
	Price/Dividend Ratio (Note 4)		29.39	69.00(Note 1)
	Cash Dividend Yield (Note 5)		3.40%	1.45%(Note 1)

Note 1: Pending the General Meeting of Shareholders approval.

Note 2: If the undistributed dividends for current year will be accumulated and distributed on next profit year in accordance with terms of Securities Issuance, accumulated unpaid dividends at the end of the year shall be disclosed.

Note 3: Price/Earnings Ratio = Average Market Price/ Diluted Earnings Per Share

Note 4: Price/Dividend Ratio = Average Market Price/Cash Dividends Per Share

Note 5: Cash Dividend Yield = Cash Dividends Per Share/Average Market Price

Note 6: Dividends Per Share are approved by the Members by a resolution adopted at next general meeting.

(6) TPK's Dividend Policy and Implementation Status

1. Dividend Policy in Company's Articles of Incorporation:

Under the Company's Articles 34.1 of Incorporation (the "Articles"), the Company may distribute its profits in accordance with the proposals made by the Company's board of directors for a distribution plan and approved in the General Meeting of Shareholders. While distributing any profit, the profit shall be first utilized for offsetting losses of previous years, and 10% of the remaining profit shall be set aside as a legal reserve until the accumulated legal reserve equals the Company's paid-in capital. Secondly, the Company shall appropriate the remaining profit to a special reserve in accordance with the Applicable Public Company Rules or as requested by the competent authorities. Any remaining profit together with any undistributed retained earnings may be distributed as dividends (including cash dividends and share dividends) or bonuses under the Company Law of the Cayman Islands and Applicable Public Company Rules after taking into consideration the financial, business and operational factors. The total amount to be distributed as dividends shall be no less than 10 % of the remaining profit, where the total amount of the distributed cash dividends shall be greater than 10 % of the total dividends. However, if dividends per share is less than NT\$1 in any given year, the aforementioned



10% threshold shall not apply. The Company may decide to distribute cash dividends or share dividends in whole or in part at its sole discretion. If the Company's distribute earnings for the current year are less than 10% of the paid-in capital of the Company at the end of the fiscal year, the Company may decide not to pay any dividend (including cash dividends or stock dividends) for the current year.

In accordance with the amended Company Act which was announced in May 2015, the recipients of share dividends and bonuses are limited to shareholders and do not include employees. On May 29, 2018, the General Meeting of Shareholders resolved to amend appropriation of earnings in the Articles and set up the policies on the distribution of employees' compensation.

## 2. Proposal to Distribute 2022 Earnings

As resolved by TPK's Board of Directors on March 8, 2023, it is intended to distribute cash dividends of NT\$203,331,880 (NT\$0.5 per share) to shareholders. The proposal will be submitted to the General Meeting of Shareholders for resolution.

## (7) Effect upon Business Performance and Earnings Per Share of Any Stock Dividend Distribution Proposed or Adopted at The Most Recent General Meeting of Shareholders:

Not applicable.

## (8) Compensation to Directors and Employees

### 1. The percentages or ranges with respect to employee and director compensation, as set forth in the company's articles of incorporation

The Company accrued employees' compensation and remuneration of directors at rates of no less than 0.1% and no higher than 2%, respectively, of net profit before income tax, employees' compensation, and remuneration of directors. If the Company has losses of previous years, net profit before income tax should be retained for offsetting the amount of those losses.

### 2. The basis for estimating the amount of employee and director compensation, for calculating the number of shares to be distributed as employee compensation, and the accounting treatment of any discrepancy between the actual distributed amount and the estimated figure, for the current period:

#### (1) The basis for estimating the amount of employee and director compensation in 2022:

- ① The basis for estimating employee compensation: The net profit before income tax should be retained for offsetting the amount of losses of previous years, and the remuneration is in accordance with the distribution percentage under the Articles.
- ② The basis for estimating director compensation: The net profit before income tax should be retained for offsetting the amount of losses of previous years, and the remuneration is in accordance with the distribution percentage under the Articles.

#### (2) The basis for calculating the number of shares to be distributed as employee compensation: Not applicable.

#### (3) The accounting treatment of any discrepancy between the actual distributed amount and the estimated figure: If there is a change in the amounts after the annual consolidated financial statements are authorized for issue, the differences are recorded as a change in the accounting estimate.

### 3. Information on approval by the Board of Directors of distribution of compensation

#### (1) 2022 director and employee compensation were approved by the Board of Directors at

its meeting on March 8, 2023.

Employee Compensation (Cash): US\$ 200,000.

Director Compensation (Cash): US\$ 288,000.

(2) The amount of employee compensation distributed in stocks, and the size of that amount as a percentage of the sum of after-tax net income in 2022 and total employee compensation: Not applicable.

4. The actual distribution of employee and director compensation for the previous fiscal year (with an indication of the number of shares, monetary amount, and stock price, of the shares distributed), and any discrepancy between the actual distribution and the recognized employee or director compensation, additionally the discrepancy, cause, and how it is treated

(1) 2021 director and employee compensation

Employee Compensation (Cash): US\$ 388,000.

Director Compensation (Cash): US\$ 360,000.

(2) The discrepancy between the above amount and the recognized employee or director compensation, additionally the discrepancy, cause, and how it is treated: None.

(9) Company shares purchased by this company itself: None.

## 2. Issuance of corporate bonds (includes overseas bonds):

(1) This company is no issuing of domestic corporate bond.

(2) Overseas corporate bond:

The first overseas unsecured convertible corporate bond in 2012 had been returned on October 30, 2015.

The first overseas unsecured convertible corporate bond in 2015 had been returned on April 8, 2018.

(3) Convertible Bond

The first overseas unsecured convertible corporate bond in 2012 had been returned on October 30, 2015.

The first overseas unsecured convertible corporate bond in 2015 had been returned on April 8, 2018.

## 3. Issuance of preferred shares: N/A.

#### 4. Issuance of GDR:

<b>Issuing (processing) date</b>	October 1, 2012	April 8, 2015	September 8, 2017
<b>Items</b>			
<b>Issuing (processing) date</b>	October 1, 2012	April 8, 2015	September 8, 2017
<b>Issuance and trade location</b>	Luxembourg Stock Exchange	Luxembourg Stock Exchange	Luxembourg Stock Exchange
<b>Total issuance amount</b>	USD236,192,000	USD133,600,000	USD237,000,000
<b>Issuance price per unit</b>	\$13.42 per unit	\$6.68 per unit	\$3.95 per unit
<b>Total Number of Issuance Units</b>	17,600,000 Overseas Depository Receipts manifest 17,600,000 ordinary shares	20,000,000 Overseas Depository Receipts manifest 20,000,000 ordinary shares	59,820,000 Overseas Depository Receipts manifest 59,820,000 ordinary shares, plus 180,000 employee stock options, the total amount of ordinary shares is 60,000,000
<b>Manifest the Source of Securities</b>	The source of securities in this depository is from the cash increment of 17,600,000 shares	The source of securities in this depository is from the cash increment of 20,000,000 shares	The source of securities in this depository is from the cash increment of 60,000,000 shares
<b>Manifest the Number of Securities</b>	Per depository receipt will manifest 1 TPK ordinary share	Per depository receipt will manifest 1 TPK ordinary share	Per depository receipt will manifest 1 TPK ordinary share
<b>Right and obligation of the owner of depository receipt</b>	<p>1. Voting right: Otherwise stipulated in the regulation, holders of depository receipts may exercise their voting rights of TPK ordinary shares manifested by depository receipt according to the relevant provisions of the R.O.C and the British Cayman Islands as well as relevant provisions of the depository deeds.</p> <p>2. Dividend distribution, pre-emptive rights of new stock and other interests: Otherwise stipulated in the depository deed, the holder of a depository certificate can enjoy the same dividend distribution and other rights of allotment as the ordinary shareholders of TPK. If TPK issues stock dividends or handles other share distribution issued in the future, the depository institution may issue corresponding amount to holders of deposit certificate based on the original units held according to depository deeds and relevant laws; or the institution can increase the number</p>		

		of ordinary shares manifested by each unit of depository receipts, or the institution can sell the stock dividends on behalf of the holder of the depository certificate, and shall give the incomes (after deduction of tax and relevant expenses) by a certain proportion to holders of the depository receipt within the scope of law. When TPK handles cash increment or other stock options, holders of depository receipts shall enjoy the same rights as the common stock shareholders; the depository institution shall provide relevant rights to the holder of the depository receipt, or sell the rights on behalf of the holder of the depository receipt, and shall give the incomes (after deduction of tax and relevant expenses) by a certain proportion to holders of the depository receipt based on the depository deed according to the regulations and laws of R.O.C and British Cayman Islands.		
Assignee		N/A	N/A	N/A
Depository institution		Citibank, N.A.	Citibank, N.A.	Citibank, N.A.
Custodian		Citibank Taiwan Limited	Citibank Taiwan Limited	Citibank Taiwan Limited
Un-reconvertible Balance		- (Note)		
Allocation way of expenses during issuing and duration period		1. Fees related to the issuance of overseas depository receipts: The issuance expenses incurred in relation to the issuance of overseas depository receipts, including legal fees, listing fees, financial advisory fees and any other related expenses, etc. shall be undertaken by the issuing company and the selling shareholders otherwise stipulated in the regulation or agreed by the company and sponsored underwriter and custodian institution. 2. Fees in duration: Fees in duration which include information disclosure and other expenses shall be undertaken by the issuing company otherwise stipulated in the regulation or agreed by the company and sponsored underwriter and custodian institution.		
Important items of depository contract and custodian contract		Refer to depository contract and custodian contract for details		
Market price per unit (dollar)	2022	Highest	1.59	
		Lowest	0.88	
		Average	1.17	
Note: On November 4, 2022, the company approved the resolution of the board of directors to terminate the issuance of GDR and delisted from the Luxembourg Stock Exchange. The termination procedure was completed on December 13, 2022.				

5. Employees stock options:

(1) Information of employee stock option: None.

(2) Execution condition of employee private stock option from last year to this report's printing: None.

(3) List of Executives Receiving Employee Stock Options and the Top Ten Employees with Stock Options: None.

6. Restriction on employee's issuance of new shares:

None.

7. Merger or issuance of new shares from other companies:

None.

8. Implementation of Capital Allocation Plans:

(1) Description of Plans

1. Uncompleted public issue or private placement of securities: None.

2. Issues and placements that were completed in the most recent 3 years but have not yet fully yielded the planned benefits: None.

(2) Status of Implementation: Not applicable.

## V. Business Overview

### 1. Business Category

#### (1).Business Scope

##### (1) Major business

The Company and its subsidiaries are mainly engaged in the business of developing, manufacturing and selling touch modules, touch displays and indium tin oxide (ITO) glass-related products.

##### (2) Major products and percentage of sales

Unit: NT\$ thousands; %

Major Products	2020		2021		2022	
	Amount	%	Amount	%	Amount	%
Touch modules	103,561,174	90.38	94,243,721	91.42	88,362,030	90.93
Others	11,022,025	9.62	8,845,024	8.58	8,818,939	9.07
Total	114,583,199	100.00	103,088,745	100.00	97,180,969	100.00

##### (3) Current Products

The company provides customers solutions to all kinds of sizes of touch modules, and provides laminations of precise components. The major end-products of the company's touch solutions are as follows:

1. Below 7-inch: Wearable device, smart home device, e-Reader, smart phone.
2. Above 7-inch (include) and below 11-inch: Tablet.
3. Above 11-inch (include) and below 16-inch: Large-sized tablet, 2-in-1 PC, notebook PC.
4. Above 16-inch (include): All-in-One PC, automotive control control display, interactive electronic whiteboard.
5. Major components of consumer products produced by 3D printing.

##### (4) New products and services planned to develop in future:

1. Provide customers with next generation high-end touch solutions possessing more extraordinary functions with thinner and lighter designs.
2. Expand touch solutions to more diversified scopes of applications and enter into more brand-new end-product markets.
3. Provide customers with more advanced lamination services by customizing product designs.
4. Expand the innovative touch materials for new applications. Meanwhile, we strive to evolve new business models through optimizing production processes, providing more diversified services to customers, and enhancing the value of the company.
5. Strengthen the mass production manufacturing process of 3D printing and develop new customers and new product applications as well.
6. Applications and services related to new energy products.

## (2). Industry overview

### (1) Current status and development of touch industry

#### 1. Touch industry development steps into stable growth period.

Touch technology went through explosive growth in the last decade with many manufacturers in its development. Since touch technology has been mature, each end-product will adopt different touch technology with the adequate characteristics correspondingly. The growth rate of touch products shipment have slowed down and have almost been stagnant before the completely innovative and different products launched by brand name customers, and hence touch manufactures in the industry have encountered challenges of the industry, some of the manufactures have quit the touch industry market due to tough market environment. Only major players in touch industry have survived in the market. Therefore, the overall supply and demand of touch industry has gradually gone back to the stable and healthy status.

#### 2. Touch product application scope continues to expand

In recent years, touch products are widely applied to mobile electronic devices such as smart phones, e-Readers, tablets and wearable products. Touch has become the interface that customers get used to. A variety of innovative touch applications and touch products installed in various kindsof areas have been launced one after the other, such as interactive whiteboards for meeting room or for education, home electronics, smart IOT devices, POS, slot machine, window display with transparent OLED and smart touch dressing mirror.

#### 3. Flexible touch will be the next generation trend

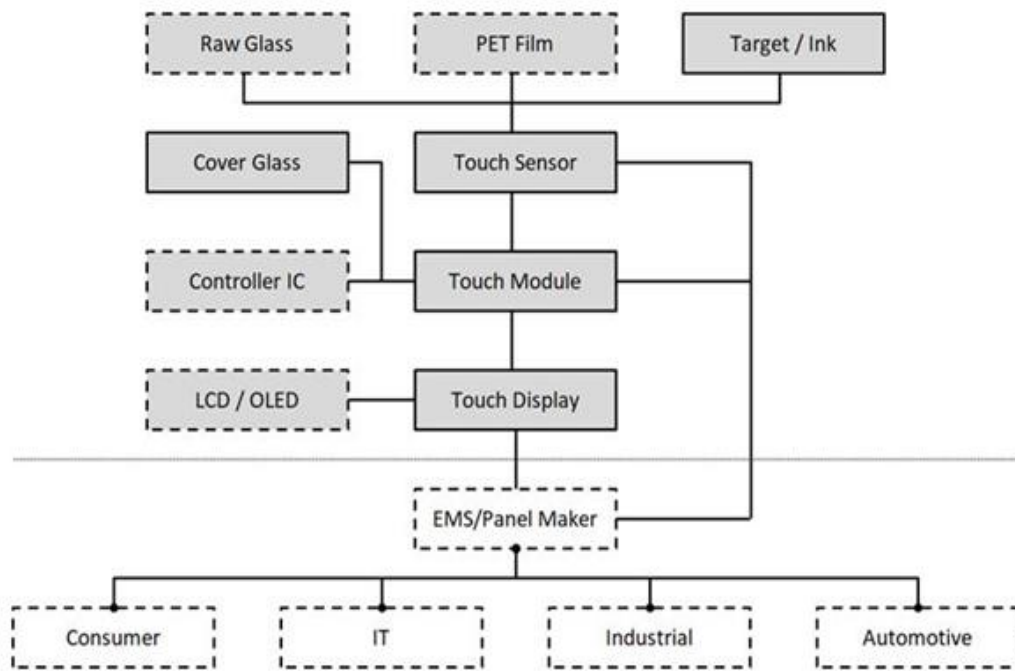
Consumer electronics has been in the mature stage of the development. The worldwide main brand companies struggle to increase the sales and stimulate the demand by seeking for breakthrough in terms of product design, product spec and customers' user habit. As the high speed internet progresses, consumers will rely more on their mobile devices. Furthermore, bigger size devices and foldable / flexible mobile device products will be the main stream and will lead the industry to move toward the next generation.

### (2) Industry supply chain

TPK provides total solutions of projected capacitive touch. The company is positioned in the mid-downstream of the supply chain. Upstream manufacturers include material suppliers, such as glass substrate, chemical material, Silver nanowire ink and PET film. Midstream manufacturers include suppliers of touch sensors (ITO film, SNW film and ITO glass), Flex, and control IC. Mid-downstream manufacturers include supplier of LCD panel, OLED panel and cover glass. Down stream manufacturers are system integration.

TPK possesses the technology of ITO and SNW coating technology, yellow etching, laser printing, cutting, lamination for flex, cover glass and panels. In the meantime, we provide the services of glass strengthening, surface coating and cutting. The company could provide total solutions for customers in order to enhance the

production efficiency and shorten the leadtime for the new products to go mass production from product design, so that we could face the challenges of the fast changing industry and shortening product life cycle. The touch industry supply chain is shown as follows:



### (3) The trends of product development

As the touch technology has become mature, there are different structures for touch sensors, including G/G, P/F/F, G/F/F, G1F, G/F, OGS and TOL. After the integration of touch technology, every technology and sensor structure has its own place in the market. The company could provide customized touch solutions and product designs based on the electronic products' characteristics and customers' products market segment. Therefore, we can optimize the market price and production efficiency by providing different touch solutions to meet customers' requests for their high, mid and low end products respectively.

In the near future, the flexible touch products will lead the development of the industry into a new evolution. All the manufacturers in the supply chains put in all sorts of resources for research and development of new material, technology and manufacturing process. Different types of consumer electronic product manufacturers demonstrate their interest in flexible touch products. It is certain that once these flexible touch products are launched to the market, it can lead the industry to the next peak.

### (4) Competition

After rapid growth and market integration, the touch industry steps into stable development in recent years. The oversupply situation, causing by manufacturers entered the industry and expanded their capacity at the same time due to explosive growth rate of market demand, has been improved after some manufacturers has been eliminated from the severe competition.



Moreover, upstream manufacturers and downstream manufacturers tend to form a partnership with each other when developing new technologies and expanding the capacity. It totally changes the manufacturers' strategy of competing on the price by increasing the capacity. On the other hand, customers were experiencing consolidation as well. Some of the customers either exited the market or were merged by others because their products were not attractive to the consumers, and turned out to be failure. As the supply and demand of touch industry has become stable, there is no abnormal profit, meaning no incentive for new entrants. "The big one get bigger" and "Winner takes all" will remain unchanged.

Our company is known for possessing leading technology and extraordinary production integration ability in this industry. As the stable development of the touch industry, the company will continue to concentrate on the development and promotion of new materials, silver nanowire, customer services, product development and innovative technology. Meanwhile, we will continue to optimize the production process to maintain our leading position in the touch industry and improve overall benefits. In addition, the company will take advantage of the precise insights into touch technology and industry development, and continue to look for any opportunities for business cooperation.

### (3). Overview of touch technology and research & development

#### (1) TPK's technology and research development

As a touch technology leading application manufacturer, the company provides a variety of projected capacitive touch solutions and integrated services of high precision electronic products. TPK plays an important role in the touch industry development. The company mainly concentrates on development of self-owned technology, and at the same time, continues to cooperate with worldwide consumer electronics factories and suppliers of relative materials in technology development which include technology research, material development, process improvement, and yield promotion. Since established, the development and manufacturing technology in the touch industry of this company have been praised and certified by all the worldwide customers.

The company focuses on various touch technology, applications and vertical integrated production. The screen sizes range from 1 inch to 100 inch, of which include wearable devices, smart phones, DSC, PND, PMP, hand-held game consoles, eReaders, tablets, smart IOT devices, notebooks, AIO PCs, screens of entertainment system in automobile and interactive whiteboards.

#### (2) The company set the R&D department to concentrate on the development and research of touch technology, innovative materials and manufacturing process, and we collect market dynamics and product development trends by the Marketing Department and Business Department in order to make research results that can satisfy market demands and trends.

Besides touch products, TPK has engaged in 3D printing technology. 3D Printing technology has rapidly developed with the advent of smart manufacturing,

transitioning from early-stage demonstrations and educational applications to sample production, and further evolving into successful commercialized mass production today. TPK has collaborated with international 3D printing technology giants and renowned sports brands, successfully launching several innovative 3D printed sports products that have been well-received by consumers in 2021. Over the past two years, our products have gained widespread popularity among consumers. The company is looking forward to promoting the mass production application of 3D printing to a wider range of industries in 2023, aiming to achieve technology and product proliferation, and subsequently drive revenue growth.

(3) R&D costs of recent year (2022) and year 2023 as of March 31, 2023

Unit: NT\$ thousands

Year	2022	March 31, 2023
R&D Expenditure	695,423	131,236
Net revenue	97,180,969	17,324,195
% to net revenue (%)	0.72%	0.76%

(4) Developed technology or product

Developed technology or product	Important Application	Manufacturing Process
1. Process of double-sided ITO projected capacitive touch sensor and double-sided photolithography	Smart phone, GPS, and eReader etc.	Double-sided ITO coating, double-sided ITO sensing, circuit structure etching, conductive metal coating, metal wire etching, protective layer coating and photolithography, laser cutting
2. Process of single-sided ITO projected capacitive touch sensor and single-sided photolithography	Smart phone, GPS, and eReader etc.	Single-sided ITO coating, ITO sensing circuit structure etching, insulating layer coating and yellow light forming, conductive metal coating, metal wire etching, protective layer coating and photolithography, laser cutting
3. Pressing technology of projected capacitive touch sensor and double-sided flexible circuit board (FPC)	Smart phone, GPS, and eReader etc.	Positive anisotropic conductive adhesive (ACF) attachment, front FPC fit, back ACF attachment, back FPC fit, double-sided hot pressing
4. Lamination technology of projected capacitive touch module	The same, it is applicable to products with 3.5-32 inch screens	Touch glass bonding optical double-sided adhesive (OCA), glass protective cover, LCD bonding
5. High-strength glass processing technology A. Development of glass chemical strengthening formula B. Development of glass cleaner formulation C. Cutting technology after reinforced high-strength glass	Manufacturing of the protective cover of electronic devices such as smart phones, GPS, and PMP: Strengthen the depth of glass, shorten the strengthening time, increase the activation energy of the surface of	Manufactureing process of cover glass: Glass touch grinding and polishing, cleaning polishing powder and crushing, chemical strengthening, cleaning and residual, and then decorative ink printing

Developed technology or product	Important Application	Manufacturing Process
	the glass protective cover (reduce the contact angle), improve the bonding strength of the module, and cut the depth after the glass is strengthened	
6. Full-screen resistive touch module	Smart phone with Windows system has a more beautiful and flexible surface compared with traditional resistance-type products	The optical adhesive is bonded to the ITO film, the double-sided adhesive is applied to the two layers of ITO film, the die-cut molding, and the flexible circuit board is pressed.
7. OGS	Two-glass touch module is simplified into a single piece of glass to make thinner and lighter mobile phone and tablets	The large glass is made of the existing yellow light equipment and the manufacturing process of the touch circuit and the cut is completed, and the secondary reinforcement of the edge is performed.
8. STOL	Two-glass touch module is simplified into a single piece of glass make thinner and lighter mobile phone and tablets	The large piece of glass is used as a substrate to arrange a single piece of six-sided tempered glass cover plate, and the touch circuit is formed according to the existing photolithography equipment and the process. After completion, the single piece of six-sided reinforced touch glass is removed.
9. Silver nanowire borderless touch module	Borderless design touch interface of hand-held device	Silver nanowire bendable signal line, curved surface lamination technology, higher wire width and line spacing resolution, up to 12/12um, and can hide the signal line to the back
10. Writable silver nanowire touch module	In addition to the original finger-sensing capacitive touch sensor, the sensor has developed a more sensitive pen-writing sensor to meet the user's habits.	Low-resistance transparent silver nanowire for higher touch resolution, from centimeters (cm) to millimeters (mm)
11. Manufacturing of high resolution, low visibility silver nanowire photolithography process technology	Smart phones, tablets, e-Readers, etc.	Silver nanowire patterning process. Improve the silver nanowire spacing pattern through the photolithography process, while matching the pattern design to reduce the visibility of the pattern

Developed technology or product	Important Application	Manufacturing Process
12. Thin film capacitive silver nanowire touch module	Hand-held human touch interface with light and short requirements	The two-film touch module is upgraded into a single-layer double-sided silver nanowire projected capacitive touch sensor structure, and the thickness is reduced by more than 65%.
13. Roll-to-roll single-sided silver nanowire film	Highly productive thin film capacitive touch module	Roll-to-roll sputtering, coating, printing, and patterning processes increase productivity and reduce production costs
14. Ultra-thin ITO single-sided bridge type projected capacitive touch sensor	Hand-held devices such as smart phone and tablet computer, automobile application	Ultra-thin substrate coating, single-sided ITO coating, bridging, circuit structure etching, conductive metal coating, metal wire etching, protective layer coating and yellow light forming, sensor/glass substrate separation, ultra-thin sensor bonding
15. Bonding technology of 3D glass and film touch sensor	Hand-held devices such as smart phone and tablet computer	Film touch sensor surface preforming, 3D shape/sensor automatically distinguishes alignment, vacuum automatic fit
16. Multi-layer anti-reflective coating technology for 3D curved surface	VR, hand-held devices	3D surface sputtering, multi-layer optical film low reflectivity design
17. Manufacturing technology of ITO narrow frame touch sensor	Hand-held devices such as smart phones and tablet, automobile applications	Narrow line and wide line distance design, yellow light process technology, shortened length Bonding pad pressing technology
18. 3D modeling touch glass substrate optical grade glass protective cover	Protection cover for the touch glass of hand-held devices such as smart phones, tablet and notebooks, GPS and eBooks	2D planar profile cutting, 3D hot bend forming, 3D profile grinding and polishing, chemical strengthening compensation
19. Bonding technology of artificial intelligence non-planar high precision bonding technology	Smart phone, GPS, and eBook	OCA automatic tear film system, high precision sensor placement system, glass cover plate and plastic sensor one-time alignment system
20. Bonding process of large-size curved water glue bonding process	Vehicle surface display equipment, curved TV, etc.	For the display module of thick iron frame and curved surface, the dam glue and the edge banding glue are glued and solidified, and the flat or curved touch module is pressed on the curved display module, and then the glue, solidification and edge sealing are completed, and the curved surface is completed bonding.
21. Super large sized automatic silver nanowire touch module	Interactive education whiteboard, electronic	The full-surface surface-treated glass cover and the silver nanowire film are patterned to form a sensing

Developed technology or product	Important Application	Manufacturing Process
	whiteboard of meeting room, public displayer	layer that fits perfectly into the super large sized display. Coupled with a controller that supports 4 active pens.
22. Ultra-thin and narrow-neck large-size touch display module	AIO, touch displayer	The highly wear-resistant Decoration film and the double-sided patterned sensing layer and the liquid crystal display glass are combined to form a fully-fitted touch display module.
23. Touch film is folded back to the back of the display to achieve an ultra-narrow bezel touch module	Tablet computer, notebook	After the touch module is attached to the display, the touch signal line is bent and attached to the back of the display.
24. SNW touch module (support for pen writing)	Tablet, notebook	PET double-coated SNW, sensing circuit structure etching, conductive metal printing, molding, FPC Bonding, Display bonding
25. Mass production of 3D printing products	Sporting goods, industrial components and medical goods	Develop and initiate automatic manufacturing process for 3D printing, and make the products go mass production
26. Foldable touch module	Tablets and notebook PCs	Design the products with flexible touch module and flexible display in order to reduce the size of portable products
27. Touch display module with new floating touch technology	POS, order machine, and public information display	Manufacturing of ITO/SNW touch sensor, and the adjustments of display module and software as well as firmware
28. Double sided SNW capacitive film sensor touch module by laser printing	17"-65" industrial computer, meeting room display and blackboard	Taking advantage of SNW's lower resistance characteristic to enhance the touch sensor structures from two layers film sensor to double-sided film sensor structure. Hence, it could reduce the thickness more than 65% to save the cost. It is suitable for small-volume large variety production.
29. Ultra-thin touchpad	Notebook PCs / Portable touchpad	Our self-developed pressure-sensing touchpad integrates force sensing, force feedback, and touchpad functions together, achieving thinness and competitive pricing
30. Display for automotive	In-vehicle Smart Cabin Touch Display System Assembly (Dashboard, Center Console Display, or Entertainment System Application)	Integrated cover glass, embedded touch display solution, soft and hardware, and Magnesium Aluminum Alloy structural Components, with core process capability of coating, precision

Developed technology or product	Important Application	Manufacturing Process
		bonding and assembly, to develop and mass produce floating-type and functionally safe in-vehicle Display System

(4). Long-term and short-term business development plans

(1) Short-term business development plan

1. Operation Strategy

By concentrating the resources to strengthen the relationship with important customers, the company cooperate with them to develop products with better function and sensitivity whose spec can better fulfill the requirements of customers' high-end products. In addition to touch products, the company continues to actively invest in research and development in other areas, working closely with customers and technology partners to jointly develop products that meet consumer needs and are competitively priced.

2. Manufacturing Strategy

Continue improving the automation of the production line, optimize manufacturing processes, enhance the yield rate, reduce production costs, and enhance the competitiveness by optimizing economic scale and manufacturing process, maintaining the leading position in the touch industry. Meanwhile, the company actively explores and diversifies into other product categories.

3. Marketing Strategy

In response to market trends, the company constantly reviews existing products and future development trends. In addition to continuous collaboration with customers in developing new products to align with market demands, the company is also committed to providing more customized and comprehensive solutions to enhance its value and proactively enter high-growth product supply chains.

(2) Long-term business development plan

1. Operation Strategy

As a leading technology company, TPK has devoted itself to the new material and innovative manufacturing process for long time, and to ensure the leading position in the touch industry with patent portfolio policy. TPK not only provides the merchandise with extraordinary quality and competitive price, but also have a mid to long term goals to look for opportunities to cooperate with other companies, in order to expand into more diversified business as well as further secure the company's leading position in the industry.

2. Manufacturing Strategy

Continue to strengthen the core technologies, such as production management, manufacturing process development, product design and equipment development, so that the yield rate, efficiency and productivity could be further enhanced to reduce the production costs and maintain the competitiveness of the company. In the mean time, we also make efforts to look for the opportunity to strategically align with major material suppliers to enjoy the advantage in terms of cost.

### 3. Marketing Strategy

In the area of touch products, the company provides the advanced and a variety of touch solutions to our customers owing to our cutting-edge technology, so that we could strengthen the relationship with our customers and take part in new projects in early stage to synchronize with the fast changing market trend and assist our customers to make preparations for the coming advanced products. In the long run, we have the strategy for the diversity of customers, technology and products.

## 2. Market and business overview

### (1). Market analysis

#### 1. Sales breakdown by area

Unit: NT\$ thousands

Area	2021		2022	
	Amount	(%)	Amount	(%)
America	51,671,714	50.12	47,682,899	49.07
Asia	38,827,615	37.67	41,088,287	42.28
Other	12,589,416	12.21	8,409,783	8.65
Total	103,088,745	100.00	97,180,969	100.00

#### 2. Future supply and demand of the market and the market growth

Following industry integration and natural elimination in the touch industry, current touch manufacturers in the market will adopt conservative strategies on capacity establishment; therefore, the oversupply caused by manufacturers' active expansion of capacity will not occur. However, owing to unstable global transportation issue, the market supply will also be volatile.

In terms of market demand, the mobile device segment has been affected by the saturation of the consumer electronics market for terminal devices. Additionally, the diminishing differentiation between new and old products in terms of appearance and functionality has led to longer replacement cycles for consumer electronics products. As a result, the overall market shipment growth has slowed down. However, the COVID-19 pandemic has influenced the trend of remote work and online learning, which has revitalized the previously stagnant tablet and laptop computer shipments over the past two years. In addition, new applications such as large-sized tablets and oversized interactive electronic whiteboards, although relatively smaller in market size, are expected to experience continuous growth in demand.

Looking ahead, although the market demand for existing products is experiencing a slowdown in growth, there is still a steady demand for product replacement. Additionally, the demand for touch applications in large-sized products and automotive applications continues to increase. Therefore, we believe that the overall touch industry will maintain a modest growth.

#### 3. Competitive strength

(1) Pioneer of transparent projected capacitive technology.

- (2) Professional touch manufacturer that is flexible to satisfy the demands of main customers with many upstream component suppliers.
- (3) Own self-developed, high-efficiency design production process and equipment.
- (4) Assist clients to mass produce new products with innovative technology since we have plenty of experiences in mass production and supply chain management.
- (5) Long-term development partnerships with world-class customers.
- (6) Actively strive to develop innovative touch materials and understand critical patent technology.

#### 4. Strengths and weaknesses of development

##### (1) Strengths

1. Leading manufacture of projected capacitive touch technology with high customer independence

The company is the leading manufacturer of projected capacitive touch technology, and we cooperate with customers to develop updated products that sync with market technology upgrades and evolving design trends. Since this company is able to deal with the raw materials, and produce touch sensors and cover glasses, and possesses the ability to laminate the cover glasses and LCD panels. The company has thus become an important partner for customers, and to provide customers with touch sensors, touch modules and touch displays with integrating the process of LCM.

2. Projected capacitive touch function has become standard, and the terminal application market continues to expand

Through more than ten years of development, the projected capacitive screen has transferred from smart phones and PMPs into the applications of other mobile devices, such as e-readers and tablets, and the projected capacitive touch function has gradually become an expected feature of electronics. Meanwhile, more electronics, regardless of what they used before, have begun to adopt this technology; therefore, automobile screens and super large sized whiteboards used for commerce or education are the potential markets.

3. The ability to streamline the manufacturing and to self-develop and design the equipments with high efficiency

This company independently develops the projected capacitive touch manufacturing process and is a pioneer of transparent glass projected capacitive touch technology with the ability to develop core equipment and provide efficient manufacturing technology with great efficiency and high yield rate. Furthermore, it adjusts process procedures according to customers' special product specifications and can provide high-quality products commercialized in a timely manner.

##### (2) Weaknesses

1. High market concentration

Projected capacitive technology is mainly adopted in smart phones and tablets, so the market growth of smart phones and tablets will directly impact



the company's operations.

Countermeasures:

Actively expand other market applications

Develop new applications: Automobile market, e-readers, wearable electronics, PND, DSC, remote controls, gaming machines, digital cameras, notebooks, 2-in-1 PCs, All-in-One PCs, POS, and KIOSK to expand end product applications and thus reduce market concentration.

## 2. High customer concentration

Transparent projected capacitive glass touch solution is an innovative application for electronic products, so this company has decided to cooperate with the leading brand at the initial stage, thus the company has a higher customer concentration.

Countermeasures:

In addition to cooperation with major customers and suppliers to develop advanced touch technologies and product structures, the company shall also strive to find new customers with high growing potential.

## 3. Many big manufacturers are beginning to participate in potential touch applications

Since the growth rate of the end market has slowed down, some manufacturers has started to integrate their business to up/down –stream of the supply chain in order to provide customers with more services..

Countermeasures:

### A. Continue to shorten the time-to-market and increase the yield rate

Our company has rich experience in mass production and equipment development. Therefore, we can quickly reach the yield rate for mass production of new products and satisfy customer's requirement of specifications and are praised and trusted by our customers. Our company will continue researching mass production procedures with the hope of providing better and more reliable products.

### B. Expand the scope of product content and services

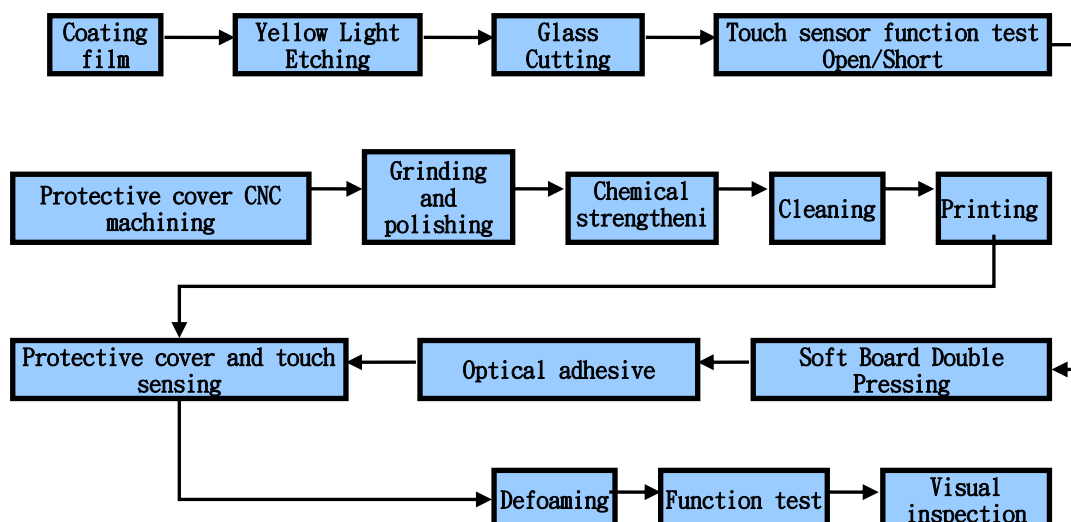
To fulfill the customers' requests, the company not only increase the quality of their services, but also expand the choices of solutions and services. Meanwhile, the company could help the customers to enhance the production efficiency and increase the company's value-add of their products or services, so that the relationship with the customers could be closer.

## (2). Purpose and production process of main products

### 1. Important purpose of major products

Company's products major apply in high-end smart phone, GPS, eReader, PMP, tablets, notebooks and AIO PC etc..

## 2. Manufacturing process of main products



## (3). Major Raw Materials Supply

Raw Materials consist of Glass Substrate, Metal Sputtering Targets, FPC, Cover/Raw Glass, Conductive Adhesives, Protective Film, Optical Clear Adhesive, LCD/LCM and Touch Sensor, etc.

Major Raw Materials	Major Suppliers	Market Status
FPC	Company B, Mektec, Garuda	Stable
LCD / LCM	Company D, Dell, Sharp	Stable
Cover / Raw Glass	Company B, Corning	Stable

## (4). Suppliers / Customers that Accounted for at Least 10% of Annual Consolidated Net Procurement / Net Revenue:

A list of any suppliers and clients accounting for 10% or more of the company's total procurement (sales) amount in either of the recent 2 years, the amounts bought from (sold to) each, the percentage of total procurement (sales) accounted for by each, and an explanation of the reason for increases or decreases in the above figures. Where the company is prohibited by contract from revealing the name of a client, or where a trading counterpart is an individual person who is not a related party, it may use a code in place of the actual name.

### 1. Suppliers in 2021 and 2022

Unit: NT\$ thousands

Item	2021				2022			
	Supplier	Procurement Amount	As % of 2021 Total Net Procurement	Relation to TPK	Supplier	Procurement Amount	As % of 2022 Total Net Procurement	Relation to TPK
1	Company B	32,809,344	36.81	None	Company B	25,846,119	32.71	None
2	Company D	14,380,835	16.13	None	Company D	13,404,663	16.97	None
3	Others	41,943,529	47.06	None	Others	39,751,318	50.32	None
	Total Net Procurement	89,133,708	100.00		Total Net Procurement	79,002,100	100.00	

Reason for Increase or Decrease: Due to production transition recession and revenue declining in 2022, the purchase was decreased from Company B and Company D. In the case of touch products application transformation, the purchase proportion was decreased from Company B but increased from Company D and Others.

## 2. Customers in 2021 and 2022

Unit: NT\$ thousands

Item	2021				2022			
	Customer	Net Revenue	As % of 2021 Total Net Revenue	Relation to TPK	Customer	Net Revenue	As % of 2022 Total Net Revenue	Relation to TPK
1	Company B	48,268,927	46.82	None	Company B	39,556,075	40.70	None
2	Company C	10,987,707	10.66	None	Company C	10,567,464	10.88	None
3	Others	43,832,111	42.52	None	Others	47,057,430	48.42	None
	Total Net Revenue	103,088,745	100.00		Total Net Revenue	97,180,969	100.00	

Reason for Increase or Decrease: The continuing impact of COVID-19 on supply chain disruption, heightened inflation and gloomy economy starting second half of 2022, the sales was decreased from Company B and Company C, and the sales proportion was declined from Company B but increased from Company C and Others by the touch products application transformation in 2022.

## (5). Indication of Production Volume in 2021 and 2022

Unit: Thousand Pieces/NT\$ thousands

Major Products	2021			2022		
	Capacity	Output	Amount	Capacity	Output	Amount
Touch Modules	199,705	99,687	76,838,026	157,095	80,798	63,396,906
Others	11,124	5,865	7,256,442	11,092	3,978	2,829,018
Total	210,829	105,552	84,094,468	168,187	84,776	66,225,924

Reason for Increase or Decrease: The decrease of capacity, output and amount in 2022 compared with that in 2021 is mainly caused by the product transitions from customers, the impact of COVID-19, heightened inflation and gloomy economy.

Note 1: Capacity includes the productivity by current equipments under normal operation after measuring necessary shutdown and holidays.

Note 2: Combined the capacity units and described as supplementary information by the production substitutability of products.

(6). Indication of Volume of Units Sold in 2021 and 2022

Unit: Thousand Pieces /NT\$ thousands

Major Products	2021				2022			
	Domestic		Export		Domestic		Export	
	Unit	Net Revenue	Unit	Net Revenue	Unit	Net Revenue	Unit	Net Revenue
<b>Touch Modules</b>	224	567,711	99,648	93,676,010	384	728,061	84,439	87,633,969
<b>Others</b>	—	—	5,287	8,845,024	—	—	4,872	8,818,939
<b>Total</b>	224	567,711	104,935	102,521,034	384	728,061	89,311	96,452,908

Reason for Increase or Decrease: The decrease of units and revenue of partial products in 2022 compared with that in 20201 is mainly caused by the product transitions from customers, the impact of COVID-19, heightened inflation and gloomy economy.

3. Employee information from past two years to this report's printing

Year		2021	2022	This year up to March 20, 2023
Number of employees	Manager	334	370	372
	R&D Personnel	431	545	533
	General employee	14,679	13,966	13,037
	Total	15,444	14,881	13,942
Average age		30.51	31.83	32.42
Average Seniority		3.66	4.11	4.36
Educational background	Doctor	0.14%	0.11%	0.09%
	Master	1.51%	1.44%	1.51%
	College	19.96%	22.77%	22.57%
	High School	32.8%	24.75%	26.07%
	Below High School	45.59%	50.93%	49.76%

4. Information of environment-oriented expenditures:

- (1) In the most recent year and up to the date of publication of the annual report, the losses suffered due to pollution of the environment (including compensation and environmental protection audit results that violate environmental protection laws and regulations, the date of punishment, the font size of the punishment, the provisions of the statute violation, the content of the statute violation, and the punishment Content): None.
- (2) Estimated amount and corresponding measures that may occur at present and in the future: Comply with government regulations and fulfill environmental protection responsibilities, and pay according to the actual situation.

5. Labor/Management relations:

(1) Execution condition of employee welfare

1. Employee welfare measures

This company also provides group insurance and annual health check for employees in addition to providing basic insurance according to the relevant government regulations of each subsidiary. In addition, the company's employee welfare measures include wedding and funeral support, employee travel, bonuses, employee dividends and subscriptions, and providing employees with various training and training opportunities to enhance their vision, work efficiency, and what's more, long-term bonus or prize is set.

## 2. Education and training

In order to improve employee quality and skills, strengthen work efficiency and quality, we irregularly carry out general training for all employees or professional skill training for special employees with the hope of cultivating talents and improving operation performance which can achieve the objective for sustainable operation.

## 3. Retirement system

Subsidiaries of this Company in Mainland China have an employee retirement plan according to the Labor Standards Law, and a retirement reserve is provided at 2% of the total salary paid based on Storage and support - old system. With effect from the implementation of Mainland China Labor Pensions Regulations (hereinafter referred to as the “New System”) from July 1, 2005, the employees who originally applied the method should choose the applicable service years after the new system or the new employees who are employed after the new system. The service years are changed to determine the allocation system. The pension payment is paid by the company on the monthly salary of 6%, and is stored in the individual account of the labor pension. Subsidiaries outside the Mainland China are handled according to relevant local laws and regulations.

In addition, after the retirement insurance for employees of enterprises in China, the Company pays endowment insurance for employees according to local “Regulations on the Basic Endowment Insurance for Enterprise Employees in Xiamen”. According to the local social insurance operation method, the endowment insurance is included in social insurance (including medical care, maternity, pension, work injury, unemployment). After the company handles the social insurance increase procedures for employees, it will begin to fulfill the obligation to pay pension insurance. The rates and standards for insurance payment are as follows:

Rate of contribution Items	People in this city (Xiamen Household)		People from Outsiders (not Xiamen Household)	
	Individual	Enterprise	Individual	Unit
Endowment Insurance	8.0%	16%	8.0%	16%
Unemployment Insurance	0.5%	1-5 月 0.5% ; 6-12 月 0.3%	—	1-5 月 0.5% ; 6-12 月 0.3%
Employment Injury Insurance	—	0.7%	—	0.7%
Medical Insurance	2.0%	7%	2.0%	3.0%
Birth Insurance	—	0.7%	—	0.7%
Social insurance base	<p>1. Medical insurance and maternity insurance are based on the average monthly salary of the previous year for individual employees. If the employee's average monthly salary is lower than 60% of the average salary of all employed persons in the province and all urban areas in the previous year, the payment base is set at 60%. If it exceeds 300%, the payment base is set at 300%. If the individual's average monthly salary of the previous year cannot be calculated, the payment base is based on the average salary of all employed persons in the province and all urban areas in the previous year.</p> <p>2. Pension insurance is based on the individual employee's average monthly salary of the previous year and should not be lower than the lower limit of the payment base announced by the provincial government. Unemployment insurance and work-related</p>			

	injury insurance are based on the individual employee's average monthly salary of the previous year and should not be lower than the minimum wage announced by the provincial government.
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Note: Blank means individual shall not undertake.

Employees can enjoy the basic pension insurance if they reach the statutory retirement age, and the accumulated payment period (including the deemed payment period) is 15 years. Basic pension insurance is made of:

(1) Insurance before June 30, 1997: basic pension + personal account pension + transitional pension + special zone subsidy.

(2) Insurance after July 1, 1997: basic pension + personal account pension + special zone subsidy, description:

1. Basic pension: (the average monthly salary of in-service employees in the city in the previous year + the individual indexed average payment salary)  $\div$  2  $\times$  personal payment years  $\times$  1% at the time of personal retirement.
2. Personal account pension: the accumulated balance in the individual account at the time of retirement  $\div$  the corresponding number of payment months according to the personal retirement age.
3. Transitional pension: [2005 average monthly salary of in-service employees in the city  $\times$  (social average payment index + 0.25)  $\times$  1.3% of the years considered as payment before December 1988] + [2005 average monthly salary of in-service employees in the city  $\times$  (personal average payment index from January 1989 to June 1997 + 0.25)  $\times$  1.3% of the actual payment years from January 1989 to June 1997].
4. Special zone subsidy: NTD 30.

#### 4. Labor-management agreement condition

The labor-management relation of this company is harmonious; this company respects the opinions of every employee, and employees can reflect opinions through meetings, e-mails, or letter box, and the communication of labor-management is free.

#### 5. Measures to maintain employee rights and benefits

In order to maintain employee rights and benefits, except for the actual implementation of relative laws, top management will improve software and hardware devices required by employees.

(2) In the most recent year and up to the date of publication of the annual report, the company suffered losses due to labor disputes (including labor inspection results that violated the Labor Standards Law, and the date of punishment, the font size of the punishment, the provisions of the regulations, the content of the regulations and the content of the punishment should be listed: None.

(3) Present and future possible estimated amount and countermeasures: None.

#### 6. Cyber security management:

(1).Describe the cyber security risk management framework, cyber security policies, concrete management programs, and investments in resources for cyber security management:

##### 1. The cyber security risk management framework

The information department of the company is the main responsible unit for information security. At present, it has established information security supervisors and information security personnel, and has applied for membership of the Taiwan Computer Network Crisis Handling and Coordination Center (TWCERT/CC). Through this alliance, the company can

timely Effective access to information security information.

2. The cyber security policies

In order to strengthen the company's information security and prevent the leakage of confidential information and external information security threats, the company has formulated relevant information security management systems and measures to ensure the security of the company's information assets.

3. Concrete management programs and investments in resources for cyber security management.

In order to protect the security of information assets of the company and customers, the company follows the ISO 27001 international information security standard to build an information security management system. The region has established an information security management system and has passed the "ISO 27001:2013 Information Security Management System" international standard certification, which is valid from August 22, 2021 to August 21, 2024.

In the information security knowledge promotion, in order to strengthen the information security knowledge of employees, the company not only conducts information security publicity for each employee from time to time through the computer screen protection program, but also regularly uses the online education system to implement "information security education and training". In order to strengthen employees' information security concept, reduce the risks caused by employees' lack of information security knowledge.

- (2).List any losses suffered by the company in the most recent fiscal year and up to the annual report publication date due to significant cyber security incidents, the possible impacts therefrom, and measures being or to be taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided: No significant cyber security incidents.

7. Important Agreement:

Item No.	Agreement Property	Client	Agreement Term	Main Contents	Restriction
1	Development and supply (Master Development and Supply Agreement)	Company B	From December 15, 2005 to the end of agreement	Our company will provide development service and sell products to company B to help company B to develop its terminal products.	Confidentiality obligation

## VI. Financial Status

### 1. Condensed Balance Sheets, Statements of Comprehensive Income, Name of CPA and Auditors' Opinions for the Most Recent Five Years

#### (1) Condensed Balance Sheet

Unit: NT\$ thousands

Year Item		Financial Results from 2018 to 2022 (Note 1)				
		2018	2019	2020	2021	2022
<b>Current Assets</b>		45,539,413	51,661,338	54,113,215	52,715,802	59,833,165
<b>Property, Plant and Equipment</b>		33,237,605	25,417,590	19,997,310	18,026,287	16,851,811
<b>Intangible Assets</b>		111,225	95,834	70,168	65,935	103,675
<b>Other Assets</b>		5,079,362	8,318,355	9,440,335	6,977,406	6,811,625
<b>Total Assets</b>		83,967,605	85,493,117	83,621,028	77,785,430	83,600,276
<b>Current Liabilities</b>	<b>Before Distribution</b>	34,368,726	33,534,975	29,034,583	25,964,847	28,622,687
	<b>After Distribution</b>	34,368,726	33,534,975	29,441,247	26,574,843	28,826,019 (None 2)
<b>Noncurrent Liabilities</b>		12,357,170	15,789,432	17,780,964	16,434,895	17,605,762
<b>Total Liabilities</b>	<b>Before Distribution</b>	46,725,896	49,324,407	46,815,547	42,399,742	46,228,449
	<b>After Distribution</b>	46,725,896	49,324,407	47,222,211	43,009,738	46,431,781 (None 2)
<b>Equity Attributable to Shareholders of the Parent</b>		36,891,602	36,168,710	36,679,831	35,234,902	37,051,960
<b>Capital Stock</b>		4,066,638	4,066,638	4,066,638	4,066,638	4,066,638
<b>Capital Surplus</b>		28,146,706	28,162,570	28,165,226	28,165,226	28,231,125
<b>Retained Earnings</b>	<b>Before Distribution</b>	2,412,900	2,559,058	3,591,068	4,582,940	4,518,713
	<b>After Distribution</b>	2,412,900	2,559,058	3,184,404	3,972,944	4,315,381 (None 2)
<b>Other Equity</b>		2,265,358	1,380,444	856,899	(1,579,902)	235,484
<b>Treasury Shares</b>		—	—	—	—	—
<b>Non-Controlling Interests</b>		350,107	—	125,650	150,786	319,867
<b>Total Equity</b>	<b>Before Distribution</b>	37,241,709	36,168,710	36,805,481	35,385,688	37,371,827
	<b>After Distribution</b>	37,241,709	36,168,710	36,398,817	3,972,944	37,168,495 (None 2)

Note 1: The financial statements for 2018 to 2022 were audited by CPA.

Note 2: Pending the General Meeting of Shareholders approval.



## (2) Condensed Statement of Comprehensive Income

Unit: NT\$ thousands (Except EPS: NT\$)

Item \ Year	Financial Results from 2018 to 2022 (Note)				
	2018	2019	2020	2021	2022
<b>Net Revenue</b>	113,481,508	136,606,695	114,583,199	103,088,745	97,180,969
<b>Gross Profit</b>	4,212,553	4,739,879	4,865,586	3,768,416	4,114,477
<b>Income (Loss) from Operations</b>	(199,012)	124,127	949,689	313,927	549,840
<b>Non-operating Income and Expenses</b>	895,019	655,975	861,580	1,161,205	710,023
<b>Income before Income Tax</b>	696,007	780,102	1,811,269	1,475,132	1,259,863
<b>Net Income</b>	364,734	302,739	1,034,373	1,097,447	581,696
<b>Other Comprehensive Income (Loss) for the Year, Net of Income Tax</b>	1,039,260	(869,311)	(527,314)	(2,110,576)	1,837,517
<b>Total Comprehensive Income (Loss) for the Year</b>	1,403,994	(566,572)	507,059	(1,013,129)	2,419,213
<b>Net Income Attributable to Shareholders of the Parent</b>	223,832	208,882	1,031,323	1,068,606	543,738
<b>Net Income Attributable to Non-controlling Interests</b>	140,902	93,857	3,050	28,841	37,958
<b>Total Comprehensive Income (Loss) Attributable to Shareholders of the Parent</b>	1,264,724	(670,831)	508,465	(1,038,265)	2,361,155
<b>Total Comprehensive Income (Loss) Attributable to Non-controlling Interests</b>	139,270	104,259	(1,406)	25,136	58,058
<b>Diluted Earnings Per Share</b>	0.55	0.51	2.53	2.63	1.34

Note: The financial statements for 2018 to 2022 were audited by CPA.

## (3) Name of CPA and Auditors' Opinions from 2018 to 2022

Year	CPA	Accounting Firm	Audit Opinion
2018	Tzu-Jung Kuo Cheng-Hung Kuo (Note)	Deloitte & Touche	An Unqualified Opinion
2019	Tzu-Jung Kuo Pi-Yu Chuang (Note)	Deloitte & Touche	An Unqualified Opinion
2020	Tzu-Jung Kuo Pi-Yu Chuang	Deloitte & Touche	An Unqualified Opinion
2021	Pi-Yu Chuang Tzu-Jung Kuo	Deloitte & Touche	An Unqualified Opinion
2022	Pi-Yu Chuang Tzu-Jung Kuo	Deloitte & Touche	An Unqualified Opinion

Note: Regulatory requirements on rotation in Deloitte &amp; Touche.

## 2. Financial Analysis for the Most Recent Fiscal Years

Item (Note 3) \ Year (Note 1)		Financial Analysis from 2018 to 2022				
		2018	2018	2019	2020	2022
<b>Capital Structure Analysis (%)</b>	<b>Debts Ratio</b>	55.65	57.69	55.99	54.51	55.30
	<b>Long-term Fund to Property, Plant and Equipment Ratio</b>	149.23	204.42	272.97	287.47	326.24
<b>Liquidity Analysis (%)</b>	<b>Current Ratio</b>	132.50	154.05	186.38	203.03	209.04
	<b>Quick Ratio</b>	100.52	129.23	156.74	160.27	173.80
	<b>Times Interest Earned (Times) (Note 2)</b>	1.98	1.85	3.40	3.30	2.46
<b>Operating Performance Analysis</b>	<b>Average Collection Turnover (Times)</b>	14.38	11.70	8.93	8.19	7.02
	<b>Days Sales Outstanding</b>	25	31	41	45	52
	<b>Average Inventory Turnover (Times)</b>	11.36	13.19	12.67	9.90	8.76
	<b>Average Payment Turnover (Times)</b>	5.76	6.99	6.70	7.10	8.18
	<b>Average Inventory Turnover Days</b>	32	28	29	37	42
	<b>Property, Plant and Equipment Turnover (Times)</b>	3.43	4.66	5.05	5.42	5.57
	<b>Total Assets Turnover (Times)</b>	1.36	1.61	1.36	1.28	1.20
<b>Profitability Analysis</b>	<b>Return on Total Assets (%) (Note 2)</b>	0.88	0.78	1.73	1.95	1.21
	<b>Return on Equity (%) (Note 2)</b>	0.98	0.82	2.83	3.04	1.60
	<b>Pre-tax Income to Paid-in Capital Ratio (%) (Note 2)</b>	17.12	19.18	44.54	36.27	30.98
	<b>Net Margin (%) (Note 2)</b>	0.32	0.22	0.90	1.06	0.60
	<b>Diluted Earnings Per Share (NT\$)</b>	0.55	0.51	2.53	2.63	1.34
<b>Cash Flow</b>	<b>Cash Flow Ratio (%)</b>	12.67	22.76	22.57	5.84	15.94
	<b>Cash Flow Adequacy Ratio (%)</b>	1.35	1.60	1.99	1.52	1.08
	<b>Cash Flow Reinvestment Ratio (%)</b>	2.72	6.51	5.78	1.10	3.74
<b>Leverage</b>	<b>Operating Leverage</b>	(38.04)	64.20	7.51	16.58	8.58
	<b>Financial Leverage</b>	0.22	(0.16)	4.88	(0.96)	(1.77)

Note 1: The financial statements for 2018 to 2022 were audited by CPA.

Note 2: The calculation of financial ratio is based on the consolidated net income and loss.

Note 3: The calculation formulas of financial analysis are listed as follows:

1. Capital Structure Analysis
  - (1) Debt Ratio = Total Liabilities / Total Assets
  - (2) Long-term Fund to Property, Plant and Equipment Ratio = ( Shareholders' Equity + Noncurrent Liabilities ) / Net Property, Plant and Equipment
2. Liquidity Analysis
  - (1) Current Ratio = Current Assets / Current Liabilities
  - (2) Quick Ratio = ( Current Assets – Inventories – Prepaid Expenses ) / Current Liabilities
  - (3) Times Interest Earned = Earnings before Interest and Taxes / Interest Expenses
3. Operating Performance Analysis
  - (1) Average Collection Turnover = Net Sales / Average Trade Receivables
  - (2) Days Sales Outstanding = 365 / Average Collection Turnover
  - (3) Average Inventory Turnover = Cost of Sales / Average Inventory
  - (4) Average Payment Turnover = Cost of Sales / Average Trade Payables
  - (5) Average Inventory Turnover Days = 365 / Average Inventory Turnover
  - (6) Property, Plant and Equipment Turnover = Net Sales / Average Net Property, Plant and Equipment
  - (7) Total Assets Turnover = Net Sales / Average Total Assets
4. Profitability Analysis
  - (1) Return on Total Assets = [ Net Income + Interest Expenses × ( 1 – Effective Tax Rate ) ] / Average Total Assets
  - (2) Return on Equity = Net Income / Average Equity
  - (3) Net Margin = Net Income / Net Sales
  - (4) Earnings Per Share = ( Net Income Attributable to Shareholders of the Parent – Preferred Stock Dividends ) / Weighted Average Number of Shares Outstanding
5. Cash Flow
  - (1) Cash Flow Ratio = Net Cash Provided by Operating Activities / Current Liabilities
  - (2) Cash Flow Adequacy Ratio = Five-year Sum of Cash from Operations / Five-year Sum of Capital Expenditures, Inventory Additions, and Cash Dividends
  - (3) Cash Flow Reinvestment Ratio = (Cash Provided by Operating Activities – Cash Dividends) / (Gross Property, Plant and Equipment + Long-term Investments + Other Noncurrent Assets + Working Capital)
6. Leverage:
  - (1) Operating Leverage = (Net Sales – Variable Cost and Expense) / Income from Operations
  - (2) Financial Leverage = Income from Operations / (Income from Operations – Interest Expenses)

Analysis of deviation of 2022 vs. 2021 over 20%:

1. Times Interest Earned decreased by 25% mainly due to higher interest expense by bank loans increasing.
2. Return on Total Assets, Return on Equity, Net Margin and Diluted Earnings Per Share decreased by 38%, 47%, 43% and 49% respectively, mainly due to lower net income, driven by declining of gain on financial instruments at FVTPL and the sharp appreciation in the US Dollar against in gains on foreign exchange and foreign exchange contracts from the second quarter of 2022.
3. Cash Flow Ratio and Cash Flow Reinvestment Ratio increased by 173% and 240% respectively, mainly due to an increase in net cash generated from operating activities.
4. Cash Flow Adequacy Ratio decreased by 29% mainly due to a decrease in Five-year Sum of Cash from Operations.
5. Operating Leverage decreased by 48% mainly due to higher operating income by gross profit increasing.
6. Financial Leverage decreased by 84% mainly due to higher operating income and interest expense by bank loans increasing.

### 3. Audit Committee's Review Report for the Most Recent Year

#### **Audit Committee's Review Report**

The Board of Directors has prepared the Company's 2022 Business Report, Financial Statements, and proposal for allocation of earnings. The Business Report, Financial Statements, and earnings allocation proposal have been reviewed and determined to be correct and accurate by the Audit Committee members of TPK Holding Co., Ltd.. According to relevant requirements of the Securities and Exchange Act, we hereby submit this report.

TPK Holding Co., Ltd.

Chairman of Audit Committee: Ming-Jeng Weng

March 8, 2023

4. Financial statement for the most recent fiscal year, including an auditor's report prepared by a certified public accountant, and 2-year comparative balance sheet, statement of comprehensive income, statement of changes in equity, cash flow chart, and any related footnotes or attached appendices.

Please refer to Annual Report page 157.

5. A parent company only financial statement for the most recent fiscal year, certified by a CPA, but not including the statements of major accounting items:

Not Applicable.

6. Financial Difficulties to TPK or its affiliates:

TPK's affiliate, Cando Corporation ("Cando") suffered from a lack of new funding, falling revenue, and financial difficulty, and so Cando declared bankruptcy on July 21, 2016, and the court announced its bankruptcy on January 17, 2018. As a result, the impairment loss was recognized at the end of the calendar year 2015, the carrying amount of the investment in Cando was zero. The bankruptcy declaration was not able to be significant influence over TPK.

## VII. Review and Analysis of Financial Status and Performance, and Risk Assessment

### 1. Financial Status

Comparison to Financial Status

Unit: NT\$ thousands

Item	2021	2022	Deviation	
			Difference	(%)
<b>Current Assets</b>	52,715,802	59,833,165	7,117,363	13.50
<b>Property, Plant and Equipment</b>	18,026,287	16,851,811	(1,174,476)	(6.52)
<b>Intangible Assets</b>	65,935	103,675	37,740	57.24
<b>Other Assets</b>	6,977,406	6,811,625	(165,781)	(2.38)
<b>Total Assets</b>	77,785,430	83,600,276	5,814,846	7.48
<b>Current Liabilities</b>	25,964,847	28,622,687	2,657,840	10.24
<b>Noncurrent Liabilities</b>	16,434,895	17,605,762	1,170,867	7.12
<b>Total Liabilities</b>	42,399,742	46,228,449	3,828,707	9.03
<b>Equity Attributable to Shareholders of the Parent</b>	35,234,902	37,051,960	1,817,058	5.16
<b>Capital Stock</b>	4,066,638	4,066,638	—	—
<b>Capital Surplus</b>	28,165,226	28,231,125	65,899	0.23
<b>Retained Earnings</b>	4,582,940	4,518,713	(64,227)	(1.40)
<b>Other Equity</b>	(1,579,902)	235,484	1,815,386	114.90
<b>Non-Controlling Interests</b>	150,786	319,867	169,081	112.13
<b>Total Equity</b>	35,385,688	37,371,827	1,986,139	5.61

Analysis of Deviation over 20%

1. Increase in current assets and total assets were mainly due to an increase in financial assets at amortized cost.
2. Increase in intangible assets was mainly due to recognition of customer relationship in an acquisition of subsidiary.
3. Increase in current liabilities and total liabilities were mainly due to an increase in bank loans.
4. Increase in other equity was mainly due to an increase in exchange differences on translating foreign operations and decrease in unrealized valuation gain or loss on financial assets at FVTOCI.
5. Increase in non-controlling interests was mainly due to acquisition of DS Energy Technology Co., Ltd. and partial disposal of TPK Auto Tech (Xiamen) Limited.

## 2. Financial Performance

### Analysis to Operating Results

Unit: NT\$ thousands

Item	2021	2022	Deviation	
			Difference	(%)
<b>Net Revenue</b>	103,088,745	97,180,969	(5,907,776)	(5.73)
<b>Gross Profit</b>	3,768,416	4,114,477	346,061	9.18
<b>Income from Operations</b>	313,927	549,840	235,913	75.15
<b>Non-operating Income and Expenses</b>	1,161,205	710,023	(451,182)	(38.85)
<b>Income before Income Tax</b>	1,475,132	1,259,863	(215,269)	(14.59)
<b>Net Income</b>	1,097,447	581,696	(515,751)	(47.00)
<b>Total Net Income Attributable to Shareholders of the Parent</b>	1,068,606	543,738	(524,868)	(49.12)
<b>Total Net income Attributable to Non-Controlling Interests</b>	28,841	37,958	9,117	31.61
<b>Diluted Earnings Per Share</b>	2.63	1.34	(1.29)	(49.05)

#### Analysis of Deviation over 20%

1. Decrease in Net Revenue was mainly due to the product transitions from customers, the impact of COVID-19, heightened inflation and gloomy economy.
2. Despite lower revenues, Gross Profit, Income from Operations and Net Income increased due to favorable product mix with cost and efficiency enhancement.
3. Decrease in Non-operating Income and Expenses and Income before Income Tax were mainly due to a decrease in gain on non-derivative financial instruments at FVTPL and the sharp appreciation in the US Dollar against in gains on foreign exchange and foreign exchange contracts form the second quarter of 2022.
4. Decrease in Net Income, Total Net Income Attributable to Shareholders of the Parent and Diluted Earnings Per Share were mainly due to the lower non-operating income and expenses and the higher income tax expense.
5. Increase in Total Net Income Attributable to Non-Controlling Interests was mainly due to an increase in profit attributable to non-controlling interests.

### 3. Cash Flow

#### (1) Analysis of cash flow changes:

Unit: NT\$ thousands; %

<b>Item \ Year</b>	<b>2021</b>	<b>2022</b>	<b>Difference</b>	<b>(%)</b>
<b>Operating Activities</b>	1,516,193	4,562,127	3,045,934	200.89
<b>Investing Activities</b>	162,734	(6,688,759)	(6,851,493)	(4,210.24)
<b>Financing Activities</b>	(2,822,158)	3,079,761	5,901,919	209.13
<b>Analysis</b> 1. Increase in net cash generated from operating activities was mainly due to an increase in collection of account receivable. 2. Increase in net cash used in investing activities was mainly due to an increase in financial assets at amortized cost. 3. Increase in net cash generated from financing activities was primarily for increasing in bank loans.				

#### (2) Liquidity Aanalysis for the Coming year and Remedial Actions for Liquidity Shortfall:

Unit: NT\$ thousands

<b>Cash Balance 12/31/2022</b>	<b>Net Cash Flow from Operating Activities in 2023</b>	<b>Cash used in 2023</b>	<b>Estimate Cash Balance 12/31/2023</b>	<b>Remedy for Liquidity Shortfall</b>	
				<b>Investment Plan</b>	<b>Financing Plan</b>
24,284,276	3,907,771	10,228,579	17,963,468	None	None

#### 1. Analysis of Cash Flow in 2023

- (1) Operating Activities: Mainly results from operation.
- (2) Investing Activities: Primarily for capital expenditures.
- (3) Financing Activities: Primarily for bank borrowings reimbursement.

#### 2. Remedial Actions for Liquidity Shortfall: None.

### 4. Effect upon Financial Operations of Major Capital Expenditures from Recent Years

#### (1) Excution Status of Capital Expenditures and Sources of Funding:

Unit: NT\$ thousands

<b>Project</b>	<b>Source of Funding</b>	<b>Actual or Planned Completion Date</b>	<b>Total Amount</b>	<b>Capital Expenditures Plan</b>	
				<b>2023</b>	<b>2024</b>
Equipments	Cash flows generated from operations and bank loans	2023 Q4	1,423,000	1,210,000	213,000

#### (2) Expected Benefit from Capital Expenditures: Efficiency Improving by new manufacturing process and production line automation.



5. Reinvestment Policies, Main Reasons for Profit or Loss and Improvement Plans from Recent Year, and Investment Plans for the Coming Year

(1) Reinvestment Policies

TPK's reinvestment policy is focused on the investment of main and relative business in long-term strategic plan, supplemented by short- and mid-term investments and it is implemented by the departments concerned in accordance with "investment cycle" of internal control systems and "Procedures for the Acquisition and Disposal of Assets" that were approved by the Audit Committee, Board of Directors or General Meeting of Shareholders.

(2) Main Reasons for Profit or Loss and Improvement Plans from Recent Year

Based on TPK and its subsidiaries' 2022 consolidated financial statements, where a reinvestment accounted for under the equity has zero carrying amount, no gain or loss arises from reinvestment.

(3) Investment Plans for the Coming Year:

TPK's investment for the coming year will mainly concentrate on operations, look for low-risk financial investments and cooperate with the medium strategic purposes and beyond. In addition to cooperating with customer demands for capacity establishment, it also actively participates in processes improvement and equipment automation, while searching proper industry-related investment objectives to achieve multifaceted strategy objectives of the industry layout.

6. Risk items in the Most Recent Year and as of the Date of the Publication Date of the Annual Report:

(1) The impact of the Company's net profit caused by changes in the interest rates, foreign exchange rates, and inflation and countermeasures:

Unit: NT\$ thousands

Item	2021	2022
Net Interest Income (expense)	(25,969)	(44,854)
Net Foreign Exchange Gain (loss)	(28,155)	509,297

1. Interest rates

The Company's 2022 annual net interest cost amount is NT\$44,854 thousands (the following currencies are subject to NT\$ unless otherwise specified). Maintaining close relationship with banks, taking advantage of financial market fluctuations, flexibly and effectively managing cash in the corporate accounts, and undertaking risk-free high-interest structured deposit products, resulting in net interest cost in 2022.

2. Foreign exchange rates

The functional currency of most of the Company's subsidiaries in mainland China is US dollars, and its major sales revenue and raw materials purchases are denominated in US dollars, while some assets (such as time deposits and capital-guaranteed structured deposits) and liabilities (such as operating expenses in Mainland China and RMB loans) are denominated in RMB and have exchange rate risk. The functional currency of the Company's subsidiary in Taiwan is NT\$. The main sales revenue and raw materials purchases are denominated in US dollars, and the sales revenue is greater than the purchase of raw materials, and there is an exchange rate risk. In addition, the local daily expenses of

the Company's main operating locations in Mainland China and Taiwan are supported by RMB and NT\$. Although affected by exchange rate fluctuations, the involved areas are relatively small (the operating expenses in the last three years accounted for approximately 3.5% of the net revenue). Therefore, the impact is relatively low.

According to the above exchange rate risk, financial departments will take the following countermeasures:

- (1). The principle of natural write-off is adopted to handle foreign currency exchange rate risk. Since the main sales revenue and raw material purchases of subsidiaries are denominated in US dollars, the natural hedging effect generated by their mutual offsets is used to reduce the exchange demand, and we can use foreign exchange derivative financial hedging products. to reduce the risk of exchange rates.
- (2). The financial personnel maintain the appropriate net position of foreign exchange based on the judgment of future exchange rate movements, so as to reduce the impact of exchange rate changes on the company's profit.
- (3). Keep close contact with main cooperation bank, and monitor the change of foreign exchange market at time, thus relative supervisors can grasp the director of exchange rate and handle with market emergency.
- (4). The "Procedures for Derivatives Transaction" of this Company according to "Guidelines for the Acquisition or Disposal of Assets by Public Offering Companies" was approved by the Audit Committee, the Board of Directors and the General Meeting of Shareholders according to the law, and it revised and regulated the Company's participation in derivative financial products.

### 3. Inflation

Under the rapid change of overall economic environment, there is no significant impact on the Company's operation from inflation or deflation. The Company's products are sold worldwide, and by monitoring global economic change and market price of raw materials and end products, maintaining good relationship with the suppliers and customers, actively and appropriately adjusting sales strategies, procurement strategies, cost structures and payment terms, the Company's operation is unlikely influenced significantly by inflation or deflation.

### 4. Risk of increase of loan rate

#### (1) Current situation

##### (1). Interest rate for RMB loan

As inflation continues to heat up in the United States, the market's expectations for the Fed to raise interest rates continued to strengthen. In contrast, China was facing pressure from the outbreak of the epidemic, leading to challenges to steady economic growth at that time. People's Bank of China chose to cut the RRR and interest rates in the window before the Fed raised interest rates in January to maintain its economic stability. The one-year LPR rate was cut from 3.80% to 3.70%. The divergent monetary policies between China and the United States had driven the USDCNH interest rate spread to fall from the peak.

However, since the second quarter in 2022, China's economy was facing continuous downside pressure, especially many small and medium-sized enterprises were experiencing a worsening business operating environment, resulting in a weakening demand of credit lending market. Unfortunately, the real estate industry, which was once the contributing factor to China's economic recovery, was in the

face of tough economics headwind. Therefore, after China's rate cut of 0.25% on April 15, it began a new round of interest rate cuts in August, and the one-year LPR interest rate further fell from 3.70% to 3.65%.

Looking ahead 2023, China economy will go down into a transition period, where key driver of economic momentum rotates from overseas demand to domestic organic growth. The internal and external market environment, as well as the headwinds amid 2022 have both seen the light of hope to robust. Macroeconomic indicators are expected rebound among 2023, comparing with the previous years.

Amid the continuing tensions between China and the United States, along with China's domestic demand dynamics and market confidence to be boosted, the foundation for China's economic recovery in 2023 is not yet solid. Steady growth and expansion of domestic demand have become the main topic in response to weakening overseas demand, making it difficult to tighten monetary policy in 2023. It is expected that monetary policy will remain loosen as a theme in both aggregate and structural aspects, and the financing and borrowing costs of the real economy will maintain in a relatively low range.

## (2). Interest rate for US dollar loan

In March 2022, when the year-on-year increase in CPI in the United States soared to 8.5%, the Federal Reserve finally took actions and triggered the rate hike cycle by raising 25 basis points.

However, the situation deteriorated, and rampant inflation was susceptible to the economy. US CPI rose to 8.6% in May and reached 9.1% in June. The Federal Reserve eventually came down to earth and hastened to raise interest rates by 50 basis points in May and 75 basis points in June, respectively. By the end of 2022, the US federal funds rate was raised aggressively by 425 basis points to the level of 4.25%-4.5%.

After the Fed plunged into a vicious rate hike cycle in 2022, central banks around the world set off increasing the interest levels. The high price level as well interest rate hikes weighed on the global economy. Meanwhile, the USD gradually appreciated against the other currencies.

The outlook for the Fed's rate hike schedule in 2023 mainly depends on the outcome of US inflation and labor market data. Given that the current US inflation pressure remains elevated, most of the Board of Governors of the Fed state that the war against inflation hasn't claimed victory yet. The market expects that the interest rate in the US is more likely to be lowered in 2024, and the US interest rate level is expected to remain at a higher level in 2023.

## (2) Countermeasures

Since most of the sales and purchases of the Company and its major subsidiaries are denominated in US dollars, and the current US dollar loan cost is still slightly lower than that of RMB loans, bank loans of this company will mainly be US dollars, but if the RMB loan interest rate continues to decrease, the proportion of RMB loans will be appropriately increased to save interest expenses. The company will moderately assume higher-yield RMB deposits and capital-guaranteed structured deposits to reduce net

interest expenses. Countermeasures include:

- (1). Accounting department shall carefully evaluate the funding demand and financing plan according to actual demands, thus reduce unnecessary loan interest costs;
- (2). Increase cooperation with banks based on its position in industry, increase bargaining power with banks, and try to obtain the optimal loan interest rate under the same market conditions;
- (3). Increase the financial channels of overseas banks, and introduce foreign low-cost dollar loans by means of external debts, thus replace some US dollar loans with higher loan costs in mainland China;
- (4). Increase the proportion of RMB loans to save interest expenses;
- (5). Avoid the risks of market interest rate fluctuations by using exchange rate instruments;
- (6). Appropriately carry out higher-yield RMB deposits and capital-guaranteed structured deposits in order to reduce net interest expenses.

#### 5. Risk of appreciation of JPY

##### (1) Current situation

- (1). U.S. inflation has a long way to go back to 2%. The economic data is still good and the expectation of recession has decreased. Most Fed officials still emphasize that the battle against inflation is not over. U.S. Treasury yields remain at high levels, while Japan maintains loose monetary policy. Divergent monetary policies between U.S. and Japan support for the USD/JPY trend. However, as inflation rises in Japan, there is an increased probability that the new Bank of Japan Governor, Haruhiko Kuroda, will adopt a hawkish monetary policy, and there is a risk that the Japanese yen may appreciate in the future.
- (2). The procurement of some materials and machines is calculated by JPY, thus with the risk of exchange rate, while the amount is little.

##### (2) Countermeasures

- (1). Keep close contact with main cooperation bank, monitor the change of foreign exchange market at time, thus relative supervisors can grasp the director of exchange rates and handle with market emergency.
- (2). Use foreign exchange derivatives according to actual demands, thus reduce the risk of the change or relative exchange rate.

#### 6. Risk of appreciation of RMB:

##### (1) Current situation

- (1). In 2022, China is facing economic growth pressures due to the zero COVID policy and the slowdown in global demand, as well as divergent monetary policies between U.S. and China, which has led to the depreciation of the Chinese yuan. The lockdown measures were lifted in December last year, and the government released a series of loose credit policies to increase market liquidity, which successfully stabilized the real economy. It is expected that the People's Bank of China will continue the loose credit policy this year to maintain stable economic growth, and there is still room for the Chinese yuan to appreciate against the US dollar.

- (2). The Company's principal sales of goods and purchases of raw materials are denominated in US dollars; however, some of the assets (such as structured deposits and capital-guaranteed structured deposits) and liabilities (such as local operating expenses and RMB borrowings in mainland China) are denominated in RMB, so there is an exchange rate risk.
- (2) Countermeasures
  - (1). Keep close contact with main cooperation bank, monitor the change of foreign exchange market at time, thus relative supervisors can grasp the director of exchange rates and handle with market emergency.
  - (2). Use foreign exchange derivatives according to actual demands, thus reduce the risk of the change or relative exchange rate.
7. Risk of the depreciation of US dollar (exchange for NT\$)
  - (1) Current situation
    - (1). In 2022, Taiwan's export orders are not as bright as in 2021, and the continued outflow of funds due to the significant interest rate hike in the United States has caused the New Taiwan dollar to remain weak against the US dollar. However, with major economic organizations revising their economic growth projections for this year- global economic will be recovering, it is not ruled out that the US dollar against the New Taiwan dollar will turn to a depreciation trend.
    - (2). The Company's main sales revenue and raw material purchases of subsidiaries in Taiwan are denominated in US dollars, and the amount of sales revenue is greater than the purchase of raw materials, however, its functional currency is NT\$ which faces exchange rate risk.
  - (2) Countermeasures
    - (1). Keep close contact with main cooperation bank, monitor the change of foreign exchange market at time, thus relative supervisors can grasp the director of exchange rates and handle with market emergency.
    - (2). Use foreign exchange derivatives according to actual demands, thus reduce the risk of the change or relative exchange rate.
- (2) The main reasons for the profit and loss of high-risk, high-leverage investment, capital loan and other endorsement guarantee and derivative commodity trading, and future countermeasures:
 

This company has established measures such as "Acquisition or Disposal of Assets Processing Procedures", "Measures for the Management of Funds and Others", "Management Measures for Endorsement Guarantees" and "Procedures for Dealing with Derivatives" for the basis of the Company and its subsidiaries. Up to this report's printing, this Company has not engaged in high-risk, high-leveraged investments, group loans and other external financial loans, others, endorsement guarantees, and high-risk derivatives transactions. In addition, This company has always focused on the operation of the touch industry, and has not engaged in other high-risk industries, and the financial planning and operation policies will continue to adhere to the principle of "conservative and stable" and this company will not engage in high-risk and high-leveration. Therefore, the associated risks are limited.
- (3) Future R&D plan and estimated expenses:

## 1. Future R&D plan

This company is dedicated to the principle of self-owned technology. In addition to independent R&D, this company also cooperates with research units, obtains new technology through technology authorization, and continues to input technology resources to improve mature touch technology and enhance market competition, as well as puts great efforts into developing innovative touch materials and application areas. Along with the mature stage of touch technology development, this company make lots of efforts to develop next-generation flexible touch products by grasping key technology, from materials to processes and even to back-end lamination. The company functions as the leading touch manufacturer and will lead the industry into a new stage.

## 2. Estimated R&D expenses

The R&D investment of 2020 and 2021 was NT\$775,933 thousands and NT\$684,439 thousands respectively. The R&D investment in 2022 is expected to be NT\$669,185 thousands. In addition to the touch technology and related raw materials, the company also cooperates with customers to enhance product efficiency and reduce costs. The company will continue to input development resources in accordance with the product development roadmap in order to remain our competitive advantage.

## (4) Risks Associated with Changes in Domestic and Foreign Government Policies and Regulations that Impact Business and Financial Operations:

TPK is incorporated in the Cayman Islands and its main operation located in mainland China, while its products are mainly sold to developed countries as those in United States, Europe and mainland China. The economic activity in the Cayman Islands is mainly financial services, and the United States and mainland China are the major economies in the world with stable economic development and political environment. Products developed and sold by the Company are the important consumer components in the non-franchised or restricted industry. The Company complies with national policies and laws; it keeps abreast with major policy and legal changes at all times and takes proper measures to adapt to environment changes. It is not expected that other governmental policies or regulatory changes would materially impact the Company's operations or financial condition.

## (5) Effect on the Company's Financial Operations of Developments in Science and Technology (Including Cyber Security Risks) as well as Industrial Change, and Measures to be taken in response:

After a long development period, the touch market has transformed into stable maturity. In past years, the excessive expansion of touch capacity caused an imbalance in production and marketing, severe price competition, and reduction of manufacturers' profits, especially in the price competition of low-end products, which caused manufacturers to suffer losses, and some even quit the market. Faced with the competition of the touch industry and unexpected terminal demands, the Company undertake proactive transformation to develop new technologies (3D printing, full color ePaper and cholesteric liquid crystal display), new manufacturing process (product introduction projects and mass production services), new application (interactive whiteboard and commercial market) and niche market (Automotive display).

The internal organization of the Company hopes to reach overall competition and reduce production costs through efficient supply chain and manufacturing management, advanced

production line automation, cost optimization and efficiency enhancement, thus having responded magnificently to these efforts. As the world reopen from COVID-19, with an easing of global demand and the global economy slows, we keep strengthening internal controls, developing new customers and cooperating with partners in multifaceted solution. Meanwhile, the Compny strive for new business and expand the existing relationship with customers, creating better capital profit for shareholders.

With the continuous advancement of technology, the emergence of new technologies, and the rampant spread of ransomware attacks, information security faces more challenges than ever before. Therefore, in addition to basic backup and off-site backup, encryption protection of confidential and sensitive data , and the use of blockchain technology to establish a trade secret protection system, our company ensures that data can be instantly recovered and not leaked in the event of a disaster. In addition to the existing information security protection mechanism, our company regularly analyzes major domestic and international cybersecurity incidents to learn from them and evaluate various preventive measures.

We have established a cybersecurity manager and personnel and applied for membership in the Taiwan Computer Emergency Response Team/ Coordination Center (TWCERT/CC) to effectively receive and disseminate cybersecurity information, enabling our company to obtain real-time information. To strengthen risk management, enhance information security capabilities, and respond to continuous and complex network threats and attacks, we have implemented network security protection, completed backup mechanisms for critical systems, disaster recovery and recovery drills, and implemented partition security management to prevent, mitigate, and avoid cybersecurity incidents. In 2022, we added an important data anti-tampering mechanism to prevent the loss of important data due to ransomware attacks. We have also introduced the ISO 27001 information security management system to strengthen the company's ability to respond to information security incidents and protect the assets of the company and customers. We have established an ISO 27001 information security management system for specific areas and passed the "ISO 27001:2013 Information Security Management System" international standard certification, which is valid from August 22, 2021, to August 21, 2024.

To enhance employees' knowledge of information security, our company conducts information security promotion through a computer screen protection program for every employee, establishes an information security platform website, regularly sends out security notifications and up dates on cases through the system to raise awareness of information security risks among relevant personnel, and uses an online education system to regularly require employees to participate in "information security education and training" to strengthen their awareness of information security and reduce the risks arising from insufficient knowledge of information security city.

- (6) Effect on the Company's Crisis Management of Changes in the Company's Corporate Image, and Measures to be taken in response:

We stick to genuine operating principles and steadfast spirit. We actively strengthen internal management and enhance quality and efficiency based on the operating concept “innovation, efficiency, practica, simple, human-oriented”. We recruited numerous talents to work for us. We enhanced the strength of our operation team, contribute our operation achievement back to the shareholders and public, and fulfill our corporate social responsibility.

We have a great corporate image. Nothing has happened to alter our corporate image and cause a crisis on the corporate.

(7) Expected Benefits, Possible Risks, and Countermeasures After Merger: None.

(8) Expected Benefits, Possible Risks, and Countermeasures After Expansion of Factories:

The Company is conservative and fairly cautious about the capacity expansion.

(9) Concentration of Stock and Sales and the Related Risks and Countermeasures:

1. Stock Concentration Risk: No higher stock rate of a specific supplier has occurred, and the supplier's ranking will change according to customers' demands and arrangement, and therefore the company should be no risk of stock concentration.

2. Sales Concentration Risk: The Company focuses on developing innovative touch technology, materials, and processes, and its terminal customers are high-end consumer electronics factories. Influenced by the size-does-matter status of the high-end consumer electronics market, its customer concentration has been higher than other industries since its establishment; compared with its peers, this company is better than major competitor on the dispersion of customer concentration.

The Company further strives to promote touch technology applications, with the expectation of popularizing touch. Through many years of efforts, the company has expanded touch technology to various consumer and commercial electronics, such as smart phones, e-readers, game consoles, tablet PCs, notebook PCs, ultrabook PCs, AIO PCs, automotive monitors, digital cameras and large-sized touch screens, achieving the goal of dispersing the concentration risk of terminal touch application products.

(10) Substantial transfer or change of stock equity of directors, Supervisors, or shareholders who hold over 10% of company shares. The impact, risks, and countermeasures:

No substantial transfer or change of stock equity of directors or shareholders who hold over 10% of company shares has occurred, so there is no such risk.

(11) Impact on the company caused by change of management rights and the risks and countermeasures:

From last year to the time of publication, the management rights of this company have not changed. This company has strengthened its company operation measures, brought in independent directors, and established an Audit Committee and Compensation Committee with the hope of improving the protection of overall shareholder rights. While the daily operation of the company relies on professional managers, who have made great contributions to the business performance of this company, they will get shareholders' support in the future, and a change in management right will not negatively impact the company's management and business operation strength.

(12) In the case of lawsuit or non-lawsuit events, determinations, or administrative disputes of the company and its directors, the Supervisor, President, virtual head, or shareholders who hold over 10% of company shares shall be listed; if the results will have a big impact on shareholder rights or securities price, then the disputed facts, target amount, lawsuit commencement date, main lawsuit party, and processing condition until as of the publication of this report shall be disclosed:

None.

No disputes related to the company or its directors, Supervisor, President, virtual head, or shareholders who hold over 10% of company shares have been determined or ongoing in



the last two years as of the publication of this report, so its results will not have a big impact on shareholder rights or securities price.

(13) Other risks and countermeasures: None.

## 7. Other Events

None.

## VIII. Special Events

### 1. Information Related to Affiliates

- (1) Subsidiaries Chart: Please refer to Annual Report page 146.
- (2) TPK Subsidiaries: Please refer to Annual Report page 147 to 150.
- (3) Shareholders in Common of TPK and Its Subsidiaries with Deemed Control and Subordination: None.
- (4) Rosters of Directors, Supervisors, and Presidents of TPK's Subsidiaries: Please refer to Annual Report page 151 to 153.
- (5) Operational Highlights of TPK Subsidiaries: Please refer to Annual Report page 154 to 155.
- (6) Consolidated Financial Statements Covering Affiliates: Same as the consolidated financial statements of TPK and its subsidiaries, please refer to Annual Report page 157.

### 2. Private Placement Securities in the Most Recent Year and as of the Date of the Publication Date of the Annual Report:

None.

### 3. Status of TPK Common Shares and GDRs Acquired, Disposed of, and Held by Subsidiaries in the Most Recent Year and as of the Date of the Annual Report:

None.

### 4. Other Necessary Supplements:

None.

### 5. Any Events in the Most Recent Year and as of the Publication Date of the Date of the Annual Report that Had Significant Impacts on Shareholders' Right or Security Prices as Stated in Item 3 Paragraph 2 of Article 36 of Securities and Exchange Law of Taiwan:

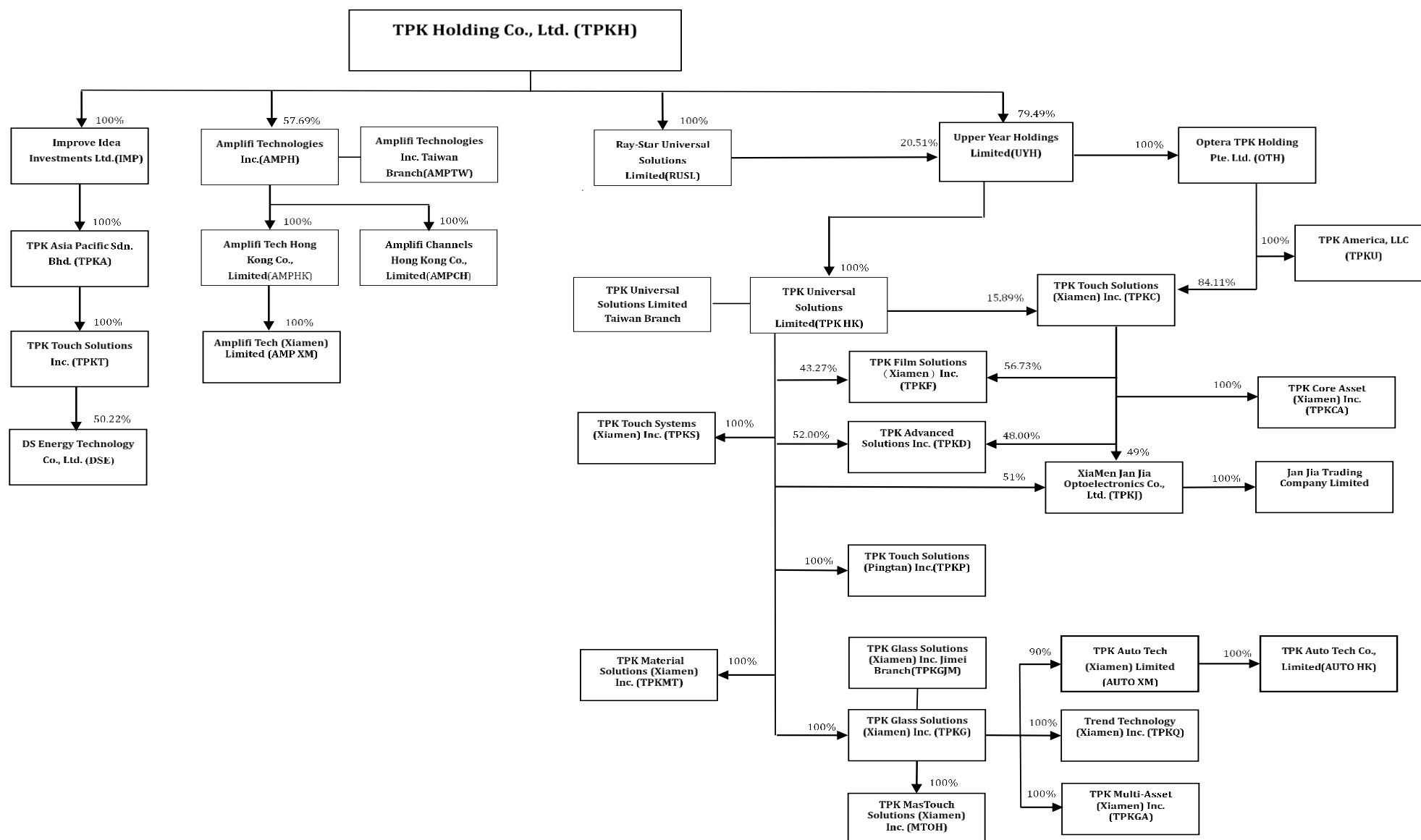
None.

### 6. Significant Differences in Shareholders' Equity guaranteed regulations in the R.O.C.:

None.

# TPK Holding Co., Ltd. Subsidiaries Chart

Up to December 31, 2022



## TPK Subsidiaries

As of December 31, 2022

Company	Date of Incorporation	Place of Registration	Capital Stock	Business Activities
TPK Touch Solutions Inc.	May 09, 2003	6 F, No.13-18, Sec. 6, Min-quan E. Rd., Neihu District., Taipei City, Taiwan	NT\$ 507,170,000	Touch related materials, modules and electric utility vehicles sale
Upper Year Holdings Limited	Jan. 17, 2006	Vistra Corporate Services Centre, Ground Floor NPF Building, Beach Road, Apia, Samoa	US\$ 261,344,530	Holding company
Improve Idea Investments Ltd.	Jan. 17, 2006	Vistra Corporate Services Centre, Ground Floor NPF Building, Beach Road, Apia, Samoa	US\$ 154,490,000	Holding company
Optera TPK Holding Pte. Ltd.	Nov. 24, 2005	80 Robinson Road, #02-00, Singapore 068898	US\$ 1,104,585,942	Holding company
TPK America, LLC	Apr. 16, 2010	1209 Orange Street, Wilmington, Delaware 19801, U.S.A.	US\$ 4,800,000	International trade
Ray-Star Universal Solutions Limited	Dec. 17, 2010	Units 610-611, 6/F., Tower 2, Lippo Centre, 89 Queensway, Admiralty, Hong Kong	US\$ 469,498,000	Holding company
TPK Universal Solutions Limited	Dec. 23, 2010	Suites 1204-07, 12/F., Shui On Centre, 6-8 Harbour Road, Wanchai, Hong Kong	US\$ 593,810,045	Touch modules related product research, holding company and international trade
TPK Asia Pacific Sdn. Bhd.	Dec. 03, 2010	Unit 3(I), Main Office Tower, Financial Park Labuan, Jalan Merdeka, 87000 Labuan, F.T. Labuan, Malaysia	US\$ 196,808	Holding company
TPK Touch Solutions (Xiamen) Inc.	Aug. 26, 2004	199, Banshang Road, Information Photoelectric Park, Torch Development Zone For High Technology Industries, Xiamen, Fujian, China	US\$ 354,066,610	Touch modules research, development, manufacture and sales
TPK Touch Systems (Xiamen) Inc.	Jun. 21, 2006	Floor 1-8, No.1 Workshop, No. 190, Jimei	US\$ 25,000,000	Touch modules research,

<b>Company</b>	<b>Date of Incorporation</b>	<b>Place of Registration</b>	<b>Capital Stock</b>	<b>Business Activities</b>
		Avenue, Jimei District, Xiamen, Fujian, China		development, manufacture and sales
TPK Glass Solutions (Xiamen) Inc.	Feb. 14, 2011	996, Minan Avenue, Xiang'an Industrial District, Torch Development Zone For High Technology Industries, Xiamen, Fujian, China	US\$ 421,333,599	Touch modules research, development, manufacture and sales
XiaMen Jan Jia Optoelectronics Co., Ltd.	Apr. 01, 2012 (Note 1)	Middle Building, No.1, Xiangming Road, Xiang'an Industrial District, Torch Development Zone For High Technology Industries, Xiamen, Fujian, China	US\$ 3,600,000	Protective film and optical adhesive manufacture and sales
Jan Jia Trading Company Limited	Jan. 03, 2018	Units 610-611, 6/F., Tower 2, Lippo Centre, 89 Queensway, Admiralty, Hong Kong	US\$ 500,000	International trade
TPK Film Solutions (Xiamen) Inc.	Aug. 07, 2012	D Zone, The Fifth Floor Of Complex Building, No.191, Banshang Road, Information Photoelectric Park, Torch Development Zone For High Technology Industries, Xiamen, Fujian, China	US\$ 40,910,000	Touch modules, protective film and optical adhesive manufacture and sales
TPK MasTouch Solutions (Xiamen) Inc.	Feb. 04, 2013 (Note 1)	The Third Floor, No. 996-3, Minan Avenue, Xiang'an Industrial District, Torch Development Zone For High Technology Industries, Xiamen, Fujian, China	US\$ 86,000,000	Touch modules research, development, manufacture and sales
TPK Touch Solutions (Pingtan) Inc.	Feb. 18, 2013	1, Ruyi East Road, Beicuo Town, Pingtan County, Fujian, China	US\$ 218,852,000	Touch modules research, development, manufacture and sales
TPK Material Solutions Inc.	Aug. 01, 2013	No.19, Quanyuan Road, Jinjiang Economic Development Zone, Fujian, China	-(Note 2)	Electronic materials manufacture
TPK Advanced Solutions Inc.	Jul. 15, 2014	The Second, Third And Fourth Floor, No. 515, Qishan North Road, Information Photoelectric Park, Torch Development Zone For High Technology Industries,	US\$ 177,931,460	Touch modules research, development, manufacture and sales

Company	Date of Incorporation	Place of Registration	Capital Stock	Business Activities
		Xiamen, Fujian, China		
Trend Technology (Xiamen) Inc.	Jul. 31, 2014	E Zone, The Fifth Floor Of Complex Building, No.191, Banshang Road, Information Photoelectric Park, Torch Development Zone For High Technology Industries, Xiamen, Fujian, China	RMB 1,500,000	Inspection and testing services
TPK Material Solutions (Xiamen) Inc.	Oct. 22, 2018	A Zone, The First Floor, No.3 Workshop Of Bathroom Ironmongery, No. 2168, Tongan Avenue, Tongan District, Xiamen, Fujian, China	US\$ 10,000,000	Eelectronic materials manufacture
Amplifi Technologies Inc.	Dec. 19, 2019	PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands	US\$ 10,400,000	Holding company, research and development, manufacture and sales of resin products
Amplifi Tech Hong Kong Co., Limited	Apr. 07, 2020	Units 610-611, 6/F., Tower 2, Lippo Center, 89 Queensway, Admiralty, Hong Kong	US\$ 2,000,000	Holding company and international trade
Amplifi Tech (Xiamen) Limited	Dec. 15, 2020	E Zone, The Third Floor, No. 515, Qishan North Second Road, Information Photoelectric Park, Torch Development Zone For High Technology Industries, Xiamen, Fujian, China	US\$ 1,500,000	Resin products research, development, manufacture and sales
TPK Auto Tech Co., Limited	Aug. 03, 2021	Units 610-611, 6/F., Tower 2, Lippo Center, 89 Queensway, Admiralty, Hong Kong	US\$ 1,000,000	International trade
TPK Auto Tech (Xiamen) Limited	Sep. 30, 2021	187, Banshang Road, Information Photoelectric Park, Torch Development Zone For High Technology Industries, Xiamen, Fujian, China	RMB 130,000,000	Touch modules research, development, manufacture and sales
Amplifi Channels Hong Kong Co., Limited	Oct. 11, 2021	Units 610-611, 6/F., Tower 2, Lippo Center, 89 Queensway, Admiralty, Hong Kong	US\$ 10,000	International trade

<b>Company</b>	<b>Date of Incorporation</b>	<b>Place of Registration</b>	<b>Capital Stock</b>	<b>Business Activities</b>
TPK Core Asset (Xiamen) Inc.	Nov. 16, 2021	The First Floor, No.1 Workshop, No. 199, Banshang Road, Information Photoelectric Park, Torch Development Zone For High Technology Industries, Xiamen, Fujian, China	RMB 363,274,582	Touch modules manufacture and sales
TPK Multi-Asset (Xiamen) Inc.	Nov. 16, 2021	E Zone, The Second Floor, No. 996-2, Minan Avenue, Xiangnan Industrial District, Torch Development Zone For High Technology Industries, Xiamen, Fujian, China	RMB 14,000,000 (Note 3)	Electric utility vehicles manufacture
DS Energy Technology Co., Ltd.	May. 11, 2022 (Note 1)	8F.-1, No. 58, Sec. 3, Minquan E. Rd., Zhongshan Dist., Taipei City, Taiwan	NT\$ 119,470,000	Solar energy system development and equipments trade, maintenance, installation and management services

Note 1: Date of TPK acquired the ownership.

Note 2: The process of dissolution and liquidation of TPK Material Solutions Inc. was completed in June 2022.

Note 3: A capital of RMB 11,000 thousand was invested in TPK Multi-Asset (Xiamen) Inc. in February 2023.

### **Rosters of Directors, Supervisors, and Presidents of TPK's Subsidiaries**

As of December 31, 2022

Enterprise Name	Position	Name/Representative	Shares Held	
			Number of Shares (Amount of contribution)	Ratio of Shareholding % (Ratio of contribution)
TPK Touch Solutions Inc.	Chairman	Michael Chao-Juei Chiang	—	—
Upper Year Holdings Limited (Samoa)	Director	Michael Chao-Juei Chiang	—	—
Improve Idea Investments Ltd. (Samoa)	Director	Michael Chao-Juei Chiang	—	—
Optera TPK Holding Pte. Ltd. (Singapore)	Director	Michael Chao-Juei Chiang	—	—
	Director	Wee Choo Peng	—	—
	Director	Hsi-Liang Liu	—	—
TPK America, LLC	Manager	Michael Chao-Juei Chiang	—	—
Ray-Star Universal Solutions Limited (Hong Kong)	Director	Michael Chao-Juei Chiang	—	—
	Director	Hsi-Liang Liu	—	—
TPK Universal Solutions Limited (Hong Kong)	Director	Michael Chao-Juei Chiang	—	—
TPK Asia Pacific Sdn.Bhd (Malaysia)	Director	Michael Chao-Juei Chiang	—	—
	Director	Geoffrey Chang Tze Weng	—	—
	Director	Hsi-Liang Liu	—	—
TPK Touch Solutions (Xiamen) Inc.	Executive Director	Michael Chao-Juei Chiang	—	—
	Supervisor	Hsi-Liang Liu	—	—
	President	Li-Chien Hsieh	—	—
TPK Touch Systems (Xiamen) Inc.	Executive Director	Michael Chao-Juei Chiang	—	—
	Supervisor	Hsi-Liang Liu	—	—
	President	Li-Chien Hsieh	—	—
TPK Glass Solutions (Xiamen) Inc.	Executive Director	Michael Chao-Juei Chiang	—	—
	Supervisor	Hsi-Liang Liu	—	—
	President	Li-Chien Hsieh	—	—
XiaMen Jan Jia Optoelectronics	President	Shu-Yueh Liao	—	—



Enterprise Name	Position	Name/Representative	Shares Held	
			Number of Shares (Amount of contribution)	Ratio of Shareholding % (Ratio of contribution)
Co., Ltd.	Executive Director	Li-Chien Hsieh	—	—
	Supervisor	Hsi-Liang Liu	—	—
TPK Film Solutions (Xiamen) Inc.	Executive Director	Michael Chao-Juei Chiang	—	—
	President	Shih-Ming Liu	—	—
	Supervisor	Hsi-Liang Liu		
TPK MasTouch Solutions (Xiamen) Inc.	Executive Director & President	Shih-Ming Liu	—	—
	Supervisor	Hsi-Liang Liu	—	—
TPK Touch Solutions (Pingtan) Inc.	Executive Director	Michael Chao-Juei Chiang	—	—
	Supervisor	Hsi-Liang Liu	—	—
	President	Shih-Ming Liu	—	—
TPK Advanced Solutions Inc.	Chairman	Michael Chao-Juei Chiang	—	—
	Director & President	Li-Chien Hsieh	—	—
	Director	Shih-Ming Liu	—	—
	Supervisor	Hsi-Liang Liu	—	—
Trend Technology (Xiamen) Inc.	Executive Director	Michael Chao-Juei Chiang	—	—
	Supervisor	Hsi-Liang Liu	—	—
	President	Li-Chien Hsieh	—	—
Jan Jia Trading Company Limited	Director	Shu-Yue Liao		
TPK Material Solutions (Xiamen) Inc.	Executive Director	Chun-Min Hu	—	—
	Supervisor	Hsi-Liang Liu	—	—
	President	Shih-Ming Liu	—	—
TPK Auto Tech (Xiamen) Limited	Chairman	Michael Chao-Juei Chiang	—	—
	Director	Li-Chien Hsieh	—	—
	Supervisor	Hu-Yao Lin	—	—
	Director & President	Chien-Ming Lee	—	—

Enterprise Name	Position	Name/Representative	Shares Held	
			Number of Shares (Amount of contribution)	Ratio of Shareholding % (Ratio of contribution)
TPK Auto Tech Co., Limited	Director	Michael Chao-Juei Chiang	—	—
TPK Core Asset (Xiamen) Inc.	Executive Director	Michael Chao-Juei Chiang	—	—
	Supervisor	Hsi-Liang Liu	—	—
	President	Li-Chien Hsieh	—	—
TPK Multi-Asset (Xiamen) Inc.	Executive Director	Michael Chao-Juei Chiang	—	—
	Supervisor	Hsi-Liang Liu	—	—
	President	Li-Chien Hsieh	—	—
Amplifi Technologies Inc.	Director	Michael Chao-Juei Chiang	—	—
Amplifi Tech Hong Kong Co., Limited	Director	Michael Chao-Juei Chiang	—	—
Amplifi Channels Hong Kong Co., Limited	Director	Michael Chao-Juei Chiang	—	—
Amplifi Tech (Xiamen) Limited	Executive Director	Jen-I Tai	—	—
	Supervisor	Kai-Lun Wang	—	—
	President	Lin, Yu-Chia	—	—
DS Energy Technology Co., Ltd.	Chairman	You Liang Holdings Co., Ltd. Representative: Yi-Ting Wang	1,763,000	14.8%
	Director	TPK Touch Solutions Inc. Representative: Hsi-Liang Liu	6,000,000	50.2%
	Director	TPK Touch Solutions Inc. Representative: Hu-Yao Lin	6,000,000	50.2%
	Director	TPK Touch Solutions Inc. Representative: Ming-Shan Lee	6,000,000	50.2%
	Director	Baoxing Consulting Co., Ltd.	950,000	8.0%
	President	Yi-Ting Wang	200,000	1.7%
	Supervisor	Lei-Lei Pan	—	—

### **Operational Highlights of TPK Subsidiaries**

As of 12/31/2022, Unit: NT\$ thousands, except EPS (NT\$)

Company	Capital Stock	Assets	Liabilities	Net Worth	Net Revenue	Income (Loss) from Operation	Net Income (Loss)	Basic Earnings (Loss) Per Share
TPK Touch Solutions Inc.	NT\$ 507,170,000	2,002,957	180,850	1,822,107	266,347	(50,726)	138,896	2.74
Upper Year Holdings Limited	US\$ 261,344,530	45,629,311	928,569	44,700,742	-	449	545,023	2.09
Improve Idea Investments Ltd.	US\$ 154,490,000	3,998,057	-	3,998,057	-	(31)	158,016	1.02
Optera TPK Holding Pte. Ltd.	US\$ 1,104,585,942	35,649,265	2,062,565	33,586,700	-	(337)	(1,504,253)	(1.39)
TPK America, LLC	US\$ 4,800,000	187,361	596	186,765	1,703	(5,775)	5,325	(Note 1)
Ray-Star Universal Solutions Limited	US\$ 469,498,000	9,227,790	40	9,227,750	-	(79)	111,711	0.24
TPK Universal Solutions Limited	US\$ 593,810,045	47,246,567	35,239,443	12,007,124	125,950,581	548,720	(713,158)	(1.07)
TPK Asia Pacific Sdn. Bhd.	US\$ 196,808	3,961,740	433	3,961,307	-	(462)	157,920	249.80
TPK Touch Solutions (Xiamen) Inc.	US\$ 354,066,610	56,529,345	18,409,123	38,120,222	37,750,229	816,076	1,319,129	(Note 1)
TPK Touch Systems (Xiamen) Inc.	US\$ 25,000,000	8,284,112	4,072,561	4,211,551	14,862,968	236,886	290,241	(Note 1)
TPK Glass Solutions (Xiamen) Inc.	US\$ 421,333,599	9,339,837	7,903,545	1,436,292	3,895,018	(690,027)	(732,919)	(Note 1)
XiaMen Jan Jia Optoelectronics Co., Ltd.	US\$ 3,600,000	3,755,247	1,109,033	2,646,214	(87,538)	10,254	439,198	(Note 1)
Jan Jia Trading Company Limited	US\$ 500,000	260,067	183,727	76,340	816,708	35,831	29,098	58.20
TPK Film Solutions (Xiamen) Inc.	US\$ 40,910,000	1,625,109	1,407,188	217,921	2,496,217	84,740	69,926	(Note 1)
TPK MasTouch Solutions (Xiamen) Inc.	US\$ 86,000,000	1,712,468	197,047	1,515,421	-	(28,692)	30,670	(Note 1)
TPK Touch Solutions (Pingtan) Inc.	US\$ 218,852,000	3,142,208	7,945,249	(4,803,041)	129,679	(421,285)	(381,663)	(Note 1)

Company	Capital Stock	Assets	Liabilities	Net Worth	Net Revenue	Income (Loss) from Operation	Net Income (Loss)	Basic Earnings (Loss) Per Share
TPK Material Solutions Inc. (Note 2)	-	-	-	-	-	(6)	3,727	-
TPK Advanced Solutions Inc.	US\$ 177,931,460	35,631,368	22,156,321	13,475,047	39,878,150	(1,081,423)	(654,160)	(Note 1)
Trend Technology (Xiamen) Inc.	RMB 1,500,000	17,976	46,789	(28,813)	-	(24,027)	(23,480)	(Note 1)
TPK Material Solutions (Xiamen) Inc.	US\$ 10,000,000	334,556	83,955	250,601	120,413	(29,570)	(36,545)	(Note 1)
Amplifi Technologies Inc.	US\$ 10,400,000	828,784	316,534	512,250	452,661	53,321	118,626	1.14
Amplifi Tech Hong Kong Co., Limited	US\$ 2,000,000	525,271	342,981	182,290	908,244	117,423	94,844	47.42
Amplifi Tech (Xiamen) Limited	US\$ 1,500,000	82,231	17,717	64,514	55,521	(2,734)	(1,542)	(Note 1)
TPK Auto Tech Co., Limited	US\$ 1,000,000	410,275	485,401	(75,126)	1,722,437	(102,239)	(101,950)	(101.95)
TPK Auto Tech (Xiamen) Limited	RMB 130,000,000	1,087,582	664,467	423,115	1,367,386	(118,136)	(173,727)	(Note 1)
Amplifi Channels Hong Kong Co., Limited	US\$ 10,000	209	29	180	-	(124)	(123)	(12.31)
TPK Core Asset (Xiamen) Inc.	RMB 363,274,582	1,491,623	5,558	1,486,065	-	(261,963)	(194,712)	(Note 1)
TPK Multi-Asset (Xiamen) Inc.	RMB 14,000,000 (Note 3)	73,974	19,485	54,489	5,374	(9,277)	(7,396)	(Note 1)
DS Energy Technology Co., Ltd.	NT\$ 119,470,000	145,228	67,198	78,030	79,496	935	300	0.03

Note 1: These firms do not issue shares. TPK's investment is measured as a percentage of ownership.

Note 2: The process of dissolution and liquidation of TPK Material Solutions Inc. was completed in June 2022.

Note 3: A capital of RMB 11,000 thousand was invested in TPK Multi-Asset (Xiamen) Inc. in February 2023.

# **TPK Holding Co., Ltd. and Subsidiaries**

**Consolidated Financial Statements for the  
Years Ended December 31, 2022 and 2021 and  
Independent Auditors' Report**

### INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders  
TPK Holding Co., Ltd.

#### Opinion

We have audited the accompanying consolidated financial statements of TPK Holding Co., Ltd. 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 (collectively referred to as the "consolidated financial statements").

In our opinion, 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 its 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.

#### 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.

The key audit matter of the Group's consolidated financial statements for the year ended December 31, 2022 is described as follows:

#### Valuation of Inventory

The description of the key audit matter:

As of December 31, 2022, the carrying amount of inventory was NT\$9,270,132 thousand (net of the allowance for inventory valuation and obsolescence losses of NT\$694,434 thousand), which accounted for 11% of the Group's total assets. The Group is mainly engaged in the business of developing, manufacturing and selling touch modules and related products. As the touch modules industry is characterized by rapid change in technology, as well as short life cycles for the related products, in this regard, the risk surrounding the write-down of slow moving and obsolete inventory is higher. Based on the aging of inventories, the net realizable value of the Group's products, the related sales status and the changes in the market, the Group evaluated and recognized losses related to the write-down of slow moving and obsolete inventory monthly. Since such valuation of inventory requires significant judgment from management, the valuation of inventory has been identified as a key audit matter.

Refer to Notes 4 (g), 5 (c) and 11 to the Group's consolidated financial statements for details of the related accounting policy and the relevant information about inventory.

Corresponding audit procedures:

As for the evaluation of losses related to the write-down of slow moving and obsolete inventory, after first gaining familiarity with the industry characteristics to which the Group belongs, we obtained an understanding of the reasonability of the Group's policy for the provision for obsolete inventory and inventory whose carrying amount was lower than the net realizable value, and we randomly inspected inventory aging and performed our own calculation to verify whether the loss recognized adhered to the Group's provision policy.

In addition, at the end of the year, we performed an inventory observation and random counting to understand the inventory status and evaluate the appropriateness of the loss of obsolete and damaged inventory.

#### **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 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, 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 Pi-Yu Chuang and Tzu-Jung Kuo.

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

March 28, 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.*

# TPK HOLDING CO., LTD. AND SUBSIDIARIES

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

ASSETS	2022		2021	
	Amount	%	Amount	%
CURRENT ASSETS (Note 4)				
Cash and cash equivalents (Notes 4, 6 and 27)	\$ 24,284,276	29	\$ 20,615,121	27
Financial assets at fair value through profit or loss - current (Notes 4, 7 and 31)	656,359	1	372,752	-
Financial assets at fair value through other comprehensive income - current (Notes 4, 8 and 31)	266,969	-	1,510,287	2
Financial assets at amortized cost - current (Notes 4, 9, 27, 31 and 33)	9,972,167	12	3,147,118	4
Trade receivables, net (Notes 4, 10, 27, 31 and 32)	8,433,188	10	12,405,167	16
Other receivables, net (Notes 4, 10, 16, 27, 31 and 32)	6,129,982	8	3,526,711	5
Current tax assets (Notes 4 and 25)	4,444	-	37,037	-
Inventories (Notes 4, 5, 11 and 27)	9,270,132	11	10,867,848	14
Other current assets (Note 27)	<u>815,648</u>	<u>1</u>	<u>233,761</u>	<u>-</u>
Total current assets	<u>59,833,165</u>	<u>72</u>	<u>52,715,802</u>	<u>68</u>
NON-CURRENT ASSETS				
Financial assets at fair value through profit or loss - non-current (Notes 4, 7 and 31)	732,002	1	585,521	1
Property, plant and equipment (Notes 4, 5, 14, 27, 32 and 33)	16,851,811	20	18,026,287	23
Right-of-use assets (Notes 4, 15 and 27)	3,982,053	5	4,313,507	5
Investment properties (Notes 4 and 16)	226,284	-	223,071	-
Intangible assets (Notes 4, 17 and 27)	103,675	-	65,935	-
Deferred tax assets (Notes 4, 5 and 25)	1,032,215	1	1,240,524	2
Prepayments for equipment	722,367	1	495,141	1
Refundable deposits (Notes 27, 31 and 32)	115,813	-	113,555	-
Other non-current assets	<u>891</u>	<u>-</u>	<u>6,087</u>	<u>-</u>
Total non-current assets	<u>23,767,111</u>	<u>28</u>	<u>25,069,628</u>	<u>32</u>
TOTAL	<u>\$ 83,600,276</u>	<u>100</u>	<u>\$ 77,785,430</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES (Note 4)				
Short-term borrowings (Notes 18 and 31)	\$ 7,437,076	9	\$ 2,799,213	4
Financial liabilities at fair value through profit or loss - current (Notes 4, 7 and 31)	614,449	1	351,770	1
Notes and trade payables (Notes 27 and 32)	9,393,716	11	13,524,761	17
Payables for purchase of equipment (Notes 19, 29 and 32)	486,636	1	778,734	1
Other payables - others (Notes 19, 27 and 32)	2,816,364	3	2,500,721	3
Current tax liabilities (Notes 4 and 25)	334,157	-	67,750	-
Provisions - current (Notes 4, 5, 11 and 20)	1,805,951	2	1,568,665	2
Lease liabilities - current (Notes 4, 15, 27 and 32)	479,411	1	463,850	1
Current portion of long-term borrowings (Notes 18, 27, 31 and 33)	4,911,779	6	3,685,098	5
Other current liabilities - others (Notes 27 and 32)	<u>343,148</u>	<u>-</u>	<u>224,285</u>	<u>-</u>
Total current liabilities	<u>28,622,687</u>	<u>34</u>	<u>25,964,847</u>	<u>34</u>
NON-CURRENT LIABILITIES				
Long-term borrowings (Notes 18, 27, 31 and 33)	11,969,058	14	10,176,385	13
Deferred tax liabilities (Notes 4 and 25)	2,490,187	3	2,404,864	3
Lease liabilities - non-current (Notes 4, 15, 27 and 32)	2,822,557	4	3,506,668	5
Net defined benefit liabilities - non-current (Notes 4 and 21)	1,347	-	3,781	-
Guarantee deposits received (Note 31)	44,185	-	33,635	-
Other non-current liabilities	<u>278,428</u>	<u>-</u>	<u>309,562</u>	<u>-</u>
Total non-current liabilities	<u>17,605,762</u>	<u>21</u>	<u>16,434,895</u>	<u>21</u>
Total liabilities	<u>46,228,449</u>	<u>55</u>	<u>42,399,742</u>	<u>55</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Notes 4, 8, 22, 27 and 28)				
Share capital				
Ordinary shares	<u>4,066,638</u>	<u>5</u>	<u>4,066,638</u>	<u>5</u>
Capital surplus	<u>28,231,125</u>	<u>34</u>	<u>28,165,226</u>	<u>36</u>
Retained earnings				
Legal reserve	3,497,439	4	3,384,463	4
Special reserve	189,610	-	-	-
Unappropriated earnings	<u>831,664</u>	<u>1</u>	<u>1,198,477</u>	<u>2</u>
Total retained earnings	<u>4,518,713</u>	<u>5</u>	<u>4,582,940</u>	<u>6</u>
Other equity				
Exchange differences on translating foreign operations	2,018,194	2	(1,131,483)	(1)
Unrealized valuation loss on financial assets at fair value through other comprehensive income	<u>(1,782,710)</u>	<u>(2)</u>	<u>(448,419)</u>	<u>(1)</u>
Total other equity	<u>235,484</u>	<u>-</u>	<u>(1,579,902)</u>	<u>(2)</u>
Total equity attributable to owners of the Company	37,051,960	44	35,234,902	45
NON-CONTROLLING INTERESTS	<u>319,867</u>	<u>1</u>	<u>150,786</u>	<u>-</u>
Total equity	<u>37,371,827</u>	<u>45</u>	<u>35,385,688</u>	<u>45</u>
TOTAL	<u>\$ 83,600,276</u>	<u>100</u>	<u>\$ 77,785,430</u>	<u>100</u>

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

# TPK HOLDING CO., LTD. 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	%
OPERATING REVENUE, NET (Notes 4, 23, 27, 32 and 38)	\$ 97,180,969	100	\$ 103,088,745	100
OPERATING COSTS (Notes 4, 11, 14, 15, 17, 20, 21, 24 and 32)	<u>93,066,492</u>	<u>96</u>	<u>99,320,329</u>	<u>96</u>
GROSS PROFIT	<u>4,114,477</u>	<u>4</u>	<u>3,768,416</u>	<u>4</u>
OPERATING EXPENSES (Notes 4, 10, 14, 15, 17, 21, 24 and 32)				
Selling and marketing expenses	341,301	-	409,829	1
General and administrative expenses	2,550,428	3	2,342,678	2
Research and development expenses	695,423	1	684,439	1
Expected credit (gain) loss	<u>(22,515)</u>	<u>-</u>	<u>17,543</u>	<u>-</u>
Total operating expenses	<u>3,564,637</u>	<u>4</u>	<u>3,454,489</u>	<u>4</u>
OPERATING INCOME	<u>549,840</u>	<u>-</u>	<u>313,927</u>	<u>-</u>
NON-OPERATING INCOME AND EXPENSES				
Government grant revenue (Note 4)	422,749	-	419,188	-
Interest income (Notes 4, 24 and 32)	815,344	1	614,369	1
Other income (Notes 4, 15, 24 and 32)	416,776	-	192,287	-
(Loss) gain on financial products at fair value through profit or loss (Notes 4, 7 and 31)	(498,073)	-	625,457	1
Finance costs (Notes 4, 15, 18, 24 and 32)	(860,198)	(1)	(640,338)	(1)
Foreign exchange gain (loss), net (Notes 4 and 36)	509,297	1	(28,155)	-
Other losses (Notes 4, 16 and 24)	<u>(95,872)</u>	<u>-</u>	<u>(21,603)</u>	<u>-</u>
Total non-operating income and expenses	<u>710,023</u>	<u>1</u>	<u>1,161,205</u>	<u>1</u>
PROFIT BEFORE INCOME TAX	1,259,863	1	1,475,132	1
INCOME TAX EXPENSE (Notes 4 and 25)	<u>678,167</u>	<u>1</u>	<u>377,685</u>	<u>-</u>
NET PROFIT FOR THE YEAR	<u>581,696</u>	<u>-</u>	<u>1,097,447</u>	<u>1</u>

(Continued)

# TPK HOLDING CO., LTD. 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	%
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans (Notes 4 and 21)	\$ 2,031	-	\$ 1,019	-
Unrealized valuation loss on investments in equity instruments at fair value through other comprehensive income (Notes 4, 8 and 22)	(1,334,291)	(1)	(1,202,698)	(1)
Exchange differences arising on translation to the presentation currency (Notes 4 and 22)	<u>3,795,997</u>	<u>4</u>	<u>(1,023,657)</u>	<u>(1)</u>
	2,463,737	3	(2,225,336)	(2)
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating foreign operations (Notes 4 and 22)	<u>(626,220)</u>	<u>(1)</u>	<u>114,760</u>	<u>-</u>
Other comprehensive income (loss) for the year, net of income tax	<u>1,837,517</u>	<u>2</u>	<u>(2,110,576)</u>	<u>(2)</u>
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEAR	<u>\$ 2,419,213</u>	<u>2</u>	<u>\$ (1,013,129)</u>	<u>(1)</u>
NET PROFIT ATTRIBUTABLE TO:				
Owners of the Company	\$ 543,738	-	\$ 1,068,606	1
Non-controlling interests	<u>37,958</u>	<u>-</u>	<u>28,841</u>	<u>-</u>
	<u>\$ 581,696</u>	<u>-</u>	<u>\$ 1,097,447</u>	<u>1</u>
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:				
Owners of the Company	\$ 2,361,155	2	\$ (1,038,265)	(1)
Non-controlling interests	<u>58,058</u>	<u>-</u>	<u>25,136</u>	<u>-</u>
	<u>\$ 2,419,213</u>	<u>2</u>	<u>\$ (1,013,129)</u>	<u>(1)</u>
EARNINGS PER SHARE (Note 26)				
Basic	<u>\$ 1.34</u>		<u>\$ 2.63</u>	
Diluted	<u>\$ 1.34</u>		<u>\$ 2.63</u>	

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

(Concluded)

**TPK HOLDING CO., LTD. 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					Other Equity		Total	Non-controlling Interests (Notes 4, 22, 27 and 28)	Total Equity
	Share Capital (Notes 4 and 22)	Capital Surplus (Notes 4, 22 and 28)	Retained Earnings			Exchange Differences on Translating Foreign Operations (Notes 4 and 22)	Unrealized Valuation Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income (Notes 4, 8 and 22)			
			Legal Reserve (Note 22)	Special Reserve (Note 22)	Unappropriated Earnings (Notes 4, 8, 21 and 22)					
BALANCE AT JANUARY 1, 2021	\$ 4,066,638	\$ 28,165,226	\$ 3,287,058	\$ -	\$ 304,010	\$ (226,291)	\$ 1,083,190	\$ 36,679,831	\$ 125,650	\$ 36,805,481
Appropriation of 2020 earnings										
Legal reserve	-	-	97,405	-	(97,405)	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	(406,664)	-	-	(406,664)	-	(406,664)
Net profit for the year ended December 31, 2021	-	-	-	-	1,068,606	-	-	1,068,606	28,841	1,097,447
Other comprehensive income (loss) for the year ended December 31, 2021, net of income tax	-	-	-	-	1,019	(905,192)	(1,202,698)	(2,106,871)	(3,705)	(2,110,576)
Total comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	1,069,625	(905,192)	(1,202,698)	(1,038,265)	25,136	(1,013,129)
Disposal of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	328,911	-	(328,911)	-	-	-
BALANCE AT DECEMBER 31, 2021	4,066,638	28,165,226	3,384,463	-	1,198,477	(1,131,483)	(448,419)	35,234,902	150,786	35,385,688
Appropriation of 2021 earnings										
Legal reserve	-	-	112,976	-	(112,976)	-	-	-	-	-
Special reserve	-	-	-	189,610	(189,610)	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	(609,996)	-	-	(609,996)	-	(609,996)
Share options issued by the subsidiary	-	62,824	-	-	-	-	-	62,824	-	62,824
Difference between consideration and carrying amount of the subsidiary acquired or disposed	-	3,075	-	-	-	-	-	3,075	51,551	54,626
Net profit for the year ended December 31, 2022	-	-	-	-	543,738	-	-	543,738	37,958	581,696
Other comprehensive income (loss) for the year ended December 31, 2022, net of income tax	-	-	-	-	2,031	3,149,677	(1,334,291)	1,817,417	20,100	1,837,517
Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	545,769	3,149,677	(1,334,291)	2,361,155	58,058	2,419,213
Increase in non-controlling interests	-	-	-	-	-	-	-	-	59,472	59,472
BALANCE AT DECEMBER 31, 2022	\$ 4,066,638	\$ 28,231,125	\$ 3,497,439	\$ 189,610	\$ 831,664	\$ 2,018,194	\$ (1,782,710)	\$ 37,051,960	\$ 319,867	\$ 37,371,827

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

# TPK HOLDING CO., LTD. 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 OPERATING ACTIVITIES</b>		
Profit before income tax	\$ 1,259,863	\$ 1,475,132
Adjustments for:		
Depreciation expenses	4,079,867	4,849,456
Amortization expenses	31,495	24,205
Expected credit loss (reversed) recognized on trade receivables	(22,515)	17,543
Net loss (gain) on fair value changes of financial assets and liabilities at fair value through profit or loss	74,560	(327,520)
Finance costs	860,198	640,338
Interest income	(815,344)	(614,369)
Gain on disposal of property, plant and equipment	(168,647)	(218,347)
Loss on disposal of intangible assets	178	-
Gain on lease modification	(181,598)	(387)
Impairment loss recognized on non-financial assets	571	309,277
Recognition of write-down of inventories	237,591	70,418
Recognition of provisions	378,908	72,216
Changes in operating assets and liabilities		
Decrease in trade receivables	4,279,066	340,580
Increase in other receivables	(1,990,956)	(1,338,861)
Decrease (increase) in inventories	2,378,343	(2,505,522)
Increase in other current assets	(547,770)	(56,036)
Decrease in notes and trade payables	(5,414,761)	(918,400)
Increase (decrease) in other payables	4,300	(234,264)
Decrease in provisions	(318,723)	(379,741)
Increase (decrease) in other current liabilities	110,847	(246,036)
Decrease in net defined benefit liabilities	(403)	(384)
Cash generated from operations	4,235,070	959,298
Interest received	554,863	653,059
Income tax paid	(227,806)	(96,164)
Net cash generated from operating activities	4,562,127	1,516,193
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of financial assets at fair value through profit or loss	(325,947)	(497,542)
Proceeds from issuing financial liabilities at fair value through profit or loss	-	194,573
Proceeds from sale of financial assets at fair value through profit or loss	141,429	341,555
Proceeds from sale of financial assets at fair value through other comprehensive income	-	1,152,631
Purchase of financial assets at amortized cost	(5,651,626)	(423,390)
Payments for property, plant and equipment	(220)	(20,287)
Proceeds from disposal of property, plant and equipment	186,367	379,767
Decrease (increase) in refundable deposits	8,445	(166)
Payments for intangible assets	(18,584)	(21,470)

(Continued)

# TPK HOLDING CO., LTD. AND SUBSIDIARIES

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

	2022	2021
Decrease (increase) in other assets	\$ 5,487	\$ (3,779)
Increase in prepayments for equipment	(1,048,411)	(939,158)
Net cash inflow on acquisition of the subsidiary	<u>14,301</u>	<u>-</u>
Net cash (used in) generated from investing activities	<u>(6,688,759)</u>	<u>162,734</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Increase (decrease) in short-term borrowings	3,268,179	(284,453)
Proceeds from long-term borrowings	11,160,239	7,927,616
Repayments of long-term borrowings	(9,539,965)	(8,677,818)
Proceeds from guarantee deposits received	4,053	4,146
Repayments of the principal portion of lease liabilities	(614,173)	(831,386)
Decrease in other non-current liabilities	(59,601)	(86,382)
Dividends paid to owners of the Company	(609,996)	(406,664)
Partial disposal of interests in the subsidiary without a loss of control	117,450	-
Interest paid	<u>(646,425)</u>	<u>(467,217)</u>
Net cash generated from (used in) financing activities	<u>3,079,761</u>	<u>(2,822,158)</u>
<b>EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES</b>		
	<u>2,716,026</u>	<u>(845,097)</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	3,669,155	(1,988,328)
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	<u>20,615,121</u>	<u>22,603,449</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<u>\$ 24,284,276</u>	<u>\$ 20,615,121</u>

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

(Concluded)

# TPK HOLDING CO., LTD. AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

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### 1. GENERAL INFORMATION

TPK Holding Co., Ltd. (the “Company”) was incorporated as a limited company under the provisions of the Company Law of the Cayman Islands on November 21, 2005.

The Company and its subsidiaries (collectively referred to as the “Group”) are mainly engaged in the business of developing, manufacturing and selling touch modules, touch display and indium tin oxide (ITO) glass-related products.

The Company’s shares have been listed on the Taiwan Stock Exchange since October 29, 2010.

The functional currency of the Company is the U.S. dollar. For greater comparability and consistency of financial reporting, the consolidated financial statements are presented in New Taiwan dollars since the Company’s shares are listed on the Taiwan Stock Exchange.

### 2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Company’s board of directors on March 28, 2023.

### 3. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS AND INTERPRETATIONS

- a. Initial application of the amendments to the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the “IFRSs”) endorsed and issued into effect by the Financial Supervisory Commission (FSC)

The initial application of the IFRSs endorsed and issued into effect by the FSC did not have a material impact on the Group’s accounting policies:

- b. The IFRSs endorsed by the FSC for application starting from 2023

New IFRSs	Effective Date Announced by IASB
Amendments to IAS 1 “Disclosure of Accounting Policies”	January 1, 2023 (Note 1)
Amendments to IAS 8 “Definition of Accounting Estimates”	January 1, 2023 (Note 2)
Amendments to IAS 12 “Deferred Tax related to Assets and Liabilities arising from a Single Transaction”	January 1, 2023 (Note 3)

Note 1: The amendments will be applied prospectively for annual reporting periods beginning on or after January 1, 2023.

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



Note 3: Except for deferred taxes that were recognized on January 1, 2022 for temporary differences associated with leases and decommissioning obligations, the amendments were applied prospectively to transactions that occurred on or after January 1, 2022.

As of the date the consolidated financial statements were authorized for issue, the Group has assessed that the application of above standards and interpretations will not have a significant impact on the Group's financial position and financial performance.

c. New IFRSs in issue but not yet endorsed and issued into effect by the FSC

<b>New IFRSs</b>	<b>Effective Date Announced by IASB (Note 1)</b>
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 "Leases Liability in a Sale and Leaseback"	January 1, 2024 (Note 2)
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 9 and IFRS 17 - Comparative Information"	January 1, 2023
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	January 1, 2024
Amendments to IAS 1 "Non-current Liabilities with Covenants"	January 1, 2024

Note 1: Unless stated otherwise, the above IFRSs are effective for annual reporting periods beginning on or after their respective effective dates.

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

As of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the possible impact of the application of above standards and interpretations on the Group's financial position and financial performance and will disclose the relevant impact when the assessment is completed.

#### 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Statement of compliance

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

b. Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments which are measured at fair value and net defined benefit liabilities which are measured at the present value of defined benefit obligation less the fair value of plan assets.

The fair value measurements, which are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and based on the significance of the inputs to the fair value measurement in its entirety, are described as follows:

- 1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;

- 2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
  - 3) Level 3 inputs are unobservable inputs for an asset or liability.
- c. Classification of current and non-current assets and liabilities

Current assets include:

- 1) Assets held primarily for the purpose of trading;
- 2) Assets expected to be realized within 12 months after the reporting period; and
- 3) Cash and cash equivalents unless an asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

- 1) Liabilities held primarily for the purpose of trading;
- 2) Liabilities due to be settled within 12 months after the reporting period, and
- 3) Liabilities for which the Group does not have an unconditional right to defer settlement for at least 12 months after the reporting period.

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

d. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (i.e., its subsidiaries).

Income and expenses of subsidiaries acquired or disposed of during the reporting period are included in the consolidated statement of profit or loss and other comprehensive income from the effective dates of such acquisitions up to the effective dates of disposals, as appropriate.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Group.

All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

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

When the Group loses control of a subsidiary, a gain or loss is recognized in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and any investment retained in the former subsidiary at its fair value at the date when control is lost and (ii) the assets (including any goodwill) and liabilities and any non-controlling interests of the former subsidiary at their carrying amounts at the date when control is lost. The Group accounts for all amounts recognized in other comprehensive income in relation to that subsidiary on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition of financial assets at fair value through other comprehensive income.

See Note 12, Table 7 and Table 8 following the Notes to Consolidated Financial Statements for detailed information on subsidiaries (including the percentages of ownership and main businesses).

e. Business combinations

Acquisitions of businesses are accounted for using the acquisition method. Acquisition-related costs are generally recognized in profit or loss as they are incurred.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interests in the acquiree over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured at the non-controlling interests' proportionate share of recognized amounts of the acquiree's identifiable net assets. Other types of non-controlling interests are measured at fair value.

Business combinations involving entities under common control are not accounted for by the acquisition method. In preparing the consolidated financial statements, the balance of the difference between the investment cost generated from the acquisition of the acquiree's interests and the net assets is analyzed and dealt with in the way which was initially performed at the acquisition date.

f. Foreign currencies

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

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the reporting period.

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rates at the date of the transaction.

For the purpose of presenting the consolidated financial statements, the functional currencies of the Company and its foreign operations (including subsidiaries, associates and branches in other countries or those that use currencies which are different from the currency of the Company) are translated into the presentation currency, the New Taiwan dollar, as follows. Income and expense items are translated at the average exchange rates for the period. The resulting currency translation differences are recognized in other comprehensive income attributed to the owners of the Company and non-controlling interests as appropriate. The exchange differences accumulated in equity which resulted from the translation of the assets and liabilities of the entities in the Group into the presentation currency are not subsequently reclassified to profit or loss.

On the disposal of a foreign operation (i.e., a disposal of the Group's entire interest in a foreign operation, or a disposal involving the loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

In relation to a partial disposal of a subsidiary that does not result in the Company losing control over the subsidiary, the proportionate share of accumulated exchange differences is re-attributed to the non-controlling interests of the subsidiary and is not recognized in profit or loss. For all other partial disposals, the proportionate share of accumulated exchange differences recognized in other comprehensive income is reclassified to profit or loss.

Goodwill and fair value adjustments on identifiable assets and liabilities acquired arising from the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences are recognized in other comprehensive income.

g. Inventories

Inventories consist of raw materials, supplies, finished goods and work-in-progress and are stated at the lower of cost or net realizable value. Inventory write-downs are made by item, except where it may be appropriate to group similar or related items. The net realizable value is the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale. Inventories are recorded at the standard cost and adjusted to approximate the weighted-average cost on the balance sheet date.

h. Investments in associates

An associate is an entity over which the Group has significant influence and that is not a subsidiary.

The Group uses the equity method to account for its investments in associates.

Under the equity method, investments in an associate are initially recognized at cost and adjusted thereafter to recognize the Group's share of profit or loss and other comprehensive income of that associate. The Group also recognizes the changes in the Group's share of equity of associates.

Any excess of the cost of an acquisition over the Group's share of net fair value of the identifiable assets and liabilities of an associate at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment and is not amortized. Any excess of the Group's share of net fair value of the identifiable assets and liabilities over the cost of the acquisition, after reassessment, is recognized immediately in profit or loss.

When the Company subscribes for additional new shares of an associate at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment differs from the amount of the Group's proportionate interest in that associate. The Group records such a difference as an adjustment to investments with the corresponding amount charged or credited to capital surplus - changes in capital surplus from investments in associates accounted for using the equity method. If the Group's ownership interest is reduced due to its additional subscription of the new shares of the associate, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate is reclassified to profit or loss on the same basis as would be required if the investee had directly disposed of the related assets or liabilities. When the adjustment should be debited to capital surplus, but the capital surplus recognized from investments accounted for using the equity method is insufficient, the shortage is debited to retained earnings.

When the Group's share of losses of an associate equals or exceeds its interest in that associate (which includes any carrying amount of the investment accounted for using the equity method and long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognizing its share of further losses. Additional losses and liabilities are recognized only to the extent that the Group has incurred legal obligations, or constructive obligations, or made payments on behalf of that associate.

The entire carrying amount of an investment (including goodwill) is tested for impairment as a single asset by comparing its recoverable amount with its carrying amount. Any impairment loss recognized is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date on which its investment ceases to be an associate. Any retained investment is measured at fair value at that date, and the fair value is regarded as the investment's fair value at its initial recognition as a financial asset. The difference between the previous carrying amount of the associate attributable to the retained interest and its fair value is included in the determination of the gain or loss on disposal of the associate. The Group accounts for all amounts previously recognized in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities.

When the Group transacts with its associate, profits and losses resulting from the transactions with the associate are recognized in the Group's consolidated financial statements only to the extent that interests in the associate are not related to the Group.

i. Property, plant and equipment

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

Property, plant and equipment in the course of construction are carried at cost less any recognized impairment loss. Cost includes professional fees and borrowing costs eligible for capitalization. Such assets are depreciated and classified to the appropriate categories of property, plant and equipment when completed and ready for their intended use.

Depreciation of property, plant and equipment is recognized using the straight-line method. Each significant part is depreciated separately. The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period, with the effects of any changes in the estimates accounted for on a prospective basis.

On derecognition of an item of property, plant and equipment, the difference between the sales proceeds and the carrying amount of the asset is recognized in profit or loss.

j. Investment properties

Investment properties are properties held to earn rental and/or for capital appreciation. Investment properties include right-of-use assets.

Investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation and accumulated impairment loss.

Investment properties acquired through leases were initially measured at cost, which comprises the initial measurement of lease liabilities. These investment properties are subsequently measured at cost less accumulated depreciation and accumulated impairment loss and adjusted for any remeasurement of the lease liabilities.

Depreciation is recognized using the straight-line method.

For a transfer of classification from investment properties to property, plant and equipment, the deemed cost of the property for subsequent accounting is its carrying amount at the commencement of owner-occupation.

For a transfer of classification from property, plant and equipment and right-of-use assets to investment properties, the deemed cost of an item of property for subsequent accounting is its carrying amount at the end of owner-occupation.

On derecognition of an investment property, the difference between the net disposal proceeds and the carrying amount of the asset is included in profit or loss

k. Goodwill (recognized as intangible assets)

Goodwill arising from the acquisition of a business is carried at cost as established at the date of the acquisition of the business less accumulated impairment loss.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units or groups of cash-generating units (referred to as "cash-generating units") that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually or more frequently when there is an indication that the unit may be impaired by comparing its carrying amount, including the attributed goodwill, with its recoverable amount. However, if the goodwill allocated to a cash-generating unit was acquired in a business combination during the current annual period, that unit shall be tested for impairment before the end of the current annual period. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then pro rata to the other assets of the unit based on the carrying amount of each asset in the unit. Any impairment loss is recognized directly in profit or loss. Any impairment loss recognized for goodwill is not reversed in subsequent periods.

If goodwill has been allocated to a cash-generating unit and the Group disposes of an operation within that unit, the goodwill associated with the operation which is disposed of is included in the carrying amount of the operation when determining the gain or loss.

## l. Intangible assets

### 1) Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment loss. Amortization is recognized on a straight-line basis. The estimated useful lives, residual values, and amortization methods are reviewed at the end of each reporting period, with the effect of any changes in the estimates accounted for on a prospective basis.

### 2) Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognized separately from goodwill are initially recognized at their fair value at the acquisition date. Subsequent to initial recognition, they are measured on the same basis as intangible assets that are acquired separately.

### 3) Derecognition of intangible assets

On derecognition of an intangible asset, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss.

## m. Impairment of property, plant and equipment, investment properties, right-of-use assets and intangible assets other than goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its property, plant and equipment, investment properties, right-of-use assets and intangible assets, excluding goodwill, to determine whether there is any indication that those assets have suffered any impairment loss. If any such indication exists, the recoverable amount of the assets is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount, with the resulting impairment loss recognized in profit or loss.

When an impairment loss is subsequently reversed, the carrying amount of the corresponding asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but only the corresponding of the carrying amount that would have been determined had no impairment loss been recognized for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognized in profit or loss.

## n. Financial instruments

Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issuance of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognized immediately in profit or loss.

## 1) Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

### a) Measurement categories

Financial assets are classified into the following categories: Financial assets at FVTPL, financial assets at amortized cost and investments in debt instruments and equity instruments at FVTOCI.

#### i. Financial assets at FVTPL

Financial assets are classified as at FVTPL when such a financial asset is mandatorily classified or designated as at FVTPL. Financial assets mandatorily classified as at FVTPL include investments in equity instruments which are not designated as at FVTOCI and debt instruments that do not meet the amortized cost criteria or the FVTOCI criteria.

Financial assets at FVTPL are subsequently measured at fair value, and any interest earned on such financial assets are recognized in interest income. Fair value is determined in the manner described in Note 31.

#### ii. Financial assets at amortized cost

Financial assets that meet the following conditions are subsequently measured at amortized cost:

- i) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets at amortized cost, including cash and cash equivalents, trade receivables and other receivables at amortized cost, which equals the gross carrying amount determined using the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of such a financial asset, except for:

- i) Purchased or originated credit impaired financial assets, for which interest income is calculated by applying the credit adjusted effective interest rate to the amortized cost of such financial assets; and
- ii) Financial assets that are not credit impaired on purchase or origination but have subsequently become credit impaired, for which interest income is calculated by applying the effective interest rate to the amortized cost of such financial assets in subsequent reporting periods.

A financial asset is credit impaired when one or more of the following events have occurred:

- i) Significant financial difficulty of the issuer or the borrower;
- ii) Breach of contract, such as a default;



- iii) It is becoming probable that the borrower will enter bankruptcy or undergo a financial reorganization; or
- iv) The disappearance of an active market for that financial asset because of financial difficulties.

Cash equivalents include time deposits with original maturities within 3 months from the date of acquisition, which are highly liquid, readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments.

### iii. Investments in debt instruments at FVTOCI

Debt instruments that meet the following conditions are subsequently measured at FVTOCI:

- i) The debt instrument is held within a business model whose objective is achieved by both the collecting of contractual cash flows and the selling of such financial assets; and
- ii) The contractual terms of the debt instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Investments in debt instruments at FVTOCI are subsequently measured at fair value. Changes in the carrying amounts of these debt instruments relating to changes in foreign currency exchange rates, interest income calculated using the effective interest method and impairment losses or reversals are recognized in profit or loss. Other changes in the carrying amounts of these debt instruments are recognized in other comprehensive income and will be reclassified to profit or loss when the investment is disposed of.

### iv. Investments in equity instruments at FVTOCI

On initial recognition, the Group may make an irrevocable election to designate investments in equity instruments as at FVTOCI. Designation as at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in other equity. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments; instead, it will be transferred to retained earnings.

Dividends on these investments in equity instruments are recognized in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

### b) Impairment of financial assets and contract assets

The Group recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including trade receivables) and investments in debt instruments that are measured at FVTOCI.

The Group always recognizes lifetime expected credit losses (ECLs) for trade receivables. For all other financial instruments, the Group recognizes lifetime ECLs when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on a financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECLs.

Expected credit losses reflect the weighted average of credit losses with the respective risks of default occurring as the weights. Lifetime ECLs represent the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECLs represent the portion of lifetime ECLs that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

For internal credit risk management purposes, the Group determines that the following situations indicate that a financial asset is in default (without taking into account any collateral held by the Group):

- i. Internal or external information show that the debtor is unlikely to pay its creditors.
- ii. When a financial asset is more than 60 days past due unless the Group has reasonable and corroborative information to support a more lagged default criterion.

The impairment loss of all financial assets is recognized in profit or loss by a reduction in their carrying amounts through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognized in other comprehensive income and the carrying amounts of such financial assets are not reduced.

c) Derecognition of financial assets

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

On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. On derecognition of an investment in a debt instrument at FVTOCI, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss which had been recognized in other comprehensive income is recognized in profit or loss. However, on derecognition of an investment in an equity instrument at FVTOCI, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss, and the cumulative gain or loss which had been recognized in other comprehensive income is transferred directly to retained earnings, without recycling through profit or loss.

2) Equity instruments

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments issued by a group entity are recognized at the proceeds received, net of direct issue costs.

The repurchase of the Company's own equity instruments is recognized in and deducted directly from equity. No gain or loss is recognized in profit or loss on the purchase, sale, issuance or cancellation of the Company's own equity instruments.

### 3) Financial liabilities

#### a) Subsequent measurement

Except for financial liabilities at FVTPL, all financial liabilities are measured at amortized cost using the effective interest method.

Financial liabilities are classified as at FVTPL when such financial liabilities are held for trading.

Financial liabilities held for trading are stated at fair value, with any gain or loss arising on remeasurement recognized in profit or loss. Fair value is determined in the manner described in Note 31.

#### b) Derecognition of financial liabilities

The difference between the carrying amount of a financial liability derecognized and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

### 4) Derivative financial instruments

The Group enters into derivative financial instruments, such as foreign exchange forward contracts, to manage its exposure to foreign currency exchange rate and interest rate risks.

Derivatives are initially recognized at fair value at the date in which the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in profit or loss immediately. When the fair value of derivative financial instrument is positive, the derivative is recognized as a financial asset; when the fair value of a derivative financial instrument is negative, the derivative is recognized as a financial liability.

Derivatives embedded in hybrid contracts that contain financial asset hosts that is within the scope of IFRS 9 are not separated; instead, the classification is determined in accordance with the entire hybrid contract. Derivatives embedded in non-derivative host contracts that are not financial assets that is within the scope of IFRS 9 (e.g., financial liabilities) are treated as separate derivatives when they meet the definition of a derivative; their risks and characteristics are not closely related to those of the host contracts; and the host contracts are not measured at FVTPL.

### o. Provisions

Provisions are measured at the best estimate of the discounted cash flows of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

#### 1) Onerous contracts

Provisions for onerous contracts arise where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract. The present obligations arising under onerous contracts are recognized and measured as provisions.

## 2) Warranties

Provisions for the expected cost of warranty obligations to assure that products comply with agreed-upon specifications are recognized on the date of sale of the relevant products at the best estimate by the management of the Company of the expenditures required to settle the Group's obligations.

### p. Revenue recognition

The Group identifies contracts with customers, allocates the transaction price to the performance obligations and recognizes revenue when performance obligations are satisfied.

Revenue from the sale of goods comes from sales of touch modules, touch display and ITO glass-related products. Sales of touch modules, touch display and ITO glass-related products are recognized as revenue when the goods are delivered to the customer's specific location or the goods are shipped because it is the time when the customer has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility for sales to future customers and bears the risks of obsolescence. Trade receivables are recognized concurrently.

The Group does not recognize sales revenue on materials delivered to subcontractors because this delivery does not involve a transfer of control.

### q. Leasing

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

#### 1) The Group as lessor

Leases are classified as finance leases whenever the terms of a lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

When the Group subleases a right-of-use asset, the sublease is classified by reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. However, if the head lease is a short-term lease that the Group, as a lessee, has accounted for applying a recognition exemption, the sublease is classified as an operating lease.

Lease payments (less any lease incentives payable) from operating leases are recognized as income on a straight-line basis over the terms of the relevant leases.

#### 2) The Group as lessee

The Group recognizes right-of-use assets and lease liabilities for all leases at the commencement date of a lease, except for short-term leases and low-value asset leases accounted for applying a recognition exemption where lease payments are recognized as expenses on a straight-line basis over the lease terms.

Right-of-use assets are initially measured at cost, which comprises the initial measurement of lease liabilities. Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are presented on a separate line in the consolidated balance sheets, except for those that meet the definition of investment properties. With respect to the recognition and measurement of right-of-use assets that meet the definition of investment properties, refer to Note 10 for the accounting policies for investment properties.

Right-of-use assets are depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms.

Lease liabilities are initially measured at the present value of the lease payments. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses the lessee's incremental borrowing rate.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in a lease term, the Group remeasures the lease liabilities with a corresponding adjustment to the right-of-use-assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. Lease liabilities are presented on a separate line in the consolidated balance sheets.

The Group negotiates with the lessor for rent concessions as a direct consequence of the Covid-19 to change the lease payments originally due by June 30, 2022, that results in the revised consideration for the lease substantially less than, the consideration for the lease immediately preceding the change. There is no substantive change to other terms and conditions. The Group elects to apply the practical expedient to all of these rent concessions and, therefore, does not assess whether the rent concessions are lease modifications. Instead, the Group recognizes the reduction in lease payment in profit or loss as other income, in the period in which the events or conditions that trigger the concession occur, and makes a corresponding adjustment to the lease liability.

r. Borrowing costs

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

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

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

s. Government grants

Government grants are not recognized until there is reasonable assurance that the Group will comply with the conditions attached to them and that the grants will be received.

Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognized as deferred revenue and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognized in profit or loss in the period in which they become receivable.

t. Employee benefits

1) Short-term employee benefits

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related services.

## 2) Retirement benefits

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered services entitling them to the contributions.

Defined benefit costs (including service cost, net interest and remeasurement) under defined benefit retirement benefit plans are determined using the projected unit credit method. Service cost (including current service cost) and net interest on the net defined benefit liabilities are recognized as an employee benefits expense in the period in which they occur. Remeasurement, comprising actuarial gains and losses and the return on plan assets (excluding interest), is recognized in other comprehensive income in the period in which it occurs. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

The net defined benefit liabilities represent the actual deficit in the Group's defined benefit plans.

## u. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

### 1) Current tax

Income tax payable (refundable) is based on taxable profit (loss) for the year determined according to the applicable tax laws of each tax jurisdiction.

For the subsidiaries incorporated in the territory of the Republic of China, according to the Income Tax Law in the Republic of China, an additional tax on unappropriated earnings is provided for as income tax in the year the shareholders approve to retain earnings.

Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax provision.

### 2) Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences, unused loss carryforwards and unused tax credits for purchases of machinery, equipment and technology and expenditures on research, development and personnel training to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, except where the Group is able to control the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liabilities are settled or the assets are realized, based on tax rates that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3) Current and deferred taxes for the year

Current and deferred taxes are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income, in which case, the current and deferred taxes are also recognized in other comprehensive income. Where current taxes or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

## **5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

In the application of the Group's accounting policies, management is required to make judgments, estimations and assumptions on the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

The Group considers the possible impact of the recent development of the COVID-19 and its economic environment implications when making its critical accounting estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revisions affect only that period or in the period of the revisions and future periods if the revisions affect both current and future periods.

### **Key Sources of Estimation Uncertainty**

a. Impairment test for property, plant and equipment

In the process of evaluating impairment of assets, the management is required to make subjective judgments in determining the independent cash flows, useful lives, expected future revenue and expenses related to specific asset groups while taking into consideration the nature of the industry. Furthermore, any changes in such estimations resulting from changes in economic conditions or the Company's strategy could possibly lead to a material impairment loss in future periods.

For the year ended December 31, 2022 and 2021, the Group recognized an impairment loss on property, plant and equipment in the amount of \$571 thousand and \$309,051 thousand, respectively.

b. Income taxes

As of December 31, 2022 and 2021, no deferred tax asset has been recognized on the tax loss and deductible temporary differences of \$18,453,054 thousand and \$18,609,203 thousand, respectively, due to the unpredictability of future profit streams. The realizability of deferred tax assets mainly depends on whether sufficient future profits or taxable temporary differences will be available. In cases where the actual future profits generated are difference with expected, a material adjustment of deferred tax assets may arise, which would be recognized in profit or loss for the period in which such a adjustment takes place.

The details of unused tax losses as of December 31, 2022 and 2021 are described in Note 25.

c. Write-downs of inventories

The net realizable value of inventory is the estimated selling price in the ordinary course of business less the estimated costs of completion and disposal. The estimation of net realizable value is based on current market conditions and historical experience with product sales of a similar nature. Changes in market conditions may have a material impact on the estimation of the net realizable value.

The carrying amounts of inventories as of December 31, 2022 and 2021 are disclosed in Note 11.

d. Estimated provisions

Provisions are present obligations arising as a result of past events. Based on the past experience, the Group recognized the estimated expenditures for settling such obligations as provisions. The Group has a variety of provisions, including onerous contracts and warranties. The carrying amounts of provisions as of December 31, 2022 and 2021 are disclosed in Note 20.

## 6. CASH AND CASH EQUIVALENTS

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Cash on hand	\$ 485	\$ 757
Checking accounts and demand deposits	6,282,167	6,158,440
Cash equivalents		
Time deposits	<u>18,001,624</u>	<u>14,455,924</u>
	<u>\$ 24,284,276</u>	<u>\$ 20,615,121</u>

Interest rates for deposits in the bank at the end of the year were as follows:

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Deposits	0%-5.05%	0%-4.00%

## 7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
<u>Financial assets at FVTPL - current</u>		
Financial assets mandatorily classified as at FVTPL		
Derivative financial assets (not under hedge accounting)		
Foreign exchange forward contracts (a)	\$ 489,589	\$ 270,637
Foreign private equity warrants (b)	-	2,018
Non-derivative financial assets		
Domestic emerging stocks (c)	166,770	-
Hybrid financial assets		
Foreign listed shares with stock options (b)	-	100,097
Foreign convertible bonds (d)	<u>-</u>	<u>-</u>
	<u>\$ 656,359</u>	<u>\$ 372,752</u>

(Continued)



	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
<u>Financial assets at FVTPL - non-current</u>		
Financial assets mandatorily classified as at FVTPL		
Non-derivative financial assets		
Foreign private fund	\$ 516,139	\$ 518,979
Foreign unlisted shares (e)	215,863	-
Hybrid financial assets		
Foreign convertible bonds (e)	<u>-</u>	<u>66,542</u>
	<u>\$ 732,002</u>	<u>\$ 585,521</u>
<u>Financial liabilities at FVTPL - current</u>		
Financial liabilities held for trading		
Derivative financial liabilities (not under hedge accounting)		
Foreign exchange forward contracts (a)	\$ 614,449	\$ 348,709
Stock option contracts (f)	<u>-</u>	<u>3,061</u>
	<u>\$ 614,449</u>	<u>\$ 351,770</u> (Concluded)

- a. The Group entered into foreign exchange forward contracts to manage exposures to exchange rate fluctuations of foreign currency denominated assets and liabilities. However, those contracts did not meet the criteria of hedge effectiveness and, therefore, were not accounted for using hedge accounting.

At the end of the year, outstanding foreign exchange forward contracts not under hedge accounting were as follows:

	<b>Currency</b>	<b>Maturity Date</b>	<b>Notional Amount (In Thousands)</b>
<u>December 31, 2022</u>			
Sell USD/Buy RMB	USD/RMB	February 2, 2023- September 15, 2023	USD685,000/RMB4,614,679
Sell RMB/Buy USD	RMB/USD	February 15, 2023- September 13, 2023	RMB3,821,750/USD575,000
Sell NTD/Buy USD	NTD/USD	January 5, 2023-January 6, 2023	NTD60,610/USD2,000
<u>December 31, 2021</u>			
Sell USD/Buy RMB	USD/RMB	April 6, 2022-August 19, 2022	USD490,000/RMB3,223,578
Sell RMB/Buy USD	RMB/USD	July 20, 2022-August 17, 2022	RMB2,000,935/USD300,000

- b. The Group invested US\$3,800 thousand to acquire 363,529 public Class A ordinary shares with 90,882 units of options, 100,171 public Class B ordinary shares, and 109,805 units of private equity warrants issued by Hennessy Capital Investment Corp. V (HCIC V) in January 2021. As the aforementioned financial assets include common stock and stock options, the hybrid contracts were mandatorily classified as financial assets at fair value through profit and loss.

The Group disposed of 363,529 public Class A ordinary shares in October and November 2022. Due to the inability to complete the merger and acquisition within the contract validity period, HCIC V was liquidated on December 21, 2022. The liquidation resulted in the invalidation of 100,171 public Class B ordinary shares and 109,805 units of private equity warrants. The Group recognized a loss of \$291 thousand in the fourth quarter of 2022.

- c. The Group participated in the cash capital increase of HD Renewable Energy Co., Ltd. (HD) in the amount of \$164,000 thousand in May 2022, purchased 2,000 thousand shares, and acquired 2.35% of the shares of HD. Based on the business model, the investment was mandatorily classified as financial assets at fair value through profit and loss. In October 2022, the Group disposed of 200 thousand shares and the percentage of shares decreased to 2.12%. In March 2023, the Group participated in the book building of initial public offerings of HD in Taiwan Innovation Board in the amount of 110,000 thousand, purchasing 1,000 thousand shares, and the percentage of shares increased to 2.80%.
- d. The Group invested US\$1,500 thousand in the convertible bonds issued by Light Polymers Holdings (HK) Limited in January 2020. The convertible bonds, which could be converted to preference shares, had an interest rate of 8.5% and a maturity period of 6 months, and the principal and interest are payable at maturity. As the bonds have expired and the Group has not yet withdrawn the principal and interest and no other solutions were negotiated; in the third quarter of 2020, the Group recognized a loss of \$44,235 thousand.
- e. The Group invested NZ\$3,000 thousand and US\$5,000 thousand in the long-term convertible bonds issued by UBCO Holdings Limited (UBCO) in May 2021 and June 2022, respectively. Both convertible bonds, which are classified as financial assets at fair value through profit and loss, have a maturity period of 2 years and could be converted to preference shares with an interest rate of 10% that is compounded monthly. The principal and interest are payable at maturity.

The Group converted all the principal and accrued interests of convertible bonds into preference shares on December 23, 2022. As of December 31, 2022, the Group owns 16.97% (19,348 thousand preference shares) of UBCO. The Group participated in the cash capital increase of UBCO on January 3, 2023. Refer to Note 35 for more information.

- f. The Group entered into stock option contracts to manage exposures to stock price fluctuations of equity instruments at fair value through other comprehensive income by receiving the option premium. However, those contracts did not meet the criteria of hedge effectiveness and therefore, were not accounted for using hedge accounting.

At the end of the year, outstanding stock option contracts not under hedge accounting were as follows (as of December 31, 2022: None):

	<b>Maturity Date</b>	<b>Option Premium (In Thousands)</b>
<u>December 31, 2021</u>		
Sell call option (Note)	January 21, 2022-February 18, 2022	NT\$32,675 (US\$1,175)

Note: During the contract period, the counterparty has the right to request the Group to settle the underlying stock at the execution price.

Gains and losses on financial instruments at fair value through profit or loss for the years ended December 31, 2022 and 2021 were as follows:

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Gain on stock option contracts	\$ 3,062	\$ 191,504
Loss on foreign exchange option contracts	-	(72,442)
(Loss) gain on foreign private funds	(59,092)	179,880
(Loss) gain on foreign exchange forward contracts	(463,465)	336,010
Others	<u>21,422</u>	<u>(9,495)</u>
	<u>\$ (498,073)</u>	<u>\$ 625,457</u>

## 8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
<u>Investments in equity instruments at FVTOCI - current</u>		
Foreign listed ordinary shares		
Canoo Inc.	<u>\$ 266,969</u>	<u>\$ 1,510,287</u>

The Group acquired ordinary shares of Canoo Inc. for strategic purposes. Therefore, the management elected to designate these investments in equity instruments as at FVTOCI.

In December 2020, the Group indirectly invested in Canoo Holding Ltd. by participating in the private placement of Hennessy Capital Acquisition Corp. IV for a total investment amount of US\$100,000 thousand. After the acquisition, Hennessy Capital Acquisition Corp. IV merged with Canoo Holding Ltd. and changed its name to Canoo Inc. In 2021, the Group adjusted its investment portfolio in order to diversify risk, and sold part of its shares. The other equity - unrealized valuation gain on financial assets at fair value through other comprehensive income in the amount of NT\$328,911 thousand was transferred to retained earnings. As of December 31, 2022, the Group owned 2.05% (7,068 thousand shares) of Canoo Inc.'s shares.

## 9. FINANCIAL ASSETS AT AMORTIZED COST

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
<u>Current</u>		
Restricted bank deposits	\$ 1,402,142	\$ 17,769
Time deposits with original maturities of more than 3 months	<u>8,570,025</u>	<u>3,129,349</u>
	<u>\$ 9,972,167</u>	<u>\$ 3,147,118</u>

The interest rates for time deposits with original maturities of more than 3 months as at the end of the year were as follows:

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Term deposits	0.96%-5.66%	0.22%-4.07%

The interest rates for restricted bank deposits as at the end of the year were as follow:

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Restricted bank deposits	0.20%-3.38%	0.30%-1.75%

Restricted bank deposits are mainly in use as guarantees to banks, customs guarantees, guarantees for suppliers for a bill of the bank acceptance, and guarantees for road and bridge tolls.

Refer to Note 33 for information relating to investments in financial assets at amortized cost pledged as security.

## 10. TRADE RECEIVABLES AND OTHER RECEIVABLES

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
<u>Trade receivables (a)</u>		
At amortized cost		
Trade receivables	\$ 7,138,380	\$ 9,244,344
Less: Allowance for impairment loss	<u>(613)</u>	<u>(20,633)</u>
	7,137,767	9,223,711
At FVTOCI	<u>1,295,421</u>	<u>3,181,456</u>
	<u>\$ 8,433,188</u>	<u>\$ 12,405,167</u>
<u>Other receivables (b)</u>		
At amortized cost		
Tax refund receivable	\$ 444,844	\$ 445,687
Interest receivable	625,128	331,501
Others	<u>516,352</u>	<u>530,021</u>
	1,586,324	1,307,209
Less: Allowance for impairment loss	<u>(47,060)</u>	<u>(54,379)</u>
	1,539,264	1,252,830
At FVTOCI	<u>4,590,718</u>	<u>2,273,881</u>
	<u>\$ 6,129,982</u>	<u>\$ 3,526,711</u>

### a. Trade receivables

#### 1) At amortized cost

The average credit period on sales of goods is 45 to 105 days after the end of the month in which sales occur. No interest was charged on trade receivables.

In order to minimize credit risk, the management of the Group has delegated a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate allowance is made for possible irrecoverable amounts. In this regard, the management believes the Group's credit risk was significantly reduced.

The Group measures the loss allowance for trade receivables at an amount equal to lifetime ECLs. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for general economic conditions of the industry in which the debtor operates and an assessment of both the current as well as the forecast direction of economic conditions at the reporting date.

The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g., when the debtor has been placed under liquidation. For trade receivables that have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

The following table details the loss allowance of trade receivables based on the Group's provision matrix:

December 31, 2022

	<b>Not Past Due and Up to 60 Days</b>	<b>61 to 90 Days</b>	<b>91 to 180 Days</b>	<b>Over 180 Days</b>	<b>Total</b>
Gross carrying amount	\$ 8,433,051	\$ 137	\$ -	\$ 613	\$ 8,433,801
Loss allowance (Lifetime ECLs)	-	-	-	(613)	(613)
Amortized cost	<u>\$ 8,433,051</u>	<u>\$ 137</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,433,188</u>

December 31, 2021

	<b>Not Past Due and Up to 60 Days</b>	<b>61 to 90 Days</b>	<b>91 to 180 Days</b>	<b>Over 180 Days</b>	<b>Total</b>
Gross carrying amount	\$ 12,365,307	\$ 40,417	\$ 18,817	\$ 1,259	\$ 12,425,800
Loss allowance (Lifetime ECLs)	-	(8,084)	(11,290)	(1,259)	(20,633)
Amortized cost	<u>\$ 12,365,307</u>	<u>\$ 32,333</u>	<u>\$ 7,527</u>	<u>\$ -</u>	<u>\$ 12,405,167</u>

The movements of the loss allowance of trade receivables were as follows:

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Balance at January 1	\$ 20,633	\$ 2,576
Net remeasurement of loss allowance	(22,300)	18,078
Foreign exchange gains and losses	<u>2,280</u>	<u>(21)</u>
Balance at December 31	<u>\$ 613</u>	<u>\$ 20,633</u>

## 2) At FVTOCI

For some trade receivables, the Group will decide whether to sell these trade receivables to banks without recourse based on its level of working capital. These trade receivables are classified as at FVTOCI because they are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

### b. Other receivables

As of December 31, 2022 and 2021, the Group's other receivables mainly consists of factored but unfunded receivables, tax refund receivables and interest receivables. Apart from tax refund receivables and interest receivables, the aging of the remaining receivables is less than 60 days (based on the invoice date).

#### 1) At amortized cost

The Group assessed an allowance for impairment loss on other receivables by reference to the recoverability of receivables. After evaluating the operations and recoverability of the receivables from debtors, the Group recognized an allowance for impairment loss of 100% against the other receivables.

The movements of the loss allowance of other receivables were as follows:

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Balance at January 1	\$ 54,379	\$ 74,808
Less: Net remeasurement of loss allowance	(215)	(535)
Less: Amounts written off	(11,755)	(18,653)
Foreign exchange gains and losses	<u>4,651</u>	<u>(1,241)</u>
Balance at December 31	<u>\$ 47,060</u>	<u>\$ 54,379</u>

## 2) At FVTOCI

For some other receivables, the Group will decide whether to sell these other receivables to banks without recourse based on its level of working capital. These other receivables are classified as at FVTOCI because they are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

## 11. INVENTORIES

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Finished goods	\$ 4,537,556	\$ 5,061,254
Work in progress	440,854	874,687
Raw materials	<u>4,291,722</u>	<u>4,931,907</u>
	<u>\$ 9,270,132</u>	<u>\$ 10,867,848</u>

The cost of inventories recognized as cost of goods sold for the years ended December 31, 2022 and 2021 was \$93,386,269 thousand and \$99,231,417 thousand, respectively.

The accounts listed below were included in cost of goods sold:

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Recognition of inventory write-downs	\$ 237,591	\$ 70,418
(Reversed) loss of purchase commitments	(5,710)	794
Loss on inventory scraps	<u>23,388</u>	<u>19,350</u>
	<u>\$ 255,269</u>	<u>\$ 90,562</u>

Because of the characteristics of the industry, the product life cycle is short. Therefore, there is an accrued allowance for losses on inventory with aging of over 360 days.

Due to the characteristics of the industry and market fluctuations, certain raw materials are no longer usable. After evaluating the loss of purchase commitments, for the year ended December 31, 2022, the Group reversed a loss on purchase commitments in the amount of \$5,710 thousand. For the year ended December 31, 2021, the Group recognized a loss on purchase commitments in the amount of \$794 thousand. As of December 31, 2022 and 2021, the Group estimated and recognized short-term provisions for purchase commitments (Note 20) in the amounts of \$3,724 thousand and \$13,262 thousand, respectively.

## 12. SUBSIDIARIES

### a. Subsidiaries included in the consolidated financial statements

Investor	Investee	Nature of Activities	Proportion of Ownership (%)		Remark
			2022	2021	
TPK Holding Co., Ltd. ("TPKH")	Improve Idea Investments Ltd. ("Improve")	Holding company	100.00	100.00	
	Optera TPK Holding Pte. Ltd. ("OTH")	Holding company	-	-	10)
	Upper Year Holdings Limited ("UYH")	Holding company	79.49	79.49	10) and 11)
	Ray-Star Universal Solutions Limited ("RUSL")	Holding company	100.00	100.00	
	Amplifi Technologies Inc. (AMPH)	Holding company; research and development, manufacture and sale of resin products	57.69	57.69	18)
Improve TPKA	TPK Asia Pacific Sdn. Bhd. ("TPKA")	Holding company	100.00	100.00	1)
	TPK Touch Solutions Inc. ("TPKT")	Touch related material, modules and electric utility vehicles sales	100.00	100.00	20)
TPKT	DS Energy Technology Co., Ltd. ("DSE")	Solar energy system development and equipments trade, maintenance, installation and management services	50.22	-	17)
UYH	Optera TPK Holding Pte. Ltd. ("OTH")	Holding company	100.00	100.00	4) and 10)
	TPK Touch Solutions (Xiamen) Inc. ("TPKC")	Touch modules research, development, manufacture and sales	-	73.84	4)
	TPK Touch Systems (Xiamen) Inc. ("TPKS")	Touch modules research, development, manufacture and sales	-	100.00	12)
	TPK Universal Solutions Limited ("TPK HK")	Touch modules related product research; holding company and international trade	100.00	100.00	6), 11) and 12)
OTH	TPK America, LLC ("TPKU")	International trade	100.00	100.00	
	TPK Touch Solutions (Xiamen) Inc. ("TPKC")	Touch modules research, development, manufacture and sales	84.11	10.27	4)
RUSL	Upper Year Holdings Limited ("UYH")	Holding company	20.51	20.51	11)
	TPK Universal Solutions Limited ("TPK HK")	Touch modules related product research; holding company and international trade	-	-	11)
TPK HK	TPK Glass Solutions (Xiamen) Inc. ("TPKG")	Touch modules research, development, manufacture and sales	100.00	100.00	8) and 15)
	TPK MasTouch Solutions (Xiamen) Inc. ("MTOH")	Touch modules research, development, manufacture and sales	-	100.00	8)
	TPK Touch Solutions (Pingtan) Inc. ("TPKP")	Touch modules research, development, manufacture and sales	100.00	100.00	
	TPK Material Solutions Inc. ("TPKM")	Electronic materials manufacture	-	100.00	5)
	TPK Advanced Solutions Inc. ("TPKD")	Touch modules research, development, manufacture and sales	52.00	52.00	9)
	TPK Touch Solutions (Xiamen) Inc. ("TPKC")	Touch modules research, development, manufacture and sales	15.89	15.89	4)

(Continued)

Investor	Investee	Nature of Activities	Proportion of Ownership (%)		Remark
			2022	2021	
TPKC	XiaMen Jan Jia Optoelectronics Co., Ltd. ("TPKJ")	Protective film and optical adhesive manufacture and sales	51.00	51.00	
	TPK Material Solutions (Xiamen) Inc. ("TPKMT")	Electronic materials manufacture	100.00	100.00	
	TPK Film Solutions (Xiamen) Inc. ("TPKF")	Touch modules, resin products, protective film and optical adhesive manufacture and sales	43.27	43.27	4)
	TPK Touch Systems (Xiamen) Inc. ("TPKS")	Touch modules research, development, manufacture and sales	100.00	-	12)
	TPK Advanced Solutions Inc. ("TPKD")	Touch modules research, development, manufacture and sales	48.00	48.00	9)
	XiaMen Jan Jia Optoelectronics Co., Ltd. ("TPKJ")	Protective film and optical adhesive manufacture and sales	49.00	49.00	
TPKG	TPK Film Solutions (Xiamen) Inc. ("TPKF")	Touch modules, resin products, protective film and optical adhesive manufacture and sales	56.73	56.73	4)
	TPK Core Asset (Xiamen) Inc. ("TPKCA")	Touch modules manufacture and sales	100.00	100.00	13)
	Trend Technology (Xiamen) Inc. ("TPKQ")	Trade, inspection and testing services	100.00	100.00	
	TPK Auto Tech (Xiamen) Limited (AUTO XM)	Touch modules research, development, manufacture and sales	90.00	100.00	16)
TPKJ	TPK MasTouch Solutions (Xiamen) Inc. ("MTOH")	Touch modules research, development, manufacture and sales	100.00	-	8)
	TPK Multi-Asset (Xiamen) Inc. ("TPKGA")	Electric utility vehicles manufacture	100.00	-	14)
	Jan Jia Trading Company Limited ("TPKJ HK")	International trade	100.00	100.00	
AMPH	Amplifi Tech Hong Kong Co., Limited (AMP HK)	Holding company and international trade	100.00	100.00	19)
AMP HK	Amplifi Channels Hong Kong Co., Limited (AMPCH)	International trade	100.00	-	2)
	Amplifi Tech (Xiamen) Limited (AMP XM)	Resin products research, development, manufacture and sales	100.00	100.00	7)
AUTO XM	TPK Auto Tech Co., Limited (AUTO HK)	International trade	100.00	100.00	16)

(Concluded)

Remark:

- 1) The Company resolved to dissolve and liquidate TPKA in order to simplify its organizational structure. As of March 28, 2023, the process of dissolution and liquidation was not completed.
- 2) To expand product channels, the Company's board of directors resolved that AMPH set up AMPCH in Hong Kong as its subsidiary, which was set up on October 11, 2021 and received a capital investment of US\$10 thousand in January 2022.
- 3) In order to simplify the organizational structure, the process of dissolution and liquidation of TPKF HK was completed on July 22, 2021.
- 4) For organizational restructuring purposes, the Company's board of directors resolved that OTH issue new shares to UYH, and for OTH to acquire 73.84% of the shares of TPKC held by UYH in exchange. The capital increase was completed on November 4, 2023. After the capital increase, the percentage of TPKC's equity held by OTH increased from 10.27% to 84.11%.

The Company's board of directors resolved that TPKC shall issue shares to TPK HK to exchange the shares of TPKF which are held by TPK HK. After the exchange, TPKC will merge with TPKF and become the surviving company. After the merger, the percentages of shares of TPKC held by OTH and TPK HK are 80.11% and 19.89%, respectively. As of March 28, 2023, the process of the capital increase and merger has not been completed.

- 5) In order to simplify the organizational structure, the process of dissolution and liquidation of TPKM was completed on June 27, 2022.
- 6) In order to simplify the organizational structure, TPK HK resolved to deliver the registration of annulment of its branch in Japan. The deregistration was completed on July 5, 2022.



- 7) For operational needs, AMP HK set up AMP XM in Xiamen as its subsidiary, completed the registration and invested US\$500 thousand in February 2021. The Company's board of directors resolved the cash capital increase on AMP XM in the amount of US\$2,000 thousand and invested US\$1,000 thousand in November 2022.
- 8) For organizational restructuring purposes, the Company's board of directors resolved that TPKG issue new shares to TPK HK, and TPKG acquire 100% of the shares of MTOH held by TPK HK in exchange. The capital increase was completed on March 17, 2022. After the capital increase, MTOH became TPKG's subsidiary.
- 9) For organizational restructuring purposes, the Company's board of directors resolved to transfer the equity from TPKC to TPK HK by selling 2.1% of TPKD's equity held by TPKC. The stock transfer transaction was completed on October 15, 2021. After TPK HK bought the equity, the percentage of TPKD's equity held by TPK HK increased from 49.9% to 52%, and the percentage of TPKD's equity held by TPKC decreased from 50.1% to 48%.
- 10) For organizational restructuring purposes, the Company's board of directors resolved that UYH issue new shares to the Company, and UYH acquire 100% of OTH's shares held by the Company in exchange. The capital increase was completed on December 9, 2021. After the capital increase, OTH became UYH's subsidiary.
- 11) For organizational restructuring purposes, the Company's board of directors resolved that UYH issue new shares to RUSL, and UYH acquire 100% of TPK HK's shares held by RUSL in exchange. The capital increase was completed on December 9, 2021. After the capital increase, TPK HK became UYH's subsidiary, and RUSL held 20.51% of the shares of UYH.
- 12) For organizational restructuring purposes, the Company's board of directors resolved that TPK HK issue new shares to UYH, and TPK HK acquire 100% of TPKS's shares held by UYH in exchange. The capital increase was completed on January 4, 2022. After the capital increase, TPKS became TPK HK's subsidiary.
- 13) For operational needs, the Company's board of directors resolved to set up TPKCA by injecting capital of RMB1,000 thousand and transferring the real estate investment from TPKC. The set up was completed on November 16, 2021, while the real estate investment and capital injection were completed on December 30, 2021 and January 10, 2022, respectively.
- 14) For operational needs, the Company's board of directors resolved to set up TPKGA by injecting capital of RMB1,000 thousand and transferring the real estate investment from TPKG. The setup was completed on November 16, 2021, and the capital injection of RMB1,000 thousand was completed on June 2, 2022. However, after considering the future business and operational needs, on August 18, 2022, the Company's board of directors resolved to cancel the real estate investment and invested RMB39,000 thousand in exchange, and the capital amount decreased to RMB40,000 thousand. The Company invested RMB13,000 thousand on December 15, 2022.
- 15) In consideration of the group overall operational planning and transaction process adjustment, TPKG's board of directors resolved to set up a Jimei branch, which was set up on March 16, 2022.
- 16) To meet the needs of customer business and group business operations, the Company's board of directors resolved to set up AUTO HK in Hong Kong as a subsidiary, which was set up on August 3, 2021 and received a capital investment of US\$1,000 thousand in October 2021. The Company will set up a branch in Taiwan in the future. As of March 28, 2023, the registration has not been completed.

The Company's board of directors resolved to set up AUTO XM in China as TPKG's subsidiary. The registration had been completed on September 30, 2021. AUTO XM received a capital investment of RMB7,000 thousand and RMB123,000 thousand in November 2021 and in February to May 2022, respectively. To integrate the automotive application business, the Company sold AUTO HK's equity at book value to AUTO XM on November 19, 2021.

AUTO XM planned to cooperate with TES Touch Embedded Solutions (Xiamen) Co., Ltd. (TES XM) as a strategic investor. Through the experience and technology of TES XM in the system design and assembly, both parties can expand the product lines in the field of automotive electronics, to increase core competitiveness and expand the customer base. Therefore, the Company's board of directors resolved that TPKG sells 10% of the shares of AUTO XM to TES XM, at the same time giving TES XM the right to increase its shareholding in AUTO XM to not more than 49% within two years after the completion of the transaction, based on the same valuation of AUTO XM in this transaction of US\$39,800 thousand. The transaction of equity transfer had been completed on May 23, 2022. Refer to Note 28 for more information.

- 17) Optimistic about the prospects of the green energy industry and the needs of corporate ESG, TPKT's board of directors resolved to participate in the cash capital increase of DSE. TPKT completed the capital increase of \$60,000 thousand in DSE and acquired 50.22% of the equity of DSE on May 11, 2022. Refer to Note 27 for more information.

To develop the solar field and maintenance business, on July 19, 2022 DSE's board of directors resolved to establish Tonglit Solar Technology Co., Ltd. (Tonglit Solar) with 5,890 thousand as a joint venture with Tonglit Green Energy Co., Ltd. (Tonglit Green Energy). The proposed capital amount is \$31,000 thousand. DSE would acquire 19% of the equity of Tonglit Solar. However, Tonglit Green Energy planned to establish Tonglit Solar as a sole proprietorship because of its desire to expand investment. Therefore, the two parties decided not to sign a joint venture agreement in December 2022.

- 18) To increase the flexibility of introducing other investors in the future, AMPH's board of directors resolved to revise the original par value of the stock from US\$0.01 per share to US\$0.1 per share and changed the number of shares authorized by the original articles of association from 5,000 thousand shares to 150,000 thousand shares. The change of the par value of each share was completed on October 14, 2022. The original capital surplus recognized on the issuance of ordinary shares was fully transferred to increase the capital. After the capital increase, the number of issued shares of AMPH increased to 104,000 thousand shares.
- 19) For operational needs, the Company's board of directors resolved to set up a subsidiary in Thailand as AMP HK's subsidiary. The proposed capital amount is THB20,000 thousand. As of March 28, 2023, the registration has not been completed.
- 20) For operational needs, the Company's board of directors resolved to set up Stellar Energy Technology Inc. in Taiwan as TPKT's subsidiary on March 8, 2023. The proposed capital amount is \$1,000 thousand.

No subsidiary has material non-controlling interests in the Group.

### 13. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

#### Material Associates

Name of Associate	Nature of Activities	Principal Place of Business	Proportion of Ownership and Voting Rights	
			December 31 2022	December 31 2021
Unlisted shares				
Cando Corporation (“Cando”)	Touch modules research, development and manufacture	Taiwan	19.78%	19.78%

The Group is able to exercise significant influence over Cando. As such, the investment and the related profit and loss from the investment are accounted for using the equity method.

Cando, a company with unlisted shares which the Group accounts for using the equity method. Due to the fact that Cando’s assets were not sufficient enough to offset its liabilities, Cando declared bankruptcy on July 21, 2016, and the court announced its bankruptcy on January 17, 2018. After an assessment, the Group determined that the future recoverable amount for its investment in Cando was zero. As a result, the impairment loss of \$283,252 thousand was recognized at the end of the calendar year 2015. As of December 31, 2022 and 2021, the carrying amounts of the investment in Cando were zero.

### 14. PROPERTY, PLANT AND EQUIPMENT

	December 31	
	2022	2021
Carrying amount for each category		
Buildings	\$ 11,958,181	\$ 11,846,246
Machinery and equipment	4,310,463	5,442,115
Transportation and others	573,027	630,616
Property in construction	<u>10,140</u>	<u>107,310</u>
	<u>\$ 16,851,811</u>	<u>\$ 18,026,287</u>

	For the Year Ended December 31, 2022				
	Buildings	Machinery and Equipment	Transportation and Others	Property in Construction	Total
Cost					
Balance, beginning of year	\$ 23,777,003	\$ 37,675,391	\$ 5,756,612	\$ 107,310	\$ 67,316,316
Additions	-	-	-	220	220
Acquisitions through business combinations	-	484	49,242	-	49,726
Disposals	(1,113)	(5,729,395)	(136,007)	-	(5,866,515)
Reclassification	243,585	449,060	196,440	(114,476)	774,609
Effects of foreign currency exchange differences	<u>2,246,970</u>	<u>2,557,484</u>	<u>555,866</u>	<u>17,086</u>	<u>5,377,406</u>
Balance, end of year	<u>26,266,445</u>	<u>34,953,024</u>	<u>6,422,153</u>	<u>10,140</u>	<u>67,651,762</u>

(Continued)

For the Year Ended December 31, 2022					
	Buildings	Machinery and Equipment	Transportation and Others	Property in Construction	Total
<u>Accumulated depreciation</u>					
Balance, beginning of year	\$ 9,232,517	\$ 26,592,210	\$ 4,852,254	\$ -	\$ 40,676,981
Depreciation expenses	955,144	2,131,347	280,347	-	3,366,838
Acquisitions through business combinations	-	252	4,334	-	4,586
Disposals	(1,113)	(4,759,991)	(130,317)	-	(4,891,421)
Reclassification	165,225	-	-	-	165,225
Effects of foreign currency exchange differences	962,877	1,792,422	473,866	-	3,229,165
Balance, end of year	<u>11,314,650</u>	<u>25,756,240</u>	<u>5,480,484</u>	<u>-</u>	<u>42,551,374</u>
<u>Accumulated impairment losses</u>					
Balance, beginning of year	2,698,240	5,641,066	273,742	-	8,613,048
Impairment losses	-	-	571	-	571
Disposals	-	(952,786)	(4,588)	-	(957,374)
Reclassification	(163)	-	-	-	(163)
Effects of foreign currency exchange differences	295,537	198,041	98,917	-	592,495
Balance, end of year	<u>2,993,614</u>	<u>4,886,321</u>	<u>368,642</u>	<u>-</u>	<u>8,248,577</u>
Carrying amount, end of year	<u>\$ 11,958,181</u>	<u>\$ 4,310,463</u>	<u>\$ 573,027</u>	<u>\$ 10,140</u>	<u>\$ 16,851,811</u>
For the Year Ended December 31, 2021					
	Buildings	Machinery and Equipment	Transportation and Others	Property in Construction	Total
<u>Cost</u>					
Balance, beginning of year	\$ 24,605,753	\$ 47,757,156	\$ 6,261,435	\$ 153,734	\$ 78,778,078
Additions	-	205	-	20,082	20,287
Disposals	(112,869)	(11,782,711)	(549,919)	-	(12,445,499)
Reclassification	(28,024)	2,918,541	202,149	(62,711)	3,029,955
Effects of foreign currency exchange differences	(687,857)	(1,217,800)	(157,053)	(3,795)	(2,066,505)
Balance, end of year	<u>23,777,003</u>	<u>37,675,391</u>	<u>5,756,612</u>	<u>107,310</u>	<u>67,316,316</u>
<u>Accumulated depreciation</u>					
Balance, beginning of year	8,668,988	33,988,000	5,217,959	-	47,874,947
Depreciation expenses	962,154	2,931,450	297,354	-	4,190,958
Disposals	(108,133)	(9,457,455)	(545,970)	-	(10,111,558)
Reclassification	(38,186)	-	(1,662)	-	(39,848)
Effects of foreign currency exchange differences	(252,306)	(869,785)	(115,427)	-	(1,237,518)
Balance, end of year	<u>9,232,517</u>	<u>26,592,210</u>	<u>4,852,254</u>	<u>-</u>	<u>40,676,981</u>
<u>Accumulated impairment losses</u>					
Balance, beginning of year	2,779,089	8,093,133	33,599	-	10,905,821
Impairment losses	-	37,968	271,083	-	309,051
Disposals	-	(2,152,120)	(20,401)	-	(2,172,521)
Reclassification	(2,819)	-	-	-	(2,819)
Effects of foreign currency exchange differences	(78,030)	(337,915)	(10,539)	-	(426,484)
Balance, end of year	<u>2,698,240</u>	<u>5,641,066</u>	<u>273,742</u>	<u>-</u>	<u>8,613,048</u>
Carrying amount, end of year	<u>\$ 11,846,246</u>	<u>\$ 5,442,115</u>	<u>\$ 630,616</u>	<u>\$ 107,310</u>	<u>\$ 18,026,287</u>

Part of the equipment for manufacturing purposes could no longer be used due to an alteration in the manufacturing process; such equipment was provided with an allowance for impairment loss. The impairment loss shall be reserved subsequently if the idled equipment is used again after the alteration in the manufacturing process.

Because some of the machinery and equipment and lease improvements of the Group no longer have value in use, impairment losses were recognized for the years ended December 31, 2022 and 2021 as follows:

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Operating costs	\$ 389	\$ 309,051
Operating expenses	<u>182</u>	<u>-</u>
	<u>\$ 571</u>	<u>\$ 309,051</u>

The Group's buildings mainly consist of factories and the construction of clean rooms, which are depreciated over an estimated useful life ranging from 1 to 20 years.

Otherwise, the property, plant and equipment listed above are depreciated on a straight-line basis over the estimated useful lives of the assets as follows:

Building	1-20 years
Machinery and equipment	1-13 years
Transportation and others	1-20 years

Property, plant and equipment used by the Group and pledged as collateral for bank borrowings are set out in Note 33.

## 15. LEASE ARRANGEMENTS

### a. Right-of-use assets

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
<u>Carrying amounts</u>		
Land	\$ 896,811	\$ 843,763
Buildings	2,827,335	3,015,569
Machinery	255,364	447,507
Transportation equipment	<u>2,543</u>	<u>6,668</u>
	<u>\$ 3,982,053</u>	<u>\$ 4,313,507</u>
	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Additions to right-of-use assets	<u>\$ 349,290</u>	<u>\$ 1,130,145</u>
Depreciation charge for right-of-use assets		
Land	\$ 23,773	\$ 22,698
Buildings	358,742	427,020
Machinery	232,780	187,807
Transportation equipment	<u>4,125</u>	<u>6,032</u>
	<u>\$ 619,420</u>	<u>\$ 643,557</u>
Income from the subleasing of right-of-use assets (presented in other income)	<u>\$ 2,092</u>	<u>\$ 4,315</u>

The Group has been subleasing its leasehold plant space located in Xiamen to Cambrios Film Solutions (Xiamen) Corporation since June 2020 under operating leases. The Group has been subleasing its leasehold plant space located in Zhongli to Cambrios Film Solutions Corporation Taiwan Branch from 2018 to April 2022 under operating leases. The related right-of-use assets are presented as investment properties (as set out in Note 16). The amounts disclosed above with respect to the right-of-use assets do not include right-of-use assets that meet the definition of investment properties.

b. Lease liabilities

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
<u>Carrying amounts</u>		
Current	<u>\$ 479,411</u>	<u>\$ 463,850</u>
Non-current	<u>\$ 2,822,557</u>	<u>\$ 3,506,668</u>

Range of discount rates for lease liabilities was as follows:

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Buildings	1.1572%-4.8293%	1.9535%-4.8293%
Machinery	0.9103%-3.5829%	0.9103%-3.5829%
Transportation equipment	2.5550%-2.8650%	2.3650%-2.8650%

c. Material lease-in activities and terms

The Group leases certain official vehicles and machinery for operational use and the manufacturing of products with lease terms of 3 years. These arrangements do not contain renewal or purchase options.

The Group leases certain land and buildings for the use of plants and offices with lease terms of 3 to 50 years. The Group does not have bargain purchase options to acquire the leasehold land and buildings at the end of the lease terms.

d. Other lease information

Lease arrangements under operating leases for the leasing out of investment properties are set out in Note 16.

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Expenses relating to short-term leases	<u>\$ 55,199</u>	<u>\$ 17,860</u>
Expenses relating to low-value asset leases	<u>\$ 18</u>	<u>\$ 19</u>
Total cash outflow for leases	<u>\$ (669,390)</u>	<u>\$ (849,265)</u>

The Group's leases of certain official vehicles and buildings qualify as short-term leases. The Group has elected to apply the recognition exemption and thus, did not recognize right-of-use assets and lease liabilities for these leases.

All lease commitments (the Group as a lessee) with lease terms commencing after the balance sheet dates are as follows:

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Lease commitments	\$ <u>6,000</u>	\$ <u>292,726</u>

## 16. INVESTMENT PROPERTIES

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Buildings	\$ 189,651	\$ 187,925
Right-of-use assets	<u>36,633</u>	<u>35,146</u>
	<u>\$ 226,284</u>	<u>\$ 223,071</u>

	<b>Buildings</b>	<b>Right-of-use Assets</b>	<b>Total</b>
<u>Cost</u>			
Balance at January 1, 2022	\$ 301,711	\$ 45,633	\$ 347,344
Disposal	-	(9,154)	(9,154)
Reclassification	(238,137)	-	(238,137)
Effects of foreign currency exchange differences	<u>249,537</u>	<u>3,992</u>	<u>253,529</u>
Balance at December 31, 2022	<u>\$ 313,111</u>	<u>\$ 40,471</u>	<u>\$ 353,582</u>
<u>Accumulated depreciation</u>			
Balance at January 1, 2022	\$ 106,702	\$ 10,487	\$ 117,189
Depreciation expense	91,400	2,209	93,609
Disposal	-	(9,154)	(9,154)
Reclassification	(165,225)	-	(165,225)
Effects of foreign currency exchange differences	<u>82,734</u>	<u>296</u>	<u>83,030</u>
Balance at December 31, 2022	<u>\$ 115,611</u>	<u>\$ 3,838</u>	<u>\$ 119,449</u>
<u>Accumulated impairment</u>			
Balance at January 1, 2022	\$ 7,084	\$ -	\$ 7,084
Reclassification	163	-	163
Effects of foreign currency exchange differences	<u>602</u>	<u>-</u>	<u>602</u>
Balance at December 31, 2022	<u>\$ 7,849</u>	<u>\$ -</u>	<u>\$ 7,849</u>
Carrying amounts at December 31, 2022	<u>\$ 189,651</u>	<u>\$ 36,633</u>	<u>\$ 226,284</u>

(Continued)

	<b>Buildings</b>	<b>Right-of-use Assets</b>	<b>Total</b>
<u>Cost</u>			
Balance at January 1, 2021	\$ 220,652	\$ 104,624	\$ 325,276
Reclassification	88,341	(57,003)	31,338
Effects of foreign currency exchange differences	<u>(7,282)</u>	<u>(1,988)</u>	<u>(9,270)</u>
Balance at December 31, 2021	<u>\$ 301,711</u>	<u>\$ 45,633</u>	<u>\$ 347,344</u>
<u>Accumulated depreciation</u>			
Balance at January 1, 2021	\$ 59,797	\$ 9,092	\$ 68,889
Depreciation expense	10,988	3,953	14,941
Reclassification	38,186	(786)	37,400
Effects of foreign currency exchange differences	<u>(2,269)</u>	<u>(1,772)</u>	<u>(4,041)</u>
Balance at December 31, 2021	<u>\$ 106,702</u>	<u>\$ 10,487</u>	<u>\$ 117,189</u>
<u>Accumulated impairment</u>			
Balance at January 1, 2021	\$ 4,423	\$ -	\$ 4,423
Reclassification	2,819	-	2,819
Effects of foreign currency exchange differences	<u>(158)</u>	<u>-</u>	<u>(158)</u>
Balance at December 31, 2021	<u>\$ 7,084</u>	<u>\$ -</u>	<u>\$ 7,084</u>
Carrying amounts at December 31, 2021	<u>\$ 187,925</u>	<u>\$ 35,146</u>	<u>\$ 223,071</u>

In order to activate the land use rights of TPKP, TPKP signed a land development contract with Land Development Corporation of Pingtan Comprehensive Pilot Zone (“Land Development Corporation”) and Fujian Luheng Construction Engineering Company Limited (“Luheng”) in August 2018. TPKP consigned Luheng to build dormitories which were sold to Luheng and Land Development Corporation upon the construction completion. The land development project is about 3 years. TPKP signed a selling agreement and construction contract for RMB1,255,000 thousand. In December 2021, TPKP signed a supplementary agreement with Land Development Corporation and Emerging Investment Development Co., Ltd of Pingtan Comprehensive Pilot Zone (“Emerging Investment”). Land Development Corporation will transfer the assumed rights and obligations to Emerging Investment. The construction of the premises has been completed, and the real estate certificate has been obtained. TPKP and Emerging Investment have started the acceptance and transfer procedures of the premises. As of December 31, 2022, TPKP received an amount of RMB769,856 thousand and paid Luheng an amount of RMB920,548 thousand for construction costs. The received payment was classified as other receivables. The land use rights met the definition of the right-of-use assets of investment properties, which were presented as investment properties.

Right-of-use assets included in investment properties are units of plant space in Xiamen and Zhongli and are subleased under operating leases to Cambrios Film Solutions (Xiamen) Corporation and Cambrios Film Solutions Corporation Taiwan Branch.

The investment properties were leased out for 4 months to 10 years, with an option to extend for an additional 3 months to 1 year. The lease contracts contain market review clauses in the event that the lessees exercise their options to extend. The lessees do not have bargain purchase options to acquire the investment properties at the expiry of the lease periods.



The maturity analysis of lease payments receivable under operating leases of investment properties as of December 31, 2022 and 2021 was as follows:

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Year 1	\$ 11,019	\$ 15,243
Year 2	9,401	9,226
Year 3	9,032	9,252
Year 4	8,751	8,889
Year 5	8,579	8,612
Year 6 onwards	<u>17,490</u>	<u>25,657</u>
	<u>\$ 64,272</u>	<u>\$ 76,879</u>

Investment properties are depreciated using the straight-line method over their estimated useful lives as follows:

Buildings	10-20 years
Right-of-use assets	17-50 years

Management was unable to reliably measure the fair value of investment property located at Xiamen, the market is inactive and alternative reliable measurements of fair value are not available; therefore, the Group determined that the fair value of the investment property is not reliably measurable.

Lease commitments (the Group as a lessor) with lease terms commencing after the balance sheet dates are as follows (as of December 31, 2022: None):

	<b>December 31, 2022</b>
Lease commitments of investment properties	<u>\$ 156,293</u>

## 17. INTANGIBLE ASSETS

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Goodwill	\$ 8,088	\$ 7,290
Computer software	39,640	40,570
Patents	11,795	18,075
Customer Relationship	<u>44,152</u>	<u>-</u>
	<u>\$ 103,675</u>	<u>\$ 65,935</u>

For the Year Ended December 31, 2022							
	Goodwill	Technical Know-how	Computer Software	Patents	Customer Relationship	Others	Total
<u>Cost</u>							
Balance at January 1, 2022	\$ 611,976	\$ 13,853	\$ 373,338	\$ 40,973	\$ -	\$ 11,807	\$ 1,051,947
Additions	-	-	18,584	-	-	-	18,584
Acquisitions through business combinations	-	-	1,869	-	43,895	-	45,764
Disposals	-	(15,232)	(3,482)	(540)	-	(12,223)	(31,477)
Effects of foreign currency exchange differences	64,958	1,379	21,145	4,357	1,780	1,106	94,725
Balance at December 31, 2022	676,934	-	411,454	44,790	45,675	690	1,179,543
<u>Accumulated amortization</u>							
Balance at January 1, 2022	-	13,853	324,130	22,890	-	11,806	372,679
Amortization expenses	-	-	22,255	7,733	1,507	-	31,495
Acquisitions through business combinations	-	-	1,535	-	-	-	1,535
Disposals	-	(15,232)	(3,460)	(362)	-	(12,223)	(31,277)
Effects of foreign currency exchange differences	-	1,379	17,950	2,726	16	1,106	23,177
Balance at December 31, 2022	-	-	362,410	32,987	1,523	689	397,609
<u>Accumulated impairment losses</u>							
Balance at January 1, 2022	604,686	-	8,638	8	-	1	613,333
Disposals	-	-	(22)	-	-	-	(22)
Effects of foreign currency exchange differences	64,160	-	788	-	-	-	64,948
Balance at December 31, 2022	668,846	-	9,404	8	-	1	678,259
Carrying amounts at December 31, 2022	\$ 8,088	\$ -	\$ 39,640	\$ 11,795	\$ 44,152	\$ -	\$ 103,675
For the Year Ended December 31, 2021							
	Goodwill	Technical Know-how	Computer Software	Patents	Others		Total
<u>Cost</u>							
Balance at January 1, 2021	\$ 629,127	\$ 14,234	\$ 364,560	\$ 42,145	\$ 22,018		\$ 1,072,084
Additions	-	-	21,470	-	-		21,470
Disposals	-	-	(12,606)	(22)	(4,484)		(17,112)
Reclassification	-	-	5,229	-	(5,229)		-
Effects of foreign currency exchange differences	(17,151)	(381)	(5,315)	(1,150)	(498)		(24,495)
Balance at December 31, 2021	611,976	13,853	373,338	40,973	11,807		1,051,947
<u>Accumulated amortization</u>							
Balance at January 1, 2021	-	14,234	324,292	16,127	16,703		371,356
Amortization expenses	-	-	16,666	7,315	224		24,205
Disposals	-	-	(12,314)	(22)	(4,484)		(16,820)
Effects of foreign currency exchange differences	-	(381)	(4,514)	(530)	(637)		(6,062)
Balance at December 31, 2021	-	13,853	324,130	22,890	11,806		372,679
<u>Accumulated impairment losses</u>							
Balance at January 1, 2021	621,408	-	9,143	8	1		630,560
Impairment losses	216	-	-	-	-		216
Disposals	-	-	(292)	-	-		(292)
Effects of foreign currency exchange differences	(16,938)	-	(213)	-	-		(17,151)
Balance at December 31, 2021	604,686	-	8,638	8	1		613,333
Carrying amounts at December 31, 2021	\$ 7,290	\$ -	\$ 40,570	\$ 18,075	\$ -		\$ 65,935

The intangible assets listed above are amortized on a straight-line basis over their estimated useful lives as follows:

Technical know-how	4 years
Computer software	1-6 years
Patents	5-19 years
Customer relationship	20 years
Other intangible assets	3-5 years

## 18. BORROWINGS

### a. Short-term borrowings

	December 31	
	2022	2021
<u>Discounted bill borrowings</u>		
Banker's acceptance bill-discounted loans	\$ 2,556,994	\$ -
<u>Unsecured borrowings</u>		
Bank loans	<u>4,880,082</u>	<u>2,799,213</u>
	<u>\$ 7,437,076</u>	<u>\$ 2,799,213</u>

The bill issued by the subsidiary was provided to another subsidiary in the Group as an acceptance for the discounted loan. However, when the consolidated financial statements were prepared, the relevant bills had been fully written off. As of December 31, 2022, the number of bills issued was 2,556,994 thousand. The interest rate of bill-discounted loans was 1.3000%-2.4500% per annum on December 31, 2022.

As of December 31, 2022 and 2021, the range of weighted average effective interest rates on bank loans was 1.8400%-4.7200% and 0.6211%-2.9000% per annum, respectively.

### b. Long-term borrowings

	December 31	
	2022	2021
<u>Secured borrowings (Note 33)</u>		
Bank loans	\$ 38,126	\$ -
<u>Unsecured borrowings</u>		
Bank loans	<u>16,842,711</u>	<u>13,861,483</u>
	<u>16,880,837</u>	<u>13,861,483</u>
Less: Current portion (due in one year)	<u>(4,911,779)</u>	<u>(3,685,098)</u>
Long-term borrowings	<u>\$ 11,969,058</u>	<u>\$ 10,176,385</u>

As of December 31, 2022 and 2021, the Group's repayment of the loans will be in the next 4 years and 5 years, respectively; the range of weighted average effective interest rates of bank borrowings were 1.4500%-6.6800% and 1.1518%-4.0375% per annum.

For repayment of maturing syndicated borrowings and replenishment of medium- and long-term working capital, the Company's board of directors resolved to apply for a joint credit line on March 11, 2021. The Company signed a 3-year syndicated loan which amounted to US\$100,000 thousand with 8 financial institutions including Taipei Fubon Commercial Bank in May 2021, and the loan was fully utilized in June 2021. Additionally, the Company promised the lender the condition of maintaining these financial ratios for the existence of the loan agreement. As of December 31, 2022, the Company has not violated the above financial ratio requirements.

## 19. OTHER LIABILITIES

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Other payables		
Payables for purchase of equipment	<u>\$ 486,636</u>	<u>\$ 778,734</u>
Other payables - others		
Payable for salaries and bonuses	\$ 1,003,846	\$ 1,146,200
Payable for unused paid leaves	197,552	153,160
Payable for repairs	145,678	155,468
Others	<u>1,469,288</u>	<u>1,045,893</u>
	<u>\$ 2,816,364</u>	<u>\$ 2,500,721</u>

## 20. PROVISIONS

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
<u>Current</u>		
Warranties (a)	\$ 1,802,227	\$ 1,555,403
Onerous contracts (b)	<u>3,724</u>	<u>13,262</u>
	<u>\$ 1,805,951</u>	<u>\$ 1,568,665</u>
	<b>Warranties</b>	<b>Onerous Contracts</b>
		<b>Total</b>
Balance at January 1, 2022	\$ 1,555,403	\$ 13,262
Additions (reversal)	384,618	(5,710)
Usage	(313,691)	(5,032)
Effect of foreign currency exchange differences	<u>175,897</u>	<u>1,204</u>
Balance at December 31, 2022	<u>\$ 1,802,227</u>	<u>\$ 3,724</u>
Balance at January 1, 2021	\$ 1,915,276	\$ 14,709
Additions	71,422	794
Usage	(377,848)	(1,893)
Effect of foreign currency exchange differences	<u>(53,447)</u>	<u>(348)</u>
Balance at December 31, 2021	<u>\$ 1,555,403</u>	<u>\$ 13,262</u>

- a. The provision for warranty claims represents the present value of management's best estimate of the future outflow of economic benefits that will be required under the Group's obligations for warranties under local sale of goods legislation. The estimate had been made on the basis of historical warranty trends and may vary as a result of new materials, altered manufacturing processes or other events affecting product quality.
- b. The provision for onerous contracts represents the loss that the Group was presently obligated to make under non-cancellable onerous purchase contracts where the purchased materials and supplies cannot be used for other products. The estimate may vary as a result of changes in future products.

## 21. RETIREMENT BENEFIT PLANS

- a. Defined contribution plans

TPKT, TPK HK Taiwan Branch, AMPH Taiwan Branch and DSE adopted a pension plan under the Labor Pension Act (LPA), which is a state-managed defined contribution plan. Under the LPA, an entity makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages.

The employees of the Company's subsidiaries in China are members of retirement benefit plans operated by their respective governments. The subsidiaries are required to contribute a specified percentage of payroll costs to the retirement benefit schemes to fund the benefits. The only obligation of the Company with respect to the retirement benefit plans is to make the specified contributions.

The Company's subsidiaries in the USA are required to contribute to the retirement benefit schemes according to the respective policies.

- b. Defined benefit plans

The defined benefit plans adopted by TPKT and TPK HK Taiwan Branch, in accordance with the Labor Standards Act, are operated by the Government of the ROC. Pension benefits are calculated on the basis of the length of service and average monthly salaries of the 6 months before retirement. The subsidiary contributes amounts equal to 2% of total monthly salaries and wages to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee's name. Before the end of each year, the Group assesses the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Group is required to fund the difference in one appropriation that should be made before the end of March of the next year. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor (the "Bureau"); the Group has no right to influence the investment policy and strategy.

The amounts included in the consolidated balance sheets in respect of the Group's defined benefit plans were as follows:

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Present value of defined benefit obligation	\$ 16,120	\$ 17,024
Fair value of plan assets	<u>(14,773)</u>	<u>(13,243)</u>
Net defined benefit liability	<u>\$ 1,347</u>	<u>\$ 3,781</u>

Movements in the net defined benefit liabilities were as follows:

	<b>Present Value of the Defined Benefit Obligation</b>	<b>Fair Value of the Plan Assets</b>	<b>Net Defined Benefit Liability</b>
Balance at January 1, 2021	<u>\$ 17,784</u>	<u>\$ (12,600)</u>	<u>\$ 5,184</u>
Service cost			
Net interest expense (income)	<u>134</u>	<u>(96)</u>	<u>38</u>
Recognized in profit or loss	<u>134</u>	<u>(96)</u>	<u>38</u>
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(125)	(125)
Actuarial gain - experience adjustments	<u>(894)</u>	<u>-</u>	<u>(894)</u>
Recognized in other comprehensive income	<u>(894)</u>	<u>(125)</u>	<u>(1,019)</u>
Contributions from the employer	<u>-</u>	<u>(422)</u>	<u>(422)</u>
Balance at December 31, 2021	<u>17,024</u>	<u>(13,243)</u>	<u>3,781</u>
Service cost			
Net interest expense (income)	<u>103</u>	<u>(81)</u>	<u>22</u>
Recognized in profit or loss	<u>103</u>	<u>(81)</u>	<u>22</u>
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(1,024)	(1,024)
Actuarial gain - experience adjustments	<u>(1,007)</u>	<u>-</u>	<u>(1,007)</u>
Recognized in other comprehensive income	<u>(1,007)</u>	<u>(1,024)</u>	<u>(2,031)</u>
Contributions from the employer	<u>-</u>	<u>(425)</u>	<u>425</u>
Balance at December 31, 2022	<u>\$ 16,120</u>	<u>\$ (14,773)</u>	<u>\$ 1,347</u>

Through the defined benefit plans under the Labor Standards Act, the Group is exposed to the following risks:

- 1) Investment risk: The plan assets are invested in both domestic and foreign equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets should not be below the interest rate for a 2-year time deposit with local banks.
- 2) Interest risk: A decrease in the government bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plan's debt investments.
- 3) Salary risk: The present value of the defined benefit obligation is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the present value of the defined benefit obligation.

The actuarial valuations of the present value of the defined benefit obligation were carried out by qualified actuaries. The significant assumptions used for the purposes of the actuarial valuations were as follows:

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Discount rate	1.25%	0.60%
Expected rate of salary increase	3.00%	3.00%

If possible reasonable change in each of the significant actuarial assumptions occurs and all other assumptions remain constant, the present value of the defined benefit obligation will increase (decrease) as follows:

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Discount rate		
0.25% increase	\$ (359)	\$ (425)
0.25% decrease	\$ 371	\$ 442
Expected rate of salary increase/decrease		
1% increase	\$ 1,533	\$ 1,814
1% decrease	\$ (1,363)	\$ (1,597)

The sensitivity analysis presented above may not be representative of the actual changes in the present value of the defined benefit obligation as it is unlikely that changes in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Expected contributions to the plan for the next year	\$ 425	\$ 421
Average duration of the defined benefit obligation	12 years	13 years

## 22. EQUITY

### a. Share capital

#### 1) Ordinary shares

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Number of shares authorized (in thousands)	600,000	600,000
Shares authorized	\$ 6,000,000	\$ 6,000,000
Number of shares issued and fully paid (in thousands)	406,664	406,664
Shares issued	\$ 4,066,638	\$ 4,066,638

Each holder of fully paid ordinary shares with a face value of \$10 has the right to dividends and to vote.

#### 2) Global depositary receipts

The issuance of the GDRs was completed on October 1, 2012, April 8, 2015, and September 8, 2017, respectively. The GDRs were traded and listed on the Luxembourg Stock Exchange where 17,600 thousand, 20,000 thousand and 59,820 thousand (with 180 thousand units of ordinary shares reserved for employee subscription) units of GDRs. Every units represents one share.

As of December 31, 2021, a total of 2 thousand units of GDRs corresponding to 2 thousand ordinary shares were outstanding.

In order to reduce management costs, the Company's board of directors resolved to terminate the issuance of GDR and delisted from the Luxembourg Stock Exchange on November 4, 2022. The termination procedure was completed on December 13, 2022.

b. Capital surplus

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
May be used to offset a deficit, distributed as <u>cash dividends, or transferred to share capital (1)</u>		
Recognized on issuance of ordinary shares	\$ 26,017,902	\$ 26,017,902
Recognized on redemption of convertible bonds	2,089,848	2,089,848
Treasury share transactions	54,820	54,820
The difference between consideration received or paid and the carrying amount of the subsidiaries net assets during actual disposal or acquisition	<u>3,075</u>	<u>-</u>
	28,165,645	28,162,570
<u>May only be used to offset a deficit</u>		
Changes in ownership interests in subsidiaries (2)	2,656	2,656
<u>May not be used for any purpose</u>		
Share options	<u>62,824</u>	<u>-</u>
	<u>\$ 28,231,125</u>	<u>\$ 28,165,226</u>

- 1) Such capital surplus may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Company capital surplus and to once a year).
- 2) Such capital surplus arises from the effects of changes in ownership interests in subsidiaries resulting from equity transactions other than actual disposals or acquisitions.

c. Retained earnings and dividend policy

Under the Company's Articles of Incorporation (the "Articles"), the Company may distribute its profits in accordance with the proposals made by the Company's board of directors for a distribution plan and approved in the annual shareholders' meeting. While distributing any profit, the profit shall be first utilized for offsetting losses of previous years, and 10% of the remaining profit shall be set aside as a legal reserve until the accumulated legal reserve equals the Company's paid-in capital. Secondly, the Company shall appropriate the remaining profit to a special reserve in accordance with the Applicable Public Company Rules or as requested by the competent authorities. Any remaining profit together with any undistributed retained earnings may be distributed as dividends (including cash dividends and share dividends) or bonuses under the Company Law of the Cayman Islands and Applicable Public Company Rules after taking into consideration the financial, business and operational factors. The total amount to be distributed as dividends shall be no less than 10 % of the remaining profit, where the total amount of the distributed cash dividends shall be greater than 10 % of the total dividends. However, if dividends per share is less than NT\$1 in any given year, the aforementioned 10% threshold shall not apply. The Company may decide to distribute cash dividends or share dividends in whole or in part at its sole discretion. If the Company's distribute earnings for the current year are less than 10% of the paid-in capital of the Company at the end of the fiscal year, the Company may decide not to pay any dividend (including cash dividends or stock dividends) for the current year. Refer to Note 24(f) for more



information related to the Articles of association for distribution policy of employees' compensation and remuneration of directors.

The appropriations of earnings for 2021 and 2020, which were approved in the shareholders' meetings on June 23, 2022 and July 8, 2021, respectively, were as follows:

	<b>2021</b>		<b>2020</b>	
	<b>(In Thousands of U.S. Dollars)</b>	<b>(In Thousands of N.T. Dollars)</b>	<b>(In Thousands of U.S. Dollars)</b>	<b>(In Thousands of N.T. Dollars)</b>
Legal reserve	<u>\$ 3,792</u>	<u>\$ 112,976</u>	<u>\$ 3,481</u>	<u>\$ 97,405</u>
Special reserve	<u>\$ 6,365</u>	<u>\$ 189,610</u>	<u>\$ -</u>	<u>\$ -</u>
Cash dividends	<u>\$ 20,477</u>	<u>\$ 609,996</u>	<u>\$ 14,531</u>	<u>\$ 406,664</u>
Cash dividends per share		\$ 1.5		\$ 1

The appropriations of earnings for 2021 and 2020 in U.S. dollars were translated into N.T. dollars based on the average closing rates of US\$1 to NT\$29.790 and US\$1 to NT\$27.985, respectively, for buying and selling published by the Bank of Taiwan prior to the date of the annual shareholders' meeting

The appropriation of earnings for 2022, which were proposed by the Company's board of directors on March 8, 2023, were as follows:

	<b>Appropriation of Earnings</b>		<b>Cash Dividends</b>
	<b>(In Thousands of U.S. Dollars)</b>	<b>(In Thousands of N.T. Dollars)</b>	<b>Per Share (NT\$)</b>
Legal reserve	<u>\$ 1,911</u>	<u>\$ 57,395</u>	
Special reserve	<u>\$ 67,358</u>	<u>\$ 2,023,101</u>	
Cash dividends	<u>\$ 6,770</u>	<u>\$ 203,332</u>	\$ 0.5

The appropriation of earnings for 2022 in U.S. dollars was translated into N.T. dollars based on the average closing rates for buying and selling of US\$1 to NT\$30.035 published by the Bank of Taiwan on January 31, 2023. The accurate appropriation of a cash dividend in U.S. dollars was translated into N.T. dollars based on the average closing rates for buying and selling published by the Bank of Taiwan prior to the date of the annual shareholders' meeting. The appropriation of earnings for 2022 will be resolved by the shareholders in their meeting to be held on June 6, 2023.

d. Other equity items

Exchange differences on translation of financial statements of foreign operations

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Balance at January 1	\$ (1,131,483)	\$ (226,291)
Recognized for the year		
Exchange differences on translating the financial statements of foreign operations	(622,582)	114,737
Exchange differences on translating to presentation currency	<u>3,772,259</u>	<u>(1,019,929)</u>
Balance at December 31	<u>\$ 2,018,194</u>	<u>\$ (1,131,483)</u>

Unrealized valuation gain (loss) on financial assets at FVTOCI

	<b><u>For the Year Ended December 31</u></b>	
	<b>2022</b>	<b>2021</b>
Balance at January 1	\$ (448,419)	\$ 1,083,190
Recognized for the year		
Unrealized loss - equity instruments	(1,334,291)	(1,202,698)
Accumulated gain from disposal of equity instruments transferred to retained earnings	<u>-</u>	<u>(328,911)</u>
Balance at December 31	<u>\$ (1,782,710)</u>	<u>\$ (448,419)</u>

e. Non-controlling interests

	<b><u>For the Year Ended December 31</u></b>	
	<b>2022</b>	<b>2021</b>
Balance at January 1	\$ 150,786	\$ 125,650
Share in profit for the year	37,958	28,841
Other comprehensive income during the year		
Exchange differences on translating the financial statements of foreign operations	(3,638)	23
Exchange differences on translating to presentation currency	23,738	(3,728)
Non-controlling interests arising from acquisition of DSE	59,472	-
Partial disposal of AUTO XM	<u>51,551</u>	<u>-</u>
Balance at December 31	<u>\$ 319,867</u>	<u>\$ 150,786</u>

**23. REVENUE**

	<b><u>For the Year Ended December 31</u></b>	
	<b>2022</b>	<b>2021</b>
Revenue from the related sale of touch modules	\$ 88,362,030	\$ 94,243,721
Others	<u>8,818,939</u>	<u>8,845,024</u>
	<u>\$ 97,180,969</u>	<u>\$ 103,088,745</u>

The Group's revenue from the sale of touch modules, touch display and ITO glass-related products. Refer to Note 38 for the details of revenue.

Refer to Note 10 for the accounts receivable arising from the sale of goods.

## 24. NET PROFIT FROM CONTINUING OPERATIONS

Net profit from continuing operations:

a. Interest income

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Bank deposits	\$ 789,975	\$ 595,832
Others	<u>25,369</u>	<u>18,537</u>
	<u>\$ 815,344</u>	<u>\$ 614,369</u>

b. Other income

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Rental income		
Rental income from operating lease		
Investment properties (see Notes 15,16 and 32)	\$ 152,855	\$ 28,388
Others	<u>16,431</u>	<u>15,797</u>
	169,286	44,185
Others	<u>247,490</u>	<u>148,102</u>
	<u>\$ 416,776</u>	<u>\$ 192,287</u>

c. Finance costs

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Interest on bank loans	\$ 711,244	\$ 473,154
Interest on lease liabilities	<u>148,954</u>	<u>167,184</u>
Total interest expense for financial liabilities measured at amortized cost	<u>\$ 860,198</u>	<u>\$ 640,338</u>

d. Depreciation and amortization

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Property, plant and equipment	\$ 3,366,838	\$ 4,190,958
Right-of-use assets	619,420	643,557
Investment properties	93,609	14,941
Intangible assets	<u>31,495</u>	<u>24,205</u>
	<u>\$ 4,111,362</u>	<u>\$ 4,873,661</u>

(Continued)

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
An analysis of depreciation by function		
Operating costs	\$ 3,514,767	\$ 4,407,321
Operating expenses	471,491	427,194
Non-operating expenses	<u>93,609</u>	<u>14,941</u>
	<u>\$ 4,079,867</u>	<u>\$ 4,849,456</u>
An analysis of amortization by function		
Operating costs	\$ 10,601	\$ 7,977
Operating expenses	<u>20,894</u>	<u>16,228</u>
	<u>\$ 31,495</u>	<u>\$ 24,205</u>

(Concluded)

e. Employee benefits expense

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Post-employment benefits (see Note 21)		
Defined contribution plans	\$ 370,630	\$ 269,605
Defined benefit plans	<u>22</u>	<u>38</u>
	370,652	269,643
Other employee benefits	<u>8,109,206</u>	<u>8,382,584</u>
Total employee benefits expense	<u>\$ 8,479,858</u>	<u>\$ 8,652,227</u>
An analysis of employee benefits expense by function		
Operating costs	\$ 6,374,061	\$ 6,624,566
Operating expenses	<u>2,105,797</u>	<u>2,027,661</u>
	<u>\$ 8,479,858</u>	<u>\$ 8,652,227</u>

f. Employees' compensation and remuneration of directors

In accordance with the annual shareholders' meeting resolved to the amendment in the Articles on June 23, 2022, the Company accrued employees' compensation at rates of no less than 0.1% and remuneration of directors at rates of no higher than 2%, respectively, of net profit before income tax, employees' compensation, and remuneration of directors. If the Company has losses of previous years, net profit before income tax should be retained for offsetting the amount of those losses.

Before the amendment in the Articles, the Company accrued employees' compensation at rates of no less than 0.1% and remuneration of directors at rates of no higher than 1%, respectively, of net profit before income tax, employees' compensation, and remuneration of directors.

The employees' compensation and the remuneration of directors for the years ended December 31, 2022 and 2021, which were approved by the Company's board of directors on March 8, 2023 and March 17, 2022, respectively, were as follows:

Accrual rate

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Employees' compensation	1.02%	1.00%
Remuneration of directors	1.47%	0.93%

Amount

	<b>For the Year Ended December 31</b>			
	<b>2022</b>		<b>2021</b>	
	<b>In Thousands of U.S. Dollars</b>	<b>In Thousands of N.T. Dollars</b>	<b>In Thousands of U.S. Dollars</b>	<b>In Thousands of N.T. Dollars</b>
Employees' compensation	\$ 200	\$ 5,696	\$ 388	\$ 10,940
Remuneration of directors	288	8,462	360	10,147

If there is a change in the amounts after the annual consolidated financial statements are authorized for issue, the differences are recorded as a change in the accounting estimate.

There was no difference between the actual amounts of employees' compensation and the amounts recognized in the consolidated financial statements for the years ended December 31, 2021 and 2020.

Information on the employees' compensation and remuneration of directors resolved by the Company's board of directors is available at the Market Observation Post System website of the Taiwan Stock Exchange.

## 25. INCOME TAX RELATED TO CONTINUING OPERATIONS

a. Income tax recognized in profit or loss

Major components of tax expense were as follows:

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Current tax		
In respect of the current year	\$ 503,373	\$ 178,252
Adjustments for prior years	7,436	(116,711)
	<u>510,809</u>	<u>61,541</u>
Deferred tax		
In respect of the current year	32,385	416,982
Adjustments for prior years	126,093	(96,917)
Translation adjustments	8,880	(3,921)
	<u>167,358</u>	<u>316,144</u>
Income tax expense recognized in profit or loss	<u>\$ 678,167</u>	<u>\$ 377,685</u>

A reconciliation of accounting profit and income tax expense was as follows:

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Profit before tax from continuing operations	<u>\$ 1,259,863</u>	<u>\$ 1,475,132</u>
Income tax expense calculated at the statutory rate	\$ 138,212	\$ 306,014
Permanent differences	227,219	130,028
Deferred tax effect of earnings of subsidiaries	(130,065)	(363,133)
Unrecognized deductible temporary differences	(32,617)	(140,083)
Unrecognized loss carryforwards	332,989	660,140
Exchange differences on translating to presentation currency	8,880	(3,921)
Adjustments for prior years' tax	133,529	(213,628)
Others	<u>20</u>	<u>2,268</u>
Income tax expense recognized in profit or loss	<u>\$ 678,167</u>	<u>\$ 377,685</u>

The applicable tax rates used by subsidiaries to calculate deferred tax were as follows:

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
TPKT, TPK HK (Taiwan Branch), AMPH (Taiwan Branch), DSE	20%	20%
TPKC, TPKS, TPKJ, TPKG, TPKF, TPKP, TPKD, MTOH, TPKM, TPKMT, AMP XM, AUTO XM, TPKQ, TPKCA and TPKGA	15%-25%	15%-25%
TPK HK, TPKJ HK, AMP HK, AMPCH and AUTO HK	16.5%	16.5%
TPKA	12.5%	12.5%
OTH and UYH	10%; 30%	10%; 30%
TPKU	35.84%	35.84%

b. Current tax assets and liabilities

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Current tax assets		
Tax refund receivable	<u>\$ 4,444</u>	<u>\$ 37,037</u>
Current tax liabilities		
Income tax payable	<u>\$ 334,157</u>	<u>\$ 67,750</u>

c. Deferred tax assets and liabilities

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Deferred tax assets		
Loss carryforwards	\$ 10,819	\$ 131,502
Unrealized warranty expenses	391,212	342,156
Unrealized losses on inventories	142,565	92,247
Unrealized impairment losses	206,795	289,860
Others	<u>280,824</u>	<u>384,759</u>
	<u>\$ 1,032,215</u>	<u>\$ 1,240,524</u>
Deferred tax liabilities		
Unappropriated earnings of subsidiaries	\$ 2,451,483	\$ 2,331,045
Unrealized foreign exchange gains	-	2,658
Others	<u>38,704</u>	<u>71,161</u>
	<u>\$ 2,490,187</u>	<u>\$ 2,404,864</u>

d. Deductible temporary differences and unused loss carryforwards for which no deferred tax assets have been recognized in the consolidated balance sheets

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Loss carryforwards		
Expire in 5 years	\$ 14,831,323	\$ 15,093,813
Expire in 6-10 years	856,830	928,801
More than 10 years	<u>31,040</u>	<u>29,047</u>
	<u>\$ 15,719,193</u>	<u>\$ 16,051,661</u>
Deductible temporary differences		
Unrealized impairment losses	\$ 2,308,924	\$ 2,313,778
Others	<u>424,937</u>	<u>243,764</u>
	<u>\$ 2,733,861</u>	<u>\$ 2,557,542</u>

e. Information about unused loss carryforwards

Loss carryforwards of subsidiaries as of December 31, 2022 were comprised of:

<b>Year of Loss</b>	<b>Unused Amount</b>	<b>Creditable Amount</b>	<b>Expiry Year</b>
2010	\$ 1,178	\$ 104	2030
2011	26,686	2,359	2031
2012	9,310	823	2032
2018	3,344,410	692,613	2023 and 2038
2019	3,121,601	645,353	2024, 2039 and no expiry year
2020	3,586,970	741,273	2025, 2030, 2040 and no expiry year
2021	4,022,109	907,959	2026, 2031, 2041 and no expiry year
2022	<u>1,650,204</u>	<u>362,800</u>	2027, 2042 and no expiry year
	<u>\$ 15,762,468</u>	<u>\$ 3,353,284</u>	

f. Income tax assessment

The income tax returns though 2020 of TPKT, TPK HK Taiwan Branch, AMPH Taiwan Branch, and DSE have been assessed by the tax authorities.

## 26. EARNINGS PER SHARE

The earnings and weighted average number of ordinary shares outstanding used in the computation of earnings per share were as follows:

### Net Profit for the Year

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Earnings used in the computation of basic and diluted earnings per share	<u>\$ 543,738</u>	<u>\$ 1,068,606</u>

### Weighted Average Number of Ordinary Shares Outstanding (In Thousands of Shares)

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Weighted average number of ordinary shares used in the computation of basic earnings per share	406,664	406,664
Effect of potentially dilutive ordinary shares:		
Employees' compensation or bonuses issued to employees	<u>272</u>	<u>285</u>
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>406,936</u>	<u>406,949</u>

If the Group offers to settle the compensation or bonuses paid to employees in cash or shares, the Group will assume that the entire amount of the compensation or bonuses to be settled in shares, and the resulting potential shares will be included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

## 27. BUSINESS COMBINATIONS

### a. Subsidiaries acquired

<b>Subsidiary</b>	<b>Principal Activity</b>	<b>Date of Acquisition</b>	<b>Proportion of Voting Equity Interests Acquired (%)</b>	<b>Consideration Transferred</b>
DSE	Solar energy system development and equipments trade, maintenance, installation and management services	May 11, 2022	50.22	<u>\$ 60,000</u>



Optimistic about the prospects of the green energy industry and the needs of corporate ESG, the Group participated in the cash capital increase of DSE with the amount of 60,000 thousand and acquired 50.22% of the equity of DSE on May 11, 2022.

b. Assets acquired and liabilities assumed at the date of acquisition

	<b>DSE</b>
Current assets	
Cash and cash equivalents	\$ 74,301
Financial assets at amortized costs	1,000
Trade and other receivables	11,247
Inventories	1,843
Others	1,184
Non-current assets	
Property, plant and equipment	45,140
Right-of-use assets	8,404
Customer relationship and other intangible assets	44,229
Refundable deposits	1,045
Current liabilities	
Trade and other payables	(5,971)
Lease liabilities	(1,107)
Current portion of long-term borrowings	(8,715)
Others	(3,226)
Non-current liabilities	
Long-term borrowings	(42,572)
Lease liabilities	<u>(7,330)</u>
	<u>\$ 119,472</u>

c. Non-controlling interests

The non-controlling interest of DSE recognized at the acquisition date was measured by reference to the fair value of the non-controlling interest.

d. Net cash inflow on the acquisition of subsidiaries

	<b>DSE</b>
Consideration paid in cash	\$ (60,000)
Less: Cash and cash equivalent balances acquired	<u>74,301</u>
	<u>\$ 14,301</u>

e. Impact of acquisitions on the results of the Group

The financial results of the acquirees since the acquisition dates, which are included in the consolidated statements of comprehensive income, were as follows:

	<b>DSE</b>
Operating revenue	<u>\$ 37,328</u>
Net profit	<u>\$ 2,451</u>

Had DSE concluded the acquisition at the beginning of 2022, the Group's revenue would have been \$97,224,291 thousand, and the profit would have been \$579,827 thousand for the year ended December 31, 2022. This pro-forma information is for illustrative purposes only and is not necessarily an indication of the revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed at the beginning of the acquisition year, 2022, nor is it intended to be a projection of future results.

## 28. EQUITY TRANSACTIONS WITH NON-CONTROLLING INTERESTS

In May 2022, the Group disposed of 10% of its interest in AUTO XM and reduced its continuing interest from 100% to 90%. The above transaction was accounted for as an equity transaction since the Group did not cease to have control over the subsidiary. The capital surplus of \$3,075 thousand increased due to the equity transaction.

## 29. CASH FLOW INFORMATION

### a. Non-cash transactions

In addition to those disclosed in other notes, the Group entered into the following non-cash investing and financing activities which were not reflected in the consolidated statements of cash flows for the years ended December 31, 2022 and 2021:

As of December 31, 2022 and 2021, the Group's payables for the purchase of equipment amounted to \$486,636 thousand and \$778,734 thousand, respectively.

### b. Changes in liabilities arising from financing activities

#### For the year ended December 31, 2022

	Opening Balance	Cash Flows	Non-cash Changes				Closing Balance
			New Leases	Amortization of Finance Costs	Exchange rate Changes	Others	
Short-term borrowings	\$ 2,799,213	\$ 3,268,179	\$ -	\$ 22,911	\$ 1,346,773	\$ -	\$ 7,437,076
Long-term borrowings (including current portion)	13,861,483	1,620,274	-	-	1,347,793	51,287	16,880,837
Guarantee deposits received	33,635	4,053	-	-	6,497	-	44,185
Lease liabilities	3,970,518	(614,173)	349,290	148,954	119,783	(672,404)	3,301,968
Other liabilities	309,562	(59,601)	-	-	28,467	-	278,428
	<u>\$ 20,974,411</u>	<u>\$ 4,218,732</u>	<u>\$ 349,290</u>	<u>\$ 171,865</u>	<u>\$ 2,849,313</u>	<u>\$ (621,117)</u>	<u>\$ 27,942,494</u>

#### For the year ended December 31, 2021

	Opening Balance	Cash Flows	Non-cash Changes				Closing Balance
			New Leases	Amortization of Finance Costs	Exchange rate Changes	Others	
Short-term borrowings	\$ 3,400,323	\$ (284,453)	\$ -	\$ -	\$ (316,657)	\$ -	\$ 2,799,213
Long-term borrowings (including current portion)	14,917,872	(750,202)	-	-	(306,187)	-	13,861,483
Guarantee deposits received	29,489	4,146	-	-	-	-	33,635
Lease liabilities	3,543,631	(831,386)	1,130,145	167,184	(34,262)	(4,794)	3,970,518
Other liabilities	395,944	(86,382)	-	-	-	-	309,562
	<u>\$ 22,287,259</u>	<u>\$ (1,948,277)</u>	<u>\$ 1,130,145</u>	<u>\$ 167,184</u>	<u>\$ (657,106)</u>	<u>\$ (4,794)</u>	<u>\$ 20,974,411</u>

### 30. CAPITAL MANAGEMENT

The capital structure of the Group consists of its net debt and equity. The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximizing the return to stakeholders through the optimization of its debt and equity balance. Key management personnel of the Group review the capital structure periodically. Based on recommendations of the key management personnel, in order to balance the overall capital structure, the Group may adjust the amount of dividends paid to shareholders, the number of new shares issued or repurchased, and the amount of new debt issued or existing debt redeemed.

### 31. FINANCIAL INSTRUMENTS

#### a. Fair value of financial instruments not measured at fair value

The management of the Group considers that the carrying amounts of financial assets and financial liabilities recognized in the consolidated financial statements approximate their fair values, or that their fair values cannot be measured reliably.

#### b. Fair value of financial instruments measured at fair value on a recurring basis

##### 1) Fair value hierarchy

December 31, 2022

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Derivative financial assets	\$ -	\$ 489,589	\$ -	\$ 489,589
Domestic emerging stocks	166,770	-	-	166,770
Foreign private fund	-	-	516,139	516,139
Foreign unlisted shares	-	-	215,863	215,863
	<u>\$ 166,770</u>	<u>\$ 489,589</u>	<u>\$ 732,002</u>	<u>\$ 1,388,361</u>
Financial assets at FVTOCI				
Investments in equity instruments				
Foreign listed ordinary shares	\$ 266,969	\$ -	\$ -	\$ 266,969
Trade receivables, net	-	1,295,421	-	1,295,421
Other receivables, net	-	4,590,718	-	4,590,718
	<u>\$ 266,969</u>	<u>\$ 5,886,139</u>	<u>\$ -</u>	<u>\$ 6,153,108</u>
Financial liabilities at FVTPL				
Derivative financial liabilities	\$ -	\$ 614,449	\$ -	\$ 614,449

December 31, 2021

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Financial assets at FVTPL</b>				
Derivative financial assets	\$ -	\$ 270,637	\$ 2,018	\$ 272,655
Foreign listed shares with stock options	100,097	-	-	100,097
Foreign private fund	-	-	518,979	518,979
Foreign convertible bonds	-	-	66,542	66,542
	<u>\$ 100,097</u>	<u>\$ 270,637</u>	<u>\$ 587,539</u>	<u>\$ 958,273</u>
<b>Financial assets at FVTOCI</b>				
Investments in equity instruments				
Foreign listed ordinary shares	\$ 1,510,287	\$ -	\$ -	\$ 1,510,287
Trade receivables, net	-	3,181,456	-	3,181,456
Other receivables, net	-	2,273,881	-	2,273,881
	<u>\$ 1,510,287</u>	<u>\$ 5,455,337</u>	<u>\$ -</u>	<u>\$ 6,965,624</u>
<b>Financial liabilities at FVTPL</b>				
Derivative financial liabilities	<u>\$ 3,061</u>	<u>\$ 348,709</u>	<u>\$ -</u>	<u>\$ 351,770</u>

There were no transfers between Levels 1 and 2 for the years ended December 31, 2022 and 2021.

2) Reconciliation of Level 3 fair value measurements of financial instruments

For the year ended December 31, 2022

<b>Financial Assets</b>	<b>Financial Assets at FVTPL</b>			<b>Total</b>
	<b>Derivative Financial Assets</b>	<b>Other Financial Assets</b>	<b>Hybrid Instruments</b>	
Balance at January 1, 2022	\$ 2,018	\$ 518,979	\$ 66,542	\$ 587,539
Recognized in profit or loss	2,673	(59,911)	(10,977)	(68,215)
Reclassification	-	215,863	(215,863)	-
Purchases	-	16,722	145,225	161,947
Disposals	(4,691)	(17,011)	-	(21,702)
Effects of foreign currency exchange differences	-	57,360	15,073	72,433
Balance at December 31, 2022	<u>\$ -</u>	<u>\$ 732,002</u>	<u>\$ -</u>	<u>\$ 732,002</u>

For the year ended December 31, 2021

Financial Assets	Financial Assets at FVTPL			Total
	Derivative Financial Assets	Other Financial Assets	Hybrid Instruments	
Balance at January 1, 2021	\$ -	\$ 377,889	\$ -	\$ 377,889
Recognized in profit or loss	(2,673)	163,977	6,334	167,638
Purchases	4,691	51,983	60,790	117,464
Disposals	-	(62,107)	-	(62,106)
Effects of foreign currency exchange differences	<u>-</u>	<u>(12,763)</u>	<u>(582)</u>	<u>(13,346)</u>
Balance at December 31, 2021	<u>\$ 2,018</u>	<u>\$ 518,979</u>	<u>\$ 66,542</u>	<u>\$ 587,539</u>

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

The fair values of the Group's financial assets and liabilities were determined using methods and assumptions as follows:

- a) The fair values of foreign exchange forward contracts were determined using quoted prices of forward exchange rates and yield rates. Yield rates are estimated at quoted interest rates with the same contract period.
- b) The fair values of trade receivables and other receivables at FVTOCI were discounted at a rate that reflected the credit risk of various counterparties and estimated future cash flows.

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

The foreign private fund held by the Group were determined using the asset-based approach and were based on the net asset value measured at fair value and the investment agreement.

The fair values of foreign convertible bonds held by the Group were determined using the binomial tree model.

The fair values of derivative financial assets - foreign private equity warrants held by the Group were assessed based on the fair values of similar instruments in the market, taking into consideration the liquidity discount.

c. Categories of financial instruments

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
<u>Financial assets</u>		
Financial assets at FVTPL		
Mandatorily classified as at FVTPL	\$ 1,388,361	\$ 958,273
Financial assets at amortized cost (1)	42,488,630	33,793,093
Financial assets at FVTOCI		
Equity instruments	266,969	1,510,287
Debt instruments	5,886,139	5,455,337
Refundable deposits	115,813	113,555
<u>Financial liabilities</u>		
Financial liabilities at FVTPL		
Held for trading	614,449	351,770
Financial liabilities at amortized cost (2)	35,296,695	31,727,344
Guarantee deposits received	44,185	33,635

- 1) The balances included financial assets at amortized cost, which comprise cash and cash equivalents, financing products, trade receivables and other receivables (excluding trade receivables and other receivables at FVTOCI).
- 2) The balances included financial liabilities at amortized cost, which comprise short-term borrowings, notes and accounts payable, payables for purchase of equipment, Other payables - others, current portion of long-term borrowings, and long-term borrowings.

d. Financial risk management objectives and policies

The Group's major financial instruments include equity and debt investments, trade receivable, notes and accounts payable, borrowings and lease liabilities. The Group's corporate treasury function provides services to the business, coordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyze exposures by degree and magnitude of risks. These risks include market risk (including foreign currency risk and interest rate risk), credit risk and liquidity risk.

The Group sought to minimize the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives are governed by the Group's policies approved by the Company's board of directors, which provided written principles on foreign currency risk, interest rate risk, credit risk, the use financial derivatives and non-derivative financial instrument, and the investment of excess liquidity. Compliance with policies and exposure limits was reviewed by internal auditors on a continuous basis. The Group did not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

Significant financial activities of the Group should be reviewed by the Company's board of directors to ensure compliance with the related regulations and internal control rules. During the execution of financial plans, the Group shall comply with the financial operating procedures and overall financial risk management policies.

# 1) Market risk

The Group's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates, interest rates and other price.

## a) Foreign currency risk

Several subsidiaries of the Company have foreign currency denominated sales and purchases, which exposed the Group to foreign currency risk. Exchange rate exposures were managed within approved policy parameters utilizing foreign exchange forward contract.

The material carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities are set out in Note 36. The carrying amounts of the derivatives exposed to foreign currency risk at the end of the year are set out in Note 7.

## b) Analysis of sensitivity for foreign currency risk

The Group was mainly exposed to USD, RMB, NTD, JPY and EUR.

The following table details the Group's sensitivity to a 5% increase and decrease in the functional currency against the relevant foreign currencies. The sensitivity rate used when reporting foreign currency risk internally to key management personnel and representing management's assessment of the reasonably possible change in foreign exchange rate is 5%. The sensitivity analysis included outstanding foreign currency denominated monetary items and derivatives, and adjusted their translation at the end of the year for a 5% change in foreign currency rates.

	<b>Impact on Profit or Loss If USD Strengthened 5%</b>	
	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
USD	\$ 341,137	\$ 519,792
RMB	(834,621)	(238,764)
NTD	(3,095)	(1,475)
JPY	(53)	1,547
EUR	132	868
	<b>Impact on Profit or Loss If USD Weakened 5%</b>	
	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
USD	\$ (341,137)	\$ (519,792)
RMB	228,745	(1,037,001)
NTD	5,147	1,630
JPY	58	(1,710)
EUR	(146)	(959)

c) Interest rate risk

The Group was exposed to interest rate risk because entities in the Group borrowed funds at both fixed and floating interest rates. The risk is managed by the Group by maintaining an appropriate mix of fixed and floating rate borrowings.

The carrying amount of the Group's financial assets and financial liabilities with exposure to interest rates at the end of the reporting period were as follows:

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Fair value interest rate risk		
Financial assets	\$ 27,973,791	\$ 17,603,042
Financial liabilities	11,139,332	8,007,298
Cash flow interest rate risk		
Financial assets	6,218,596	5,986,912
Financial liabilities	16,480,549	12,623,916

d) Analysis of sensitivity to interest rate risk

The sensitivity analysis was determined based on the Group's exposure to interest rates for non-derivative instruments at the end of the year. For floating rate liabilities, the analysis was prepared assuming the amount of the liability outstanding at the end of the year was outstanding for the whole year. A 50 basis point increase or decrease was used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis points higher and all other variables were held constant, the Group's the pre-tax profit for the years ended December 31, 2022 and 2021 would decrease by \$51,310 thousand and \$33,185 thousand, respectively, which was mainly attributable to the Group's exposure to interest rates on its variable-rate bank deposits and its variable-rate bank borrowings.

e) Other price risk

The Group was exposed to price risk through its investments in financial instruments at fair value through profit or loss, equity instruments at FVTOCI, funds and convertible bonds. For the years ended December 31, 2022 and 2021, if prices of equity instruments, funds and convertible bonds had been 5% higher/lower, pre-tax profit for the year would have increased/decreased by \$44,939 thousand and \$34,281 thousand, and pre-tax other comprehensive income would have increased/decreased by \$13,348 thousand and \$75,514 thousand, respectively.

2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. As at the end of the year, the Group's maximum exposure to credit risk, which will cause a financial loss to the Group due to the failure of counterparties to discharge an obligation, could arise from the carrying amount of the respective recognized financial assets as stated in the balance sheets.



The Group adopted a policy of using internal and external credit ratings, only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group uses other publicly available financial information and its own trading records to rate its major customers. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty-limits that are reviewed and approved by the risk management committee semi-annually.

The Group authorized and approved hierarchical credit lines and monitored trade receivables periodically based on the related trade receivables aging, thus reducing bad debts or overdue trade. Then, at the end of the year, the Group would assess line by line its collectable amounts, allowance for impairment loss, and amounts of impairment recognized on trade receivables. Therefore, the management believed that the credit management of the Group fully covered the credit risk.

The Group's concentration of credit risk of 69.32% and 72.49% in total trade receivables as of December 31, 2022 and 2021, respectively, was related to the Group's the five largest customers.

### 3) Liquidity risk

The Group manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Group's operations and mitigate the effects of fluctuations in cash flows. In addition, management monitors the utilization of bank borrowings and ensures compliance with loan covenants.

The Group relies on bank borrowings as a significant source of liquidity. As of December 31, 2022 and 2021, the Group had available unutilized short-term bank loan facilities of \$47,973,743 thousand and \$44,326,182 thousand, respectively.

#### a) Liquidity and interest rate risk table for non-derivative financial liabilities

The following table details of the Group's remaining contractual maturities for its short-term and long-term borrowings and lease liabilities. The table was drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Group can be required to pay.

Specifically, bank loans with a repayment on demand clause were included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. The maturity dates for other non-derivative financial liabilities were based on the agreed repayment dates.

#### December 31, 2022

	On Demand or Less than 1 Month	1 to 3 Months	3 Months to 1 Year	1 to 5 Years	5+ Years
<u>Non-derivative financial liabilities</u>					
Variable interest rate borrowings	\$ 154,338	\$ 2,778	\$ 4,865,877	\$ 11,457,556	\$ -
Fixed interest rate borrowings	2,901,572	1,185,312	3,238,978	511,502	-
Lease liabilities	<u>75,775</u>	<u>58,832</u>	<u>344,804</u>	<u>713,242</u>	<u>2,109,315</u>
	<u>\$ 3,131,685</u>	<u>\$ 1,246,922</u>	<u>\$ 8,449,659</u>	<u>\$ 12,682,300</u>	<u>\$ 2,109,315</u>

#### Additional information about the maturity analysis for lease liabilities:

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years	20+ Years
Lease liabilities	<u>\$ 479,411</u>	<u>\$ 713,242</u>	<u>\$ 759,647</u>	<u>\$ 1,013,113</u>	<u>\$ 336,555</u>	<u>\$ -</u>

December 31, 2021

	<b>On Demand or Less than 1 Month</b>	<b>1 to 3 Months</b>	<b>3 Months to 1 Year</b>	<b>1 to 5 Years</b>	<b>5+ Years</b>
<u>Non-derivative financial liabilities</u>					
Variable interest rate borrowings	\$ 830,398	\$ 1,736,090	\$ 711,930	\$ 9,345,498	\$ -
Fixed interest rate borrowings	432,561	371,958	2,401,374	830,887	-
Lease liabilities	<u>93,017</u>	<u>32,364</u>	<u>338,469</u>	<u>1,284,340</u>	<u>2,222,328</u>
	<u>\$ 1,355,976</u>	<u>\$ 2,140,412</u>	<u>\$ 3,451,773</u>	<u>\$ 11,460,725</u>	<u>\$ 2,222,328</u>

Additional information about the maturity analysis for lease liabilities:

	<b>Less than 1 Year</b>	<b>1-5 Years</b>	<b>5-10 Years</b>	<b>10-15 Years</b>	<b>15-20 Years</b>	<b>20+ Years</b>
Lease liabilities	<u>\$ 463,850</u>	<u>\$ 1,284,340</u>	<u>\$ 731,730</u>	<u>\$ 939,662</u>	<u>\$ 550,936</u>	<u>\$ -</u>

The following table details the Group's expected maturity for some of its non-derivative financial assets. The table below was drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Group's liquidity risk management as the liquidity is managed on a net asset and liability basis.

December 31, 2022

	<b>On Demand or Less than 1 Month</b>	<b>1 to 3 Months</b>	<b>3 Months to 1 Year</b>	<b>1 to 5 Years</b>
<u>Non-derivative financial assets</u>				
Variable interest rate assets	\$ 6,218,596	\$ -	\$ -	\$ -
Fixed interest rate assets	<u>16,483,483</u>	<u>5,404,891</u>	<u>4,714,986</u>	<u>1,370,431</u>
	<u>\$ 22,702,079</u>	<u>\$ 5,404,891</u>	<u>\$ 4,714,986</u>	<u>\$ 1,370,431</u>

December 31, 2021

	<b>On Demand or Less than 1 Month</b>	<b>1 to 3 Months</b>	<b>3 Months to 1 Year</b>	<b>1 to 5 Years</b>
<u>Non-derivative financial assets</u>				
Variable interest rate assets	\$ 5,986,912	\$ -	\$ -	\$ -
Fixed interest rate assets	<u>12,549,264</u>	<u>3,768,180</u>	<u>720,961</u>	<u>564,637</u>
	<u>\$ 18,536,176</u>	<u>\$ 3,768,180</u>	<u>\$ 720,961</u>	<u>\$ 564,637</u>

For non-interest-bearing liabilities recorded as notes and trade payable, payables for purchase of equipment and other payables, the Group has set up the financial risk management policy to secure payment for all the payables prior to the expiry of the credit terms.

b) Liquidity and interest rate risk tables for derivative financial liabilities

The following table details the Group's liquidity analysis of its derivative financial instruments. The table is based on the undiscounted contractual net cash inflows and outflows on derivative instruments that settle on a net basis, and the undiscounted gross inflows and outflows on those derivatives that require gross settlement. When the amount payable or receivable is not fixed, the amount disclosed is determined by reference to the projected interest rates as illustrated by the yield curves at the end of the year.

December 31, 2022

	<b>On Demand or Less than 1 Month</b>	<b>1-3 Months</b>	<b>3 Months to 1 Year</b>	<b>1-5 Years</b>	<b>5+ Years</b>
<u>Net settled</u>					
Foreign exchange forward contracts	<u>\$ 810</u>	<u>\$ 93,251</u>	<u>\$ 25,024</u>	<u>\$ -</u>	<u>\$ -</u>

December 31, 2021

	<b>On Demand or Less than 1 Month</b>	<b>1-3 Months</b>	<b>3 Months to 1 Year</b>	<b>1-5 Years</b>	<b>5+ Years</b>
<u>Net settled</u>					
Foreign exchange forward contracts	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 48,885</u>	<u>\$ -</u>	<u>\$ -</u>

c) Financing facilities

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Unsecured bank overdraft facility, reviewed annually and payable on demand:		
Amount used	\$ 25,632,153	\$ 20,821,661
Amount unused	<u>51,608,359</u>	<u>48,106,404</u>
	<u>\$ 77,240,512</u>	<u>\$ 68,928,065</u>

e. Transfers of financial assets

Factored trade receivables that are not yet overdue at the end of the year were as follows:

December 31, 2022

Subsidiary	Counterparties	Currencies	Receivables Factoring Proceeds	Amounts Reclassified to Other Receivables	Advances Received Unused	Advances Received Used	Annual Interest Rates on Advances Received (Used) (%)
TPK HK	A Bank	US\$	<u>\$ 149,486</u>	<u>\$ 149,486</u>	<u>\$ 149,486</u>	<u>\$ -</u>	Libor + 0.48%
		NT\$	<u>\$ 4,590,718</u>	<u>\$ 4,590,718</u>	<u>\$ 4,590,718</u>	<u>\$ -</u>	

December 31, 2021

Subsidiary	Counterparties	Currencies	Receivables Factoring Proceeds	Amounts Reclassified to Other Receivables	Advances Received Unused	Advances Received Used	Annual Interest Rates on Advances Received (Used) (%)
TPK HK	A Bank	US\$	<u>\$ 178,394</u>	<u>\$ 82,149</u>	<u>\$ 82,149</u>	<u>\$ 96,245</u>	2M Libor + 0.48%
		NT\$	<u>\$ 4,937,934</u>	<u>\$ 2,273,881</u>	<u>\$ 2,273,881</u>	<u>\$ 2,664,053</u>	

Pursuant to the factoring agreements, losses from sales returns and allowances were borne by the Group, while losses from credit risk shall be borne by the Bank.

### 32. TRANSACTIONS WITH RELATED PARTIES

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. Besides information disclosed elsewhere in the other notes, details of transactions between the Group and other related parties are disclosed below.

#### a. Related party names and categories

Related Party Name	Related Party Category
Cando Corporation	Associate
TES Touch Embedded Solutions Inc. (Taiwan Branch)	Related party in substance
TES Touch Embedded Solutions (Xiamen) Co., Ltd.	Related party in substance
BTO Technology (Xiamen) LTD.	Related party in substance
Vision Optical Technologies (Xiamen) Inc. ("VOT")	Related party in substance
Pan Shi (Xiamen) Real Estate Development LTD.	Related party in substance
Taiwan Video & Monitor Corp.	Related party in substance
Cambrios Film Solutions Corporation (Taiwan Branch)	Related party in substance
Cambrios Film Solutions Corporation	Related party in substance
Cambrios Film Solutions Japan Corporation	Related party in substance
Liangyi industry and trade (Xiamen) Co., Ltd.	Related party in substance
Cambrios Film Solutions (Xiamen) Corporation	Related party in substance
Wan Li Kai Limited	Related party in substance

#### b. Sales and other income

Related Party Category/Name	For the Year Ended December 31	
	2022	2021
1) Operating revenue, net		
Related party in substance	<u>\$ 992,330</u>	<u>\$ 863,851</u>
2) Rental income (recorded as other income)		
Related party in substance	<u>\$ 4,437</u>	<u>\$ 4,973</u>
3) Other income		
Related party in substance	<u>\$ 7,897</u>	<u>\$ 8,389</u>

Subsidiaries leased plants and offices to related parties under mutual lease agreements with monthly rental payments.

c. Purchases of goods, costs and expenses

Related Party Category/Name	For the Year Ended December 31	
	2022	2021
1) Purchases of goods		
Related party in substance	<u>\$ 299,263</u>	<u>\$ 310,231</u>
2) Research expenses		
Related party in substance	<u>\$ 8,454</u>	<u>\$ 4,385</u>
3) Professional service fees		
Related party in substance	<u>\$ 33,675</u>	<u>\$ 32,248</u>
4) Repairs and other expenses		
Related party in substance	<u>\$ 680</u>	<u>\$ 4,702</u>

d. Receivables from (payables to) related parties

Related Party Category/Name	December 31	
	2022	2021
1) Trade receivables - related parties (recorded as trade receivables)		
Related party in substance	<u>\$ 78,560</u>	<u>\$ 85,279</u>
2) Notes payable - related parties (recorded as notes and trade payables)		
Related party in substance	<u>\$ 11,025</u>	<u>\$ -</u>
3) Trade payables - related parties (recorded as notes and trade payables)		
Associates	\$ 3,988	\$ 3,595
Related party in substance	<u>40,866</u>	<u>51,153</u>
	<u>\$ 44,854</u>	<u>\$ 54,748</u>

The outstanding payables to related parties are unsecured and will be settled in cash. No guarantees were received for receivables from related parties.

Related Party Category/Name	December 31	
	2022	2021
4) Other receivables - related parties (recorded as other receivables)		
Related party in substance	\$ <u>1,291</u>	\$ <u>1,015</u>
5) Payables for purchase of equipment - related parties (recorded as payable for purchase of equipment)		
Related party in substance	\$ <u>-</u>	\$ <u>30</u>
6) Other payables - related parties (recorded as other payables - others)		
Related party in substance	\$ <u>18,041</u>	\$ <u>16,452</u>

e. Others

Related Party Category/Name	December 31	
	2022	2021
1) Refundable deposits		
Related party in substance		
VOT	\$ 15,435	\$ 15,190
Others	<u>7,523</u>	<u>7,523</u>
	<u>\$ 22,958</u>	<u>\$ 22,713</u>
2) Advance receipts (recorded as other current liabilities - others)		
Related party in substance	\$ <u>77,160</u>	\$ <u>-</u>

Refundable deposits are the security deposits for leasing parts of plants and offices from related parties during the lease period from 2022 to 2024. For the years ended December 31, 2022 and 2021, the interest income on the deposits were both \$3 thousand.

f. Acquisition of property, plant and equipment

Related Party Category/Name	For the Year Ended December 31	
	2022	2021
Related party in substance	\$ <u>118</u>	\$ <u>85</u>

g. Disposals of property, plant and equipment (For the year ended December 31, 2022: None)

Related Party Category/Name	Proceeds	Gains on Disposals
	For the Year Ended December 31 2021	For the Year Ended December 31 2021
Related party in substance	\$ <u>623</u>	\$ <u>617</u>

h. Lease arrangements - the Group is lessee

<b>Line Item</b>	<b>Related Party Category/Name</b>	<b>December 31, 2022</b>
1) Lease liabilities - current	Related party in substance	
	VOT	\$ 48,823
	Others	<u>53,576</u>
		<u>\$ 102,399</u>
2) Lease liabilities - non-current	Related party in substance	<u>\$ 104,024</u>

<b>Line Item</b>	<b>Related Party Category/Name</b>	<b>For the Year Ended December 31</b>	
		<b>2022</b>	<b>2021</b>
3) Interest expense	Related party in substance	<u>\$ 4,001</u>	<u>\$ 2,738</u>

The Group leased buildings from other related parties for the use of plant and office spaces. The contents of the contracts were determined by both sides, and the fixed lease payments are paid monthly.

i. Remuneration of key management personnel

For the years ended December 31, 2022 and 2021, the total amounts of the remuneration of directors and other key management personnel were as follows:

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Short-term employee benefits	\$ 77,546	\$ 73,122
Post-employment benefits	<u>972</u>	<u>880</u>
	<u>\$ 78,518</u>	<u>\$ 74,002</u>

The remuneration of directors and key executives was determined by the remuneration committee based on the performance of individuals and market trends.

### 33. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets were provided as collateral for guarantees to banks, customs guarantees, guarantees for suppliers for a bill of the bank acceptance, and guarantees for road and bridge tolls:

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
Bank deposits (classified as financial assets at amortized cost)	\$ 1,402,142	\$ 17,769
Other equipment -net	<u>42,542</u>	<u>-</u>
	<u>\$ 1,444,684</u>	<u>\$ 17,769</u>

### 34. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

In addition to those disclosed in other notes, significant commitments and contingencies of the Group as of December 31, 2022 and 2021 were as follows:

- a. As of December 31, 2022 and 2021, unused letters of credit for purchases of raw materials and machinery and equipment amounted to \$371,575 thousand and \$289,427 thousand, respectively.
- b. Unrecognized commitments are as follows:

	December 31	
	2022	2021
Acquisition of property, plant and equipment	\$ 418,146	\$ 344,058

### 35. OTHER ITEMS

Optimistic about the market demand for niche electric vehicles and the global ESG trend, TPK HK's board of directors resolved to participate in the cash capital increase in UBCO on December 21, 2022. TPK HK invested US\$5,000 thousand to UBCO on January 3, 2023 to acquire 9,964 thousand preference shares, summing up 19,348 thousand preference shares of UBCO held by TPK HK as of December 31, 2022, and TPKHK was expected to obtain 22.22% of the equity of UBCO.

In order to step into the supply chain of motion capture modules for virtual reality and augmented reality, TPK HK's board of directors resolved to invest in Sensor Holdings Limited (Stretch Sense) on December 21, 2022. TPK HK purchased 217 thousand preference shares from GD1 Fund II L.P., the shareholder of Stretch Sense, with the amount of US\$4,000 thousand on January 9, 2023 and obtained 10.78% of the equity of Stretch Sense.

### 36. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The Group's significant financial assets and liabilities denominated in foreign currencies aggregated by the foreign currencies other than the functional currency and the related the exchange rates between the foreign currencies and the respective functional currency were as follows:

(All Currencies in Thousands)			
	December 31, 2022		
	Foreign Currency	Exchange Rate	U.S. Dollars
<u>Financial assets</u>			
Monetary items			
USD	\$ 278,233	1.0000	\$ 278,233
RMB	3,763,908	6.9646	540,497
NTD	20,414	30.7100	665
JPY	45,646	132.1429	345
EUR	80	0.9386	86
(Continued)			



December 31, 2022			
	Foreign Currency	Exchange Rate	U.S. Dollars
Non-monetary items			
Derivative instruments			
RMB sell	\$ 2,802,850	6.9646	\$ 12,562
RMB buy	1,129,429	6.9646	3,354
NTD sell	60,610	30.7100	27
<u>Financial liabilities</u>			
Monetary items			
USD	56,066	1.0000	56,066
RMB	4,111,966	6.9646	590,478
NTD	451	30.7100	15
JPY	40,865	132.1429	309
EUR	165	0.9386	175
Non-monetary items			
Derivative instruments			
RMB sell	1,018,900	6.9646	1,256
RMB buy	3,485,250	6.9646	18,752
			(Concluded)

December 31, 2021			
	Foreign Currency	Exchange Rate	U.S. Dollars
<u>Financial assets</u>			
Monetary items			
USD	\$ 441,969	1.0000	\$ 441,969
RMB	1,918,794	6.3757	300,867
NTD	33,961	27.6800	1,227
JPY	101,616	115.0936	883
EUR	80	0.8838	91
Non-monetary items			
Derivative instruments			
RMB buy	3,223,578	6.3757	9,777
<u>Financial liabilities</u>			
Monetary items			
USD	66,397	1.0000	66,397
RMB	2,399,885	6.3757	376,302
NTD	2,995	27.6800	108
JPY	236,703	115.0936	2,057
EUR	662	0.8838	749
Non-monetary items			
Derivative instruments			
RMB sell	2,000,935	6.3757	12,598

For the year ended December 31, 2022, the realized and unrealized net foreign exchange gains were \$509,297 thousand. For the year ended December 31, 2021, the realized and unrealized net foreign exchange losses were \$28,155 thousand. It is impractical to disclose net foreign exchange gains and losses by each significant foreign currency due to the variety of the foreign currency transactions and functional currencies of the Group entities.

### 37. SEPARATELY DISCLOSED ITEMS

#### a. Information about significant transactions:

- 1) Financing provided to others. (Table 1)
- 2) Endorsements/guarantees provided. (Table 2)
- 3) Marketable securities held (excluding investment in subsidiaries). (Table 3)
- 4) Marketable securities acquired and disposed of at costs or prices of at least NT\$300 million or 20% of the paid-in capital. (Table 4)
- 5) Acquisition of individual real estate at costs of at least NT\$300 million or 20% of the paid-in capital. (None)
- 6) Disposal of individual real estate at prices of at least NT\$300 million or 20% of the paid-in capital. (None)
- 7) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital. (Table 5)
- 8) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital. (Table 6)
- 9) Trading in derivative instruments. (Notes 7 and 31)
- 10) Intercompany relationships and significant intercompany transactions. (Table 9)

#### b. Information on investees (Table 7)

#### c. Information on investments in mainland China

- 1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investee, investment income or loss, carrying amount of the investment at the end of the year, repatriations of investment income, and limit on the amount of investment in the mainland China area: (Table 8)
- 2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses: (Tables 1, 2, 5 and 6)
  - a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the year.
  - b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the year.

- c) The amount of property transactions and the amount of the resultant gains or losses.
  - d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the year and the purposes.
  - e) The highest balance, the ending balance, the interest rate range, and total current period interest with respect to financing of funds.
  - f) Other transactions that have a material effect on the profit or loss for the year or on the financial position, such as the rendering or receipt of services.
- d. Information of major shareholders: List all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder (Table 10)

### 38. SEGMENT INFORMATION

Information reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided. Specifically, the Group's reportable is the touch modules segment. The related information was as follows:

- a. Information of reportable segment's gains or losses and assets

	For the Year Ended December 31					
	2022			2021		
	Touch Modules	Others	Total	Touch Modules	Others	Total
Revenue from external customers	\$ 96,239,370	\$ 941,599	\$ 97,180,969	\$ 102,443,398	\$ 645,347	\$ 103,088,745
Inter-segment revenue	20,932	5,635	26,567	4,015	-	4,015
Interest income	815,152	2,171	817,323	614,503	127	614,630
Finance costs	863,822	7,194	871,016	650,135	7,328	657,463
Depreciation and amortization	3,793,641	317,721	4,111,362	4,623,081	250,580	4,873,661
Impairment loss on assets	571	-	571	309,277	-	309,277
Reportable segment profit before tax	1,147,176	112,687	1,259,863	1,373,026	102,106	1,475,132
Reportable segment income tax expense	(652,272)	(25,895)	(678,167)	(358,454)	(19,231)	(377,685)
Reportable segment net profit	494,904	86,792	581,696	1,014,572	82,875	1,097,447
Reportable segment capital expenditure on acquisition of property, plant and equipment and intangible assets	1,242,582	41,280	1,283,862	1,194,084	99,289	1,293,373

- b. Reportable segment's gains or losses and other significant items reconciliation

- 1) Segment revenues and results

Profit and Loss	For the Year Ended December 31	
	2022	2021
Reportable segment profit before tax	\$ 1,147,176	\$ 1,373,026
Reportable segment income tax expense	(652,272)	(358,454)
Reportable segment net profit	494,904	1,014,572
Non-reportable segment's profit	86,792	82,875
Net profit on non-controlling interests	(37,958)	(28,841)
Net profit attributable to owners of the Company	<u>\$ 543,738</u>	<u>\$ 1,068,606</u>

2) Other significant items reconciliation

<b>For the Year Ended December 31, 2022</b>				
<b>Other Significant Items</b>	<b>Total Amount of Reportable Segment</b>	<b>Total Amount of Non- reportable Segment</b>	<b>Reconciliation</b>	<b>Total</b>
Interest income	\$ 815,152	\$ 2,171	\$ (1,979)	\$ 815,344
Finance costs	863,822	7,194	(10,818)	860,198
Capital expenditure on acquisition of property, plant and equipment and intangible assets	1,242,582	41,280	(216,647)	1,067,215
Depreciation and amortization	3,793,641	317,721	-	4,111,362
Impairment loss on assets	571	-	-	571

<b>For the Year Ended December 31, 2021</b>				
<b>Other Significant Items</b>	<b>Total Amount of Reportable Segment</b>	<b>Total Amount of Non- reportable Segment</b>	<b>Reconciliation</b>	<b>Total</b>
Interest income	\$ 614,503	\$ 127	\$ (261)	\$ 614,369
Finance costs	650,135	7,328	(17,125)	640,338
Capital expenditure on acquisition of property, plant and equipment and intangible assets	1,194,084	99,289	(312,458)	980,915
Depreciation and amortization	4,623,081	250,580	-	4,873,661
Impairment loss on assets	309,277	-	-	309,277

3) Revenue from major products and services

The Company and its subsidiaries categorized reportable segment based on the type of products. There were no specific additional disclosures for products and revenue.

4) Geographical information

The Group operate in three principal geographical areas - Taiwan, China and the United States (“USA”).

The Group's revenue from continuing operations from external customers by location of operations and information about its non-current assets by location of assets are detailed below.

	<b>Revenue from External Customers</b>		<b>Non-current Assets</b>	
	<b>For the Year Ended December 31</b>		<b>December 31</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
North America	\$ 47,682,899	\$ 51,671,714	\$ 136,189	\$ 186,700
Asia	41,088,287	38,827,615	21,866,705	23,056,883
Europe	8,390,075	12,589,673	-	-
Others	<u>19,708</u>	<u>(257)</u>	<u>-</u>	<u>-</u>
	<u>\$ 97,180,969</u>	<u>\$ 103,088,745</u>	<u>\$ 22,002,894</u>	<u>\$ 23,243,583</u>

Non-current assets above excludes deferred tax assets and financial assets at FVTPL.

5) Information about major customers

Customers who contributed 10% or more to the Group's revenue for the years ended December 31, 2022 and 2021 are as follows:

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Customer A	\$ 39,556,075	\$ 48,268,927
Customer B	<u>10,567,464</u>	<u>10,987,707</u>
	<u>\$ 50,123,539</u>	<u>\$ 59,256,634</u>

**TABLE 1**

**TPK HOLDING CO., LTD. AND SUBSIDIARIES**

**FINANCING PROVIDED TO OTHERS  
FOR THE YEAR ENDED DECEMBER 31, 2022  
(In Thousands)**

No. (Note 1)	Lender	Borrower	Financial Statements Account	Related Parties	Highest Balance for the Period (Notes 5 and 6)	Ending Balance (Notes 5 and 6)	Actual Borrowing Amount (Note 5)	Interest Rate	Nature of Financing (Note 2)	Business Transaction Amount	Reason for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Notes 3 and 5)	Aggregate Financing Limit (Notes 3 and 5)	Note
													Item	Value			
1	TPKC	TPKG	Loan to related parties	Y	NT\$ 13,512,400 (approximately US\$ 440,000)	NT\$ 6,756,200 (approximately US\$ 220,000)	NT\$ 4,546,444 (approximately US\$ 148,044)	0.0000%	b	\$ -	Operating capital	\$ -	-	\$ -	NT\$ 76,240,444 (approximately US\$ 2,482,593)	NT\$ 95,300,555 (approximately US\$ 3,103,242)	
		MTOH	Loan to related parties	Y	NT\$ 1,228,400 (approximately US\$ 40,000)	NT\$ 307,100 (approximately US\$ 10,000)	NT\$ 166,780 (approximately US\$ 5,431)	0.0000%	b	-	Operating capital	-	-	-	NT\$ 76,240,444 (approximately US\$ 2,482,593)	NT\$ 95,300,555 (approximately US\$ 3,103,242)	
		TPKP	Loan to related parties	Y	NT\$ 17,811,800 (approximately US\$ 580,000)	NT\$ 8,905,900 (approximately US\$ 290,000)	NT\$ 7,886,328 (approximately US\$ 256,800)	0.0000%	b	-	Operating capital	-	-	-	NT\$ 76,240,444 (approximately US\$ 2,482,593)	NT\$ 95,300,555 (approximately US\$ 3,103,242)	
		TPKD	Loan to related parties	Y	NT\$ 10,441,400 (approximately US\$ 340,000)	NT\$ 5,220,700 (approximately US\$ 170,000)	NT\$ 4,991,763 (approximately US\$ 162,545)	0.0000%	b	-	Operating capital	-	-	-	NT\$ 76,240,444 (approximately US\$ 2,482,593)	NT\$ 95,300,555 (approximately US\$ 3,103,242)	
		TPKS	Loan to related parties	Y	NT\$ 1,228,400 (approximately US\$ 40,000)	NT\$ 614,200 (approximately US\$ 20,000)	-	-	b	-	Operating capital	-	-	-	NT\$ 76,240,444 (approximately US\$ 2,482,593)	NT\$ 95,300,555 (approximately US\$ 3,103,242)	
		TPKQ	Loan to related parties	Y	NT\$ 245,680 (approximately US\$ 8,000)	NT\$ 153,550 (approximately US\$ 5,000)	NT\$ 44,100 (approximately US\$ 1,436)	0.0000%	b	-	Operating capital	-	-	-	NT\$ 76,240,444 (approximately US\$ 2,482,593)	NT\$ 95,300,555 (approximately US\$ 3,103,242)	
		TPK HK	Loan to related parties	Y	NT\$ 9,213,000 (approximately US\$ 300,000)	NT\$ 4,606,500 (approximately US\$ 150,000)	NT\$ 3,101,710 (approximately US\$ 101,000)	0.0000%	b	-	Operating capital	-	-	-	NT\$ 76,240,444 (approximately US\$ 2,482,593)	NT\$ 95,300,555 (approximately US\$ 3,103,242)	
		TPKF	Loan to related parties	Y	NT\$ 1,535,500 (approximately US\$ 50,000)	NT\$ 1,535,500 (approximately US\$ 50,000)	NT\$ 248,690 (approximately US\$ 8,098)	0.0000%	b	-	Operating capital	-	-	-	NT\$ 76,240,444 (approximately US\$ 2,482,593)	NT\$ 95,300,555 (approximately US\$ 3,103,242)	
		TPKGA	Loan to related parties	Y	NT\$ 307,100 (approximately US\$ 10,000)	NT\$ 307,100 (approximately US\$ 10,000)	-	-	b	-	Operating capital	-	-	-	NT\$ 76,240,444 (approximately US\$ 2,482,593)	NT\$ 95,300,555 (approximately US\$ 3,103,242)	
2	TPK HK	TPKH	Loan to related parties	Y	NT\$ 15,355,000 (approximately US\$ 500,000)	NT\$ 7,677,500 (approximately US\$ 250,000)	NT\$ 7,116,121 (approximately US\$ 231,720)	1.0000%-3.0000%	b	-	Operating capital	-	-	-	NT\$ 24,014,248 (approximately US\$ 781,968)	NT\$ 30,017,810 (approximately US\$ 977,460)	
		TPKC	Loan to related parties	Y	NT\$ 6,142,000 (approximately US\$ 200,000)	NT\$ 3,071,000 (approximately US\$ 100,000)	-	-	b	-	Operating capital	-	-	-	NT\$ 24,014,248 (approximately US\$ 781,968)	NT\$ 30,017,810 (approximately US\$ 977,460)	
		TPKG	Loan to related parties	Y	NT\$ 4,299,400 (approximately US\$ 140,000)	NT\$ 2,149,700 (approximately US\$ 70,000)	NT\$ 1,593,849 (approximately US\$ 51,900)	0.0000%	b	-	Operating capital	-	-	-	NT\$ 24,014,248 (approximately US\$ 781,968)	NT\$ 30,017,810 (approximately US\$ 977,460)	
		TPKT	Loan to related parties	Y	NT\$ 921,300 (approximately US\$ 30,000)	NT\$ 921,300 (approximately US\$ 30,000)	-	-	b	-	Operating capital	-	-	-	NT\$ 4,802,850 (approximately US\$ 156,394)	NT\$ 6,003,562 (approximately US\$ 195,492)	
		UYH	Loan to related parties - long-term	Y	NT\$ 1,842,600 (approximately US\$ 60,000)	NT\$ 921,300 (approximately US\$ 30,000)	NT\$ 921,300 (approximately US\$ 30,000)	2.0000%	b	-	Operating capital	-	-	-	NT\$ 24,014,248 (approximately US\$ 781,968)	NT\$ 30,017,810 (approximately US\$ 977,460)	
		AMPH	Loan to related parties	Y	NT\$ 307,100 (approximately US\$ 10,000)	NT\$ 153,550 (approximately US\$ 5,000)	-	-	b	-	Operating capital	-	-	-	NT\$ 4,802,850 (approximately US\$ 156,394)	NT\$ 6,003,562 (approximately US\$ 195,492)	
		AMP HK	Loan to related parties	Y	NT\$ 614,200 (approximately US\$ 20,000)	NT\$ 307,100 (approximately US\$ 10,000)	-	-	b	-	Operating capital	-	-	-	NT\$ 4,802,850 (approximately US\$ 156,394)	NT\$ 6,003,562 (approximately US\$ 195,492)	

(Continued)

No. (Note 1)	Lender	Borrower	Financial Statements Account	Related Parties	Highest Balance for the Period (Notes 5 and 6)	Ending Balance (Notes 5 and 6)	Actual Borrowing Amount (Note 5)	Interest Rate	Nature of Financing (Note 2)	Business Transaction Amount	Reason for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Notes 3 and 5)	Aggregate Financing Limit (Notes 3 and 5)	Note
													Item	Value			
3	TPKA	TPK HK	Loan to related parties - long-term	Y	NT\$ 2,917,450 (approximately US\$ 95,000)	NT\$ 2,057,570 (approximately US\$ 67,000)	NT\$ 2,057,570 (approximately US\$ 67,000)	0.0000%-3.0000%	b	\$ -	Operating capital	\$ -	-	\$ -	NT\$ 7,922,614 (approximately US\$ 257,982)	NT\$ 9,903,268 (approximately US\$ 322,477)	
		TPK HK	Loan to related parties	Y	NT\$ 1,197,690 (approximately US\$ 39,000)	-	-	-	b	-	Operating capital	-	-	-	NT\$ 7,922,614 (approximately US\$ 257,982)	NT\$ 9,903,268 (approximately US\$ 322,477)	
4	TPKS	TPKC	Loan to related parties	Y	NT\$ 3,685,200 (approximately US\$ 120,000)	NT\$ 1,842,600 (approximately US\$ 60,000)	NT\$ 478,290 (approximately US\$ 15,574)	0.0000%	b	-	Operating capital	-	-	-	NT\$ 8,423,102 (approximately US\$ 274,279)	NT\$ 10,528,878 (approximately US\$ 342,849)	
5	TPKM	TPKC	Loan to related parties	Y	NT\$ 153,550 (approximately US\$ 5,000)	-	-	-	b	-	Operating capital	-	-	-	Note 7	Note 7	
6	TPKD	TPKC	Loan to related parties	Y	NT\$ 12,284,000 (approximately US\$ 400,000)	NT\$ 6,142,000 (approximately US\$ 200,000)	-	-	b	-	Operating capital	-	-	-	NT\$ 26,950,094 (approximately US\$ 877,567)	NT\$ 33,687,618 (approximately US\$ 1,096,959)	
7	TPKT	TPK HK	Loan to related parties	Y	NT\$ 1,228,400 (approximately US\$ 40,000)	NT\$ 614,200 (approximately US\$ 20,000)	NT\$ 614,200 (approximately US\$ 20,000)	3.0000%	b	-	Operating capital	-	-	-	NT\$ 728,843 (approximately US\$ 23,733)	NT\$ 911,054 (approximately US\$ 29,666)	
8	TPKMT	TPKC	Loan to related parties	Y	NT\$ 583,490 (approximately US\$ 19,000)	NT\$ 291,745 (approximately US\$ 9,500)	NT\$ 43,653 (approximately US\$ 1,421)	0.0000%	b	-	Operating capital	-	-	-	NT\$ 501,202 (approximately US\$ 16,320)	NT\$ 626,503 (approximately US\$ 20,401)	
9	TPKJ	TPKC	Loan to related parties	Y	NT\$ 5,988,450 (approximately US\$ 195,000)	NT\$ 4,299,400 (approximately US\$ 140,000)	NT\$ 833,228 (approximately US\$ 27,132)	0.0000%	b	-	Operating capital	-	-	-	NT\$ 5,292,556 (approximately US\$ 172,340)	NT\$ 6,615,695 (approximately US\$ 215,425)	
10	TPKF	TPKC	Loan to related parties	Y	NT\$ 122,840 (approximately US\$ 4,000)	NT\$ 122,840 (approximately US\$ 4,000)	NT\$ 48,510 (approximately US\$ 1,580)	0.0000%	b	-	Operating capital	-	-	-	NT\$ 435,842 (approximately US\$ 14,192)	NT\$ 544,803 (approximately US\$ 17,740)	
11	TPKCA	TPKC	Loan to related parties	Y	NT\$ 184,260 (approximately US\$ 6,000)	NT\$ 122,840 (approximately US\$ 4,000)	NT\$ 65,701 (approximately US\$ 2,139)	0.0000%	b	-	Operating capital	-	-	-	NT\$ 2,972,130 (approximately US\$ 96,781)	NT\$ 3,715,163 (approximately US\$ 120,976)	

Note 1: The parent company is indicated by “0”, while all other numbers indicate subsidiaries.

Note 2: Types of financing were as follows:

- a. Business and trade.
- b. Short-term financing.

Note 3: The limits of financing amounts were as follows:

- a. Financing received from TPKH cannot exceed 50% of TPKH’s net asset value, and the total short-term financing cannot exceed 40% of TPKH’s net asset value.
- b. Financing received from a financing company cannot exceed 50% of the financing company’s net asset value, and the total short-term financing cannot exceed 40% of the financing company’s net asset value.
- c. The limits of individual financing provided are as follows:
  - 1) Intercompany business and trade financing cannot exceed the business and trade amount. The business and trade amount is the higher of the sales amount or purchases amount within one year.
  - 2) Short-term financing cannot exceed 40% of the financing company’s net asset value.

(Continued)

- d. The total financing amount where TPKH directly and indirectly holds 100% of the voting shares of subsidiaries cannot exceed 250% of the lending company’s net asset value, and the amount of individual financing provided cannot exceed 200% of the lending company’s net asset value.
- e. For loans provided to TPKH, the total financing amount where TPKH directly and indirectly holds 100% of the voting shares of subsidiaries cannot exceed 250% of the lending company’s net asset value, and the amount of individual financing provided cannot exceed 200% of the lending company’s net asset value.

Note 4: The Company’s board of directors approved the credit line of loans to another party for NT\$59,101,395 thousand (approximately US\$1,924,500 thousand). The loans to other parties disclosed on Table 1 did not exceed the credit lines approved by the Company’s board of directors.

Note 5: The exchange rate from U.S. dollars to New Taiwan dollars as of December 31, 2022 was US\$1=NT\$30.71.

Note 6: Highest balance and ending balance for the year only indicate credit line of loans to others, not the used amount of loans.

Note 7: On June 27, 2022, the process of dissolution and liquidation of TPKM was completed.

(Concluded)



TABLE 2

TPK HOLDING CO., LTD. AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED  
FOR THE YEAR ENDED DECEMBER 31, 2022  
(In Thousands)

No. (Note 1)	Endorser/ Guarantor	Endorsee/Guarantee		Limits on Endorsement/ Guarantee Given on Behalf of Each Party (Notes 2 and 3)	Maximum Amount Endorsed/ Guaranteed During the Period (Notes 3 and 4)	Outstanding Endorsement/ Guarantee at the End of the Period (Notes 3 and 4)	Actual Borrowing Amount (Note 3)	Amount Endorsed/ Guaranteed by Collaterals	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements	Aggregate Endorsement/ Guarantee Limit (Notes 2 and 3)	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China	Note
		Name	Relationship											
0	TPKH	TPKD	Companies in which the Company indirectly held more than 50% of the voting shares	NT\$ 9,262,990 (approximately US\$ 301,628)	NT\$ 970,190 (approximately US\$ 31,592)	\$ -	\$ -	\$ -	-	NT\$ 18,525,980 (approximately US\$ 603,256)	Y	N	Y	
1	TPKC	TPKD	Inter-company in which the Company indirectly held more than 90% of the voting shares	NT\$ 9,262,990 (approximately US\$ 301,628)	NT\$ 970,190 (approximately US\$ 31,592)	-	-	-	-	NT\$ 18,525,980 (approximately US\$ 603,256)	N	N	Y	
		TPK HK	Inter-company in which the Company indirectly held more than 90% of the voting shares	NT\$ 9,262,990 (approximately US\$ 301,628)	NT\$ 1,322,987 (approximately US\$ 43,080)	NT\$ 1,322,987 (approximately US\$ 43,080)	NT\$ 575,187 (approximately US\$ 18,730)	-	3.57%	NT\$ 18,525,980 (approximately US\$ 603,256)	N	N	N	
2	TPKJ	TPKJ HK	Companies in which the Company indirectly held more than 50% of the voting shares	NT\$ 9,262,990 (approximately US\$ 301,628)	NT\$ 245,680 (approximately US\$ 8,000)	NT\$ 245,680 (approximately US\$ 8,000)	-	-	0.66%	NT\$ 18,525,980 (approximately US\$ 603,256)	N	N	N	

Note 1: The parent company is indicated by “0”, while all other numbers indicate subsidiaries.

Note 2: For TPKH, the total amount of endorsement/guarantee provided and the limit on endorsement/guarantee amounts provided to each guaranteed party cannot exceed 50% and 25% of TPKH’s net asset value, respectively. The maximum collateral/guarantee amount allowable was calculated based on the net assets value as of December 31, 2022.

Note 3: The exchange rate from U.S. dollars to New Taiwan dollars as of December 31, 2022 was US\$1=NT\$30.71.

Note 4: The maximum amount and outstanding endorsement/guarantee at the end of the year only indicate limits on endorsement/guarantee amount to others, not the used amount.

**TABLE 3****TPK HOLDING CO., LTD. AND SUBSIDIARIES****MARKETABLE SECURITIES HELD****DECEMBER 31, 2022****(In Thousands, Unless Stated Otherwise)**

Holding Company Name	Name and Type of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2022				Note
				Shares	Carrying Amount (Note 2)	Percentage of Ownership	Fair Value	
TPKH	<u>Ordinary shares</u> Canoo Inc.	-	Financial assets at FVTOCI - current	7,067,666	NT\$ 266,969 (approximately US\$ 8,693)	2.05	NT\$ 266,969 (approximately US\$ 8,693)	Notes 3 and 4
TPKT	<u>Ordinary shares</u> HD Renewable Energy Co., Ltd.	-	Financial assets at FVTPL - current	1,800,000	NT\$ 166,770 (approximately US\$ 5,430)	2.12	NT\$ 166,770 (approximately US\$ 5,430)	
TPK HK	<u>Fund</u> SMART Growth Fund, L.P.	-	Financial assets at FVTPL - non-current	-	NT\$ 516,139 (approximately US\$ 16,807)	3.36	NT\$ 516,139 (approximately US\$ 16,807)	
TPK HK	<u>Ordinary shares</u> UBCO Holdings Limited	-	Financial assets at FVTPL - non-current	19,348,357	NT\$ 215,863 (approximately US\$ 7,029)	16.97	NT\$ 215,863 (approximately US\$ 7,029)	
TPK HK	<u>Short-term convertible bonds</u> Light Polymers Holdings (HK) Limited	-	Financial assets at FVTPL - current	-	-	-	-	Note 1

Note 1: The Group evaluated the fair value of short-term convertible bonds as \$0 on December 31, 2022.

Note 2: The exchange rate from U.S. dollars to New Taiwan dollars as of December 31, 2022 was US\$1=NT\$30.71.

Note 3: The Group disclosed the percentage of ownership based on the percentage of the Group's investment amount.

Note 4: Wise Road Industry Investment Fund I, L.P. was renamed SMART Growth Fund, L.P. from March 2022.

TABLE 4

## TPK HOLDING CO., LTD. AND SUBSIDIARIES

MARKETABLE SECURITIES ACQUIRED OR DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT\$300 MILLION OR 20% OF THE PAID-IN CAPITAL  
FOR THE YEAR ENDED DECEMBER 31, 2022  
(In Thousands, Unless Stated Otherwise)

Company Name	Type and Name of Marketable Securities	Financial Statement Account	Counterparty	Relationship	Beginning Balance		Acquisition		Disposal				Ending Balance	
					Number of Shares	Amount (Note 1)	Number of Shares	Amount (Note 2)	Number of Shares	Amount (Note 2)	Carrying Amount	Gain on Disposal (Note 2)	Shares	Amount (Notes 3 and 4)
UYH	Ordinary shares TPKS	Investments accounted for using equity method	TPK HK	Investments accounted for using equity method	-	NT\$ 3,525,032 (approximately US\$ 127,349)	-	\$ -	-	NT\$ 3,525,032 (approximately US\$ 127,349)	NT\$ 3,525,032 (approximately US\$ 127,349)	Note 5	-	\$ -
	TPK HK	Investments accounted for using equity method	TPK HK	Investments accounted for using equity method	467,498,000	NT\$ 8,125,758 (approximately US\$ 293,561)	196,747,254	NT\$ 3,525,032 (approximately US\$ 127,349)	-	-	-	\$ -	664,245,254	NT\$ 12,007,124 (approximately US\$ 390,984)
	TPKC	Investments accounted for using equity method	OTH	Investments accounted for using equity method	-	NT\$ 29,301,757 (approximately US\$ 1,058,589)	-	-	-	NT\$ 34,785,304 (approximately US\$ 1,079,786)	NT\$ 34,785,304 (approximately US\$ 1,079,786)	Note 5	-	-
	OTH	Investments accounted for using equity method	OTH	Investments accounted for using equity method	31,000	NT\$ 1,758,180 (approximately US\$ 63,518)	1,079,785,942	NT\$ 34,785,304 (approximately US\$ 1,079,786)	-	-	-	-	1,079,816,942	NT\$ 33,586,700 (approximately US\$ 1,093,673)
OTH	TPKC	Investments accounted for using equity method	UYH	Investments accounted for using equity method	-	NT\$ 1,783,259 (approximately US\$ 64,424)	-	NT\$ 34,785,304 (approximately US\$ 1,079,786)	-	-	-	-	-	NT\$ 35,424,762 (approximately US\$ 1,153,525)
TPKG	MTOH	Investments accounted for using equity method	TPK HK	Investments accounted for using equity method	-	-	-	NT\$ 1,308,027 (approximately US\$ 46,674)	-	-	-	-	-	NT\$ 1,446,074 (approximately US\$ 47,088)
TPK HK	TPKS	Investments accounted for using equity method	UYH	Investments accounted for using equity method	-	-	-	NT\$ 3,525,032 (approximately US\$ 127,349)	-	-	-	-	-	NT\$ 4,211,551 (approximately US\$ 137,139)
	MTOH	Investments accounted for using equity method	TPKG	Investments accounted for using equity method	-	NT\$ 1,267,594 (approximately US\$ 45,795)	-	-	-	NT\$ 1,308,027 (approximately US\$ 46,674)	NT\$ 1,308,027 (approximately US\$ 46,674)	Note 5	-	-
	TPKG	Investments accounted for using equity method	TPKG	Investments accounted for using equity method	-	NT\$ 623,896 (approximately US\$ 22,540)	-	NT\$ 1,308,027 (approximately US\$ 46,674)	-	-	-	-	-	NT\$ 1,436,292 (approximately US\$ 46,770)

Note 1: The exchange rate from U.S. dollars to New Taiwan dollars as of December 31, 2021 was US\$1=NT\$27.68.

Note 2: The exchange rate used for the translation of U.S. dollars to New Taiwan dollars was the monthly average rate of the transaction.

Note 3: The exchange rate from U.S. dollars to New Taiwan dollars as of December 31, 2022 was US\$1=NT\$30.71.

Note 4: The ending balance included profit or loss on the fair value changes of financial assets and investment income or loss.

Note 5: The transaction is an organizational restructuring under joint control, using the net book value as the price transaction, and there is no gain or loss on disposal.

TABLE 5

## TPK HOLDING CO., LTD. AND SUBSIDIARIES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL  
FOR THE YEAR ENDED DECEMBER 31, 2022

(In Thousands)

Company Name	Related Party	Relationship	Transaction Detail				Abnormal Transaction		Notes/Trade Receivable (Payables)		Note
			Purchase/ Sales	Amount (Notes 2 and 3)	% to Total	Payment Terms	Unit Price	Payment Term	Ending Balance (Notes 2 and 4)	% to Total	
TPKC	TPKS	The same ultimate parent company	Purchase	NT\$ 565,435 (approximately US\$ 19,072)	0.72	45 days after monthly closing	No significant difference	No significant difference	\$ -	-	
	TPKG	The same ultimate parent company	Purchase	NT\$ 760,690 (approximately US\$ 25,658)	0.96	45 days after monthly closing	No significant difference	No significant difference	NT\$ 186,201 (approximately US\$ 6,063)	1.98	
	TPK HK	The same ultimate parent company	Purchase	NT\$ 7,900,616 (approximately US\$ 266,492)	10.00	45 days after monthly closing	No significant difference	No significant difference	NT\$ 1,362,331 (approximately US\$ 44,361)	14.50	
	TPKF	Investments accounted for using equity method	Purchase	NT\$ 1,385,100 (approximately US\$ 46,720)	1.75	45 days after monthly closing	No significant difference	No significant difference	NT\$ 112,779 (approximately US\$ 3,672)	1.20	
	TPKJ	Investments accounted for using equity method	Purchase	NT\$ 245,727 (approximately US\$ 8,289)	0.31	45 days after monthly closing	No significant difference	No significant difference	NT\$ 9,150 (approximately US\$ 298)	0.10	
	TPKJ HK	The same ultimate parent company	Purchase	NT\$ 179,411 (approximately US\$ 6,052)	0.23	45 days after monthly closing	No significant difference	No significant difference	NT\$ 82,078 (approximately US\$ 2,673)	0.87	
	TPKG	The same ultimate parent company	Sales	NT\$ 275,794 (approximately US\$ 9,303)	0.28	45 days after monthly closing	No significant difference	No significant difference	NT\$ 123,993 (approximately US\$ 4,038)	1.47	
	TPK HK	The same ultimate parent company	Sales	NT\$ 36,800,653 (approximately US\$ 1,241,307)	37.87	45 days after monthly closing	No significant difference	No significant difference	NT\$ 7,095,400 (approximately US\$ 231,045)	84.03	
	AUTO HK	The same ultimate parent company	Sales	NT\$ 364,731 (approximately US\$ 12,303)	0.38	45 days after monthly closing	No significant difference	No significant difference	NT\$ 21,009 (approximately US\$ 684)	0.25	
TPKS	TPKF	The same ultimate parent company	Purchase	NT\$ 305,570 (approximately US\$ 10,307)	0.39	45 days after monthly closing	No significant difference	No significant difference	NT\$ 590 (approximately US\$ 19)	0.01	
	TPKG	The same ultimate parent company	Purchase	NT\$ 860,469 (approximately US\$ 29,024)	1.09	45 days after monthly closing	No significant difference	No significant difference	NT\$ 305,007 (approximately US\$ 9,932)	3.25	

(Continued)

Company Name	Related Party	Relationship	Transaction Detail				Abnormal Transaction		Notes/Trade Receivable (Payables)		Note
			Purchase/ Sales	Amount (Notes 2 and 3)	% to Total	Payment Terms	Unit Price	Payment Term	Ending Balance (Notes 2 and 4)	% to Total	
TPKG	TPK HK	The same ultimate parent company	Purchase	NT\$ 4,566,095 (approximately US\$ 154,017)	5.78	45 days after monthly closing	No significant difference	No significant difference	NT\$ 695,914 (approximately US\$ 22,661)	7.41	
	TPKC	The same ultimate parent company	Sales	NT\$ 565,435 (approximately US\$ 19,072)	0.58	45 days after monthly closing	No significant difference	No significant difference	-	-	
	TPK HK	The same ultimate parent company	Sales	NT\$ 7,378,398 (approximately US\$ 248,878)	7.59	45 days after monthly closing	No significant difference	No significant difference	NT\$ 1,271,996 (approximately US\$ 41,420)	15.06	
	TPKC	The same ultimate parent company	Purchase	NT\$ 275,772 (approximately US\$ 9,302)	0.35	45 days after monthly closing	No significant difference	No significant difference	NT\$ 123,993 (approximately US\$ 4,038)	1.32	
	TPKF	The same ultimate parent company	Purchase	NT\$ 803,858 (approximately US\$ 27,115)	1.02	45 days after monthly closing	No significant difference	No significant difference	NT\$ 302,447 (approximately US\$ 9,848)	3.22	
	TPKC	The same ultimate parent company	Sales	NT\$ 760,690 (approximately US\$ 25,658)	0.78	45 days after monthly closing	No significant difference	No significant difference	NT\$ 186,201 (approximately US\$ 6,063)	2.21	
	TPKS	The same ultimate parent company	Sales	NT\$ 860,469 (approximately US\$ 29,024)	0.89	45 days after monthly closing	No significant difference	No significant difference	NT\$ 305,007 (approximately US\$ 9,932)	3.61	
	TPK HK	The same ultimate parent company	Sales	NT\$ 1,856,352 (approximately US\$ 62,616)	1.91	45 days after monthly closing	No significant difference	No significant difference	NT\$ 304,771 (approximately US\$ 9,924)	3.61	
	TPKD	The same ultimate parent company	Sales	NT\$ 353,685 (approximately US\$ 11,930)	0.36	45 days after monthly closing	No significant difference	No significant difference	NT\$ 37,973 (approximately US\$ 1,237)	0.45	
	TPK HK										
TPK HK	TPKC	Investments accounted for using equity method	Purchase	NT\$ 36,800,653 (approximately US\$ 1,241,307)	46.58	45 days after monthly closing	No significant difference	No significant difference	NT\$ 7,095,400 (approximately US\$ 231,045)	75.53	
	TPKS	Investments accounted for using equity method	Purchase	NT\$ 7,378,398 (approximately US\$ 248,878)	9.34	45 days after monthly closing	No significant difference	No significant difference	NT\$ 1,271,996 (approximately US\$ 41,420)	13.54	
	TPKG	Investments accounted for using equity method	Purchase	NT\$ 1,856,352 (approximately US\$ 62,616)	2.35	45 days after monthly closing	No significant difference	No significant difference	NT\$ 304,771 (approximately US\$ 9,924)	3.24	
	TPKD	Investments accounted for using equity method	Purchase	NT\$ 39,548,614 (approximately US\$ 1,333,997)	50.06	45 days after monthly closing	No significant difference	No significant difference	NT\$ 12,979,392 (approximately US\$ 422,644)	138.17	
	TPKC	Investments accounted for using equity method	Sales	NT\$ 8,310,127 (approximately US\$ 280,305)	8.55	45 days after monthly closing	No significant difference	No significant difference	NT\$ 1,362,331 (approximately US\$ 44,361)	16.13	
	TPKS	Investments accounted for using equity method	Sales	NT\$ 4,566,095 (approximately US\$ 154,017)	4.70	45 days after monthly closing	No significant difference	No significant difference	NT\$ 695,914 (approximately US\$ 22,661)	8.24	

(Continued)

Company Name	Related Party	Relationship	Transaction Detail				Abnormal Transaction		Notes/Trade Receivable (Payables)		Note
			Purchase/ Sales	Amount (Notes 2 and 3)	% to Total	Payment Terms	Unit Price	Payment Term	Ending Balance (Notes 2 and 4)	% to Total	
TPKD	TPKD	Investments accounted for using equity method	Sales	NT\$ 25,767,396 (approximately US\$ 869,149)	26.51	45 days after monthly closing	No significant difference	No significant difference	NT\$ 2,426,499 (approximately US\$ 79,013)	28.74	
	TES XM	Related party in substance	Sales	NT\$ 716,384 (approximately US\$ 24,164)	0.74	60 days after monthly closing	No significant difference	No significant difference	NT\$ 67,442 (approximately US\$ 2,196)	0.80	
	TPKG	The same ultimate parent company	Purchase	NT\$ 353,685 (approximately US\$ 11,930)	0.45	45 days after monthly closing	No significant difference	No significant difference	NT\$ 37,973 (approximately US\$ 1,237)	0.40	
	TPK HK	The same ultimate parent company	Purchase	NT\$ 25,767,396 (approximately US\$ 869,149)	32.62	45 days after monthly closing	No significant difference	No significant difference	NT\$ 2,426,499 (approximately US\$ 79,013)	25.83	
	TPKJ	The same ultimate parent company	Purchase	NT\$ 2,063,773 (approximately US\$ 69,612)	2.61	45 days after monthly closing	No significant difference	No significant difference	NT\$ 409,954 (approximately US\$ 13,349)	4.36	
	TPK HK	The same ultimate parent company	Sales	NT\$ 39,548,637 (approximately US\$ 1,333,998)	40.70	45 days after monthly closing	No significant difference	No significant difference	NT\$ 12,979,392 (approximately US\$ 422,644)	153.72	
	BTO	Related party in substance	Purchase	NT\$ 183,563 (approximately US\$ 6,192)	0.23	45 days after monthly closing	No significant difference	No significant difference	NT\$ 25,340 (approximately US\$ 825)	0.27	
AMPH	AMP HK	Investments accounted for using equity method	Sales	NT\$ 452,661 (approximately US\$ 15,269)	0.47	45 days after monthly closing	No significant difference	No significant difference	NT\$ 33,818 (approximately US\$ 1,101)	0.40	
AMP HK	AMPH	The same ultimate parent company	Purchase	NT\$ 452,661 (approximately US\$ 15,269)	0.57	45 days after monthly closing	No significant difference	No significant difference	NT\$ 33,818 (approximately US\$ 1,101)	0.36	
AUTO XM	AUTO HK	Investments accounted for using equity method	Sales	NT\$ 1,329,784 (approximately US\$ 44,854)	1.37	45 days after monthly closing	No significant difference	No significant difference	NT\$ 428,124 (approximately US\$ 13,941)	5.07	
	AUTO HK	Investments accounted for using equity method	Purchase	NT\$ 144,126 (approximately US\$ 4,861)	0.18	45 days after monthly closing	No significant difference	No significant difference	NT\$ 21,373 (approximately US\$ 696)	0.23	
AUTO HK	AUTO XM	The same ultimate parent company	Sales	NT\$ 144,126 (approximately US\$ 4,861)	0.15	45 days after monthly closing	No significant difference	No significant difference	NT\$ 21,373 (approximately US\$ 696)	0.25	
	TPKC	The same ultimate parent company	Purchase	NT\$ 364,731 (approximately US\$ 12,303)	0.46	45 days after monthly closing	No significant difference	No significant difference	NT\$ 21,009 (approximately US\$ 684)	0.22	
	AUTO XM	The same ultimate parent company	Purchase	NT\$ 1,327,000 (approximately US\$ 44,760)	1.68	45 days after monthly closing	No significant difference	No significant difference	NT\$ 427,940 (approximately US\$ 13,935)	4.56	

(Continued)

Company Name	Related Party	Relationship	Transaction Detail				Abnormal Transaction		Notes/Trade Receivable (Payables)		Note
			Purchase/ Sales	Amount (Notes 2 and 3)	% to Total	Payment Terms	Unit Price	Payment Term	Ending Balance (Notes 2 and 4)	% to Total	
TPKF	TPKJ	The same ultimate parent company	Purchase	NT\$ 1,585,237 (approximately US\$ 53,471)	2.01	45 days after monthly closing	No significant difference	No significant difference	NT\$ 156,811 (approximately US\$ 5,106)	1.67	
	TPKS	The same ultimate parent company	Sales	NT\$ 305,570 (approximately US\$ 10,307)	0.31	45 days after monthly closing	No significant difference	No significant difference	NT\$ 590 (approximately US\$ 19)	0.01	
	TPKC	The same ultimate parent company	Sales	NT\$ 1,385,100 (approximately US\$ 46,720)	1.43	45 days after monthly closing	No significant difference	No significant difference	NT\$ 112,779 (approximately US\$ 3,672)	1.34	
	TPKG	The same ultimate parent company	Sales	NT\$ 803,858 (approximately US\$ 27,115)	0.83	45 days after monthly closing	No significant difference	No significant difference	NT\$ 302,447 (approximately US\$ 9,848)	3.58	
TPKJ	TPKJ HK	Investments accounted for using equity method	Purchase	NT\$ 590,455 (approximately US\$ 19,916)	0.75	45 days after monthly closing	No significant difference	No significant difference	-	-	
	TPKC	The same ultimate parent company	Sales	NT\$ 248,762 (approximately US\$ 8,391)	0.26	45 days after monthly closing	No significant difference	No significant difference	NT\$ 9,150 (approximately US\$ 298)	0.11	
	TPKD	The same ultimate parent company	Sales	NT\$ 2,064,489 (approximately US\$ 69,636)	2.12	45 days after monthly closing	No significant difference	No significant difference	NT\$ 409,954 (approximately US\$ 13,349)	4.86	
	TPKF	The same ultimate parent company	Sales	NT\$ 1,585,237 (approximately US\$ 53,471)	1.63	45 days after monthly closing	No significant difference	No significant difference	NT\$ 156,811 (approximately US\$ 5,106)	1.86	
	TPKJ HK	Investments accounted for using equity method	Sales	NT\$ 181,267 (approximately US\$ 6,114)	0.19	45 days after monthly closing	No significant difference	No significant difference	NT\$ 79,626 (approximately US\$ 2,593)	0.94	
TPKJ HK	TPKJ	The same ultimate parent company	Purchase	NT\$ 181,267 (approximately US\$ 6,114)	0.23	45 days after monthly closing	No significant difference	No significant difference	NT\$ 79,626 (approximately US\$ 2,593)	0.85	
	TPKJ	The same ultimate parent company	Sales	NT\$ 590,455 (approximately US\$ 19,916)	0.61	45 days after monthly closing	No significant difference	No significant difference	-	-	
	TPKC	The same ultimate parent company	Sales	NT\$ 179,411 (approximately US\$ 6,052)	0.18	45 days after monthly closing	No significant difference	No significant difference	NT\$ 82,078 (approximately US\$ 2,673)	0.97	

Note 1: The sales prices and payment terms of intercompany and related party sales and purchases were not significantly different from those transactions with third parties.

Note 2: Except for TES XM and BTO, intercompany balances and transactions were eliminated upon consolidation.

Note 3: The average exchange rate from U.S. dollars to New Taiwan dollars for the year ended December 31, 2022 was US\$1=NT\$29.6467.

Note 4: The exchange rate from U.S. dollars to New Taiwan dollars as of December 31, 2022 was US\$1=NT\$30.71.

(Concluded)

**TABLE 6****TPK HOLDING CO., LTD. AND SUBSIDIARIES****RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL****DECEMBER 31, 2022****(In Thousands)**

Company Name	Related Party	Relationship	Ending Balance (Notes 1 and 3)	Turnover Rate	Overdue		Amount Received in Subsequent Period (Note 2)	Allowance for Impairment Loss
					Amount (Note 1)	Action Taken		
TPKC	TPK HK	The same ultimate parent company	NT\$ 7,095,400 (approximately US\$ 231,045)	4.03	NT\$ 2,374,351 (approximately US\$ 77,315)	Enhance collection	NT\$ 3,437,150 (approximately US\$ 111,923)	\$ -
	TPKG	The same ultimate parent company	NT\$ 123,993 (approximately US\$ 4,038)	2.50	-	-	NT\$ 61,241 (approximately US\$ 1,994)	-
TPKS	TPK HK	The same ultimate parent company	NT\$ 1,271,996 (approximately US\$ 41,420)	5.66	-	-	NT\$ 1,271,996 (approximately US\$ 41,420)	-
TPKG	TPKC	The same ultimate parent company	NT\$ 186,201 (approximately US\$ 6,063)	7.56	-	-	NT\$ 8,511 (approximately US\$ 277)	-
	TPKS	The same ultimate parent company	NT\$ 305,007 (approximately US\$ 9,932)	5.84	-	-	NT\$ 156,634 (approximately US\$ 5,100)	-
	TPK HK	The same ultimate parent company	NT\$ 304,771 (approximately US\$ 9,924)	4.28	-	-	NT\$ 83,143 (approximately US\$ 2,707)	-
TPK HK	TPKC	Investments accounted for using equity method	NT\$ 1,362,331 (approximately US\$ 44,361)	7.79	-	-	NT\$ 686,353 (approximately US\$ 22,350)	-
	TPKS	Investments accounted for using equity method	NT\$ 695,914 (approximately US\$ 22,661)	6.45	-	-	NT\$ 442,521 (approximately US\$ 14,410)	-
	TPKD	Investments accounted for using equity method	NT\$ 2,426,499 (approximately US\$ 79,013)	8.88	-	-	NT\$ 1,044,231 (approximately US\$ 34,003)	-
TPKD	TPK HK	The same ultimate parent company	NT\$ 12,979,392 (approximately US\$ 422,644)	3.44	NT\$ 6,428,905 (approximately US\$ 209,342)	Enhance collection	NT\$ 5,068,636 (approximately US\$ 165,048)	-

(Continued)



Company Name	Related Party	Relationship	Ending Balance (Notes 1 and 3)	Turnover Rate	Overdue		Amount Received in Subsequent Period (Note 2)	Allowance for Impairment Loss
					Amount (Note 1)	Action Taken		
TPKJ	TPKF	The same ultimate parent company	NT\$ 156,811 (approximately US\$ 5,106)	20.94	\$ -	-	NT\$ 52,700 (approximately US\$ 1,716)	\$ -
	TPKD	The same ultimate parent company	NT\$ 409,954 (approximately US\$ 13,349)	5.25	-	-	NT\$ 221,398 (approximately US\$ 7,209)	-
TPKF	TPKG	The same ultimate parent company	NT\$ 302,447 (approximately US\$ 9,848)	5.51	-	-	NT\$ 302,447 (approximately US\$ 9,848)	-
	TPKC	The same ultimate parent company	NT\$ 112,779 (approximately US\$ 3,672)	25.45	-	-	NT\$ 112,779 (approximately US\$ 3,672)	-
AUTO XM	AUTO HK	Investments accounted for using equity method	NT\$ 428,124 (approximately US\$ 13,941)	6.43	-	-	NT\$ 215,996 (approximately US\$ 7,033)	-

Note 1: The exchange rate from U.S. dollars to New Taiwan dollars as of December 31, 2022 was US\$1=NT\$30.71.

Note 2: The amount received in the subsequent period means that the collection was made by February 28, 2023.

Note 3: Please refer to Table 1 for information on financing provided to others.

(Concluded)

TABLE 7

## TPK HOLDING CO., LTD. AND SUBSIDIARIES

INFORMATION ON INVESTEEES  
FOR THE YEAR ENDED DECEMBER 31, 2022  
(In Thousands)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Balance as of December 31, 2022			Net Income (Loss) of the Investee (Note 2)	Share of Profits (Loss) (Notes 2 and 4)	Note
				December 31, 2022 (Note 1)	December 31, 2021 (Note 1)	Number of Shares	%	Carrying Amount (Notes 1 and 4)			
TPKH	Improve	Samoa	Holding company	NT\$ 4,744,388 (approximately US\$ 154,490)	NT\$ 4,744,388 (approximately US\$ 154,490)	154,490,000	100.00	NT\$ 3,998,057 (approximately US\$ 130,187)	NT\$ 158,016 (approximately US\$ 5,330)	NT\$ 158,016 (approximately US\$ 5,330)	Subsidiary
	UYH	Samoa	Holding company	NT\$ 8,044,975 (approximately US\$ 261,966)	NT\$ 8,044,975 (approximately US\$ 261,966)	207,751,258	79.49	NT\$ 35,532,620 (approximately US\$ 1,157,037)	NT\$ 545,023 (approximately US\$ 18,384)	NT\$ 433,239 (approximately US\$ 14,613)	Subsidiary
	RUSL	Hong Kong	Holding company	NT\$ 14,418,284 (approximately US\$ 469,498)	NT\$ 14,418,284 (approximately US\$ 469,498)	469,498,000	100.00	NT\$ 9,227,750 (approximately US\$ 300,480)	NT\$ 111,711 (approximately US\$ 3,768)	NT\$ 111,711 (approximately US\$ 3,768)	Subsidiary
	AMPH	Cayman	Holding company; research and development, manufacture and sale of resin products	NT\$ 184,260 (approximately US\$ 6,000)	NT\$ 184,260 (approximately US\$ 6,000)	60,000,000	57.69	NT\$ 295,517 (approximately US\$ 9,623)	NT\$ 118,626 (approximately US\$ 4,001)	NT\$ 68,436 (approximately US\$ 2,308)	Subsidiary (Note 10)
Improve	TPKA	Malaysia	Holding company	NT\$ 5,115,950 (approximately US\$ 166,589)	NT\$ 5,115,950 (approximately US\$ 166,589)	632,187	100.00	NT\$ 3,961,307 (approximately US\$ 128,991)	NT\$ 157,920 (approximately US\$ 5,327)		Sub-subsiidary (Note 7)
UYH	TPK HK	Hong Kong	Touch modules related research; holding company and international trade	NT\$ 13,114,978 (approximately US\$ 427,058)	NT\$ 9,204,077 (approximately US\$ 299,709)	664,245,254	100.00	NT\$ 12,007,124 (approximately US\$ 390,984)	NT\$ (713,158) (approximately US\$ -24,055)		Sub-subsiidary
	OTH	Singapore	Holding company	NT\$ 35,154,103 (approximately US\$ 1,144,712)	NT\$ 1,993,877 (approximately US\$ 64,926)	1,079,816,942	100.00	NT\$ 33,586,700 (approximately US\$ 1,093,673)	NT\$ (1,504,253) (approximately US\$ -50,739)		Sub-subsiidary
AMPH	AMP HK	Hong Kong	Holding company and international trade	NT\$ 61,420 (approximately US\$ 2,000)	NT\$ 61,420 (approximately US\$ 2,000)	2,000,000	100.00	NT\$ 182,290 (approximately US\$ 5,936)	NT\$ 94,844 (approximately US\$ 3,199)		Sub-subsiidary
	AMPCH	Hong Kong	International trade	NT\$ 307 (approximately US\$ 10)	-	10,000	100.00	NT\$ 180 (approximately US\$ 6)	NT\$ (123) (approximately US\$ -4)		Sub-subsiidary (Note 8)
OTH	TPKU	U.S.A.	International trade	NT\$ 147,408 (approximately US\$ 4,800)	NT\$ 147,408 (approximately US\$ 4,800)	Note 3	100.00	NT\$ 186,765 (approximately US\$ 6,082)	NT\$ 5,325 (approximately US\$ 180)		Sub-subsiidary
RUSL	UYH	Samoa	Holding company	NT\$ 9,204,077 (approximately US\$ 299,709)	NT\$ 9,204,077 (approximately US\$ 299,709)	53,593,272	20.51	NT\$ 9,168,122 (approximately US\$ 298,539)	NT\$ 545,023 (approximately US\$ 18,384)		Sub-subsiidary
TPK HK	Cando	Taiwan	Touch modules research, development and manufacture	NT\$ 5,581,773 (approximately US\$ 193,574)	NT\$ 5,581,773 (approximately US\$ 193,574)	77,124,591	19.78	-	-		Associate accounted for using equity method (Note 6)
TPKA	TPKT	Taiwan	Touch related material, modules and electric utility vehicles sales	NT\$ 2,911,700 (approximately US\$ 116,433)	NT\$ 2,911,700 (approximately US\$ 116,433)	50,717,000	100.00	NT\$ 1,822,107 (approximately US\$ 59,333)	NT\$ 138,896 (approximately US\$ 4,685)		Sub-subsiidary
TPKJ	TPKJ HK	Hong Kong	International trade	NT\$ 15,355 (approximately US\$ 500)	NT\$ 15,355 (approximately US\$ 500)	500,000	100.00	NT\$ 76,340 (approximately US\$ 2,486)	NT\$ 29,098 (approximately US\$ 982)		Sub-subsiidary
AUTO XM	AUTO HK	Hong Kong	International trade	NT\$ 30,710 (approximately US\$ 1,000)	NT\$ 30,710 (approximately US\$ 1,000)	1,000,000	100.00	NT\$ (75,126) (approximately US\$ -2,446)	NT\$ (101,950) (approximately US\$ -3,439)		Sub-subsiidary
TPKT	DSE	Taiwan	Solar energy system development and equipments trade, maintenance, installation and management services	NT\$ 60,000 (approximately US\$ 2,033)	-	6,000,000	50.22	NT\$ 61,360 (approximately US\$ 1,998)	NT\$ 300 (approximately US\$ 10)		Sub-subsiidary (Note 9)

(Continued)

- Note 1: Except for subsidiaries in Taiwan which are translated into U.S. dollars based on the average exchange rate of the month of investment injection, the exchange rate from U.S. dollars to New Taiwan dollars as of December 31, 2022 was US\$1=NT\$30.71.
- Note 2: The average exchange rate from U.S. dollars to New Taiwan dollars for the year ended December 31, 2022 was US\$1=NT\$29.6467.
- Note 3: TPKU does not issue shares. OTH's investment is measured as a percentage of ownership.
- Note 4: Except for Cando, intercompany balances and transactions were eliminated upon consolidation.
- Note 5: Please refer to Table 8 for information on investment in mainland China.
- Note 6: Based on assessments, the recoverable amounts of the Company's interests in Cando were less than their carrying amounts. Hence, impairment losses of the total carrying amounts were recognized. Refer to Note 13 to the consolidated financial statements for more information.
- Note 7: The Company resolved to dissolve and liquidate TPKA in order to simplify its organizational structure. As of March 28, 2023, the process of dissolution and liquidation was not completed.
- Note 8: To expand product channels, the Company's board of directors resolved that AMPH set up AMPCH in Hong Kong as its subsidiary, which was set up on October 11, 2021 and received a capital investment of US\$10 thousand in January 2022.
- Note 9: Optimistic about the prospects of the green energy industry and the needs of corporate ESG, TPKT's board of directors resolved to participate in the cash capital increase of DSE. TPKT completed the capital increase of \$60,000 thousand in DSE and acquired 50.22% of the equity of DSE on May 11, 2022.
- Note 10: To increase the flexibility of introducing other investors in the future, AMPH's board of directors resolved to revise the original par value of the stock from US\$0.01 per share to US\$0.1 per share and changed the number of shares authorized by the original articles of association from 5,000 thousand shares to 150,000 thousand shares. The change of the par value of each share was completed on October 14, 2022. The original capital surplus recognized on the issuance of ordinary shares was fully transferred to increase the capital. After the capital increase, the number of issued shares of AMPH increased to 104,000 thousand shares.

(Concluded)

TABLE 8

## TPK HOLDING CO., LTD. AND SUBSIDIARIES

INFORMATION ON INVESTMENT IN MAINLAND CHINA  
FOR THE YEAR ENDED DECEMBER 31, 2022  
(In Thousands)

Investee Company	Main Business and Products	Paid in Capital (Notes 1 and 2)	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2022	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2022	Net Income (Loss) of the investee (Note 3)	% Ownership of Direct or Indirect Investment	Investment Income (Loss) Recognized (Notes 3 and 4)	Carrying Amount as of December 31, 2022 (Note 2)	Accumulated Repatriation of Investment Income as of December 31, 2022 (Note 2)
					Outward	Inward						
TPKC	Touch modules research, development, manufacture and sales	NT\$ 9,004,172 (approximately US\$ 293,200)	Direct investment	\$ -	\$ -	\$ -	\$ -	NT\$ 1,319,129 (approximately US\$ 44,495)	100.00	NT\$ 1,319,129 (approximately US\$ 44,495)	NT\$ 38,120,222 (approximately US\$ 1,241,297)	\$ -
TPKS	Touch modules research, development, manufacture and sales	NT\$ 767,750 (approximately US\$ 25,000)	Direct investment	-	-	-	-	NT\$ 290,241 (approximately US\$ 9,790)	100.00	NT\$ 290,241 (approximately US\$ 9,790)	NT\$ 4,211,551 (approximately US\$ 137,139)	-
TPKG	Touch modules research, development, manufacture and sales	NT\$ 12,939,155 (approximately US\$ 421,334)	Direct investment	-	-	-	-	NT\$ (732,919) (approximately US\$ -24,722)	100.00	NT\$ (732,919) (approximately US\$ -24,722)	NT\$ 1,436,292 (approximately US\$ 46,770)	NT\$ 167,132 (approximately US\$ 5,442)
MTOH	Touch modules research, development, manufacture and sales	NT\$ 2,641,060 (approximately US\$ 86,000)	Direct investment	-	-	-	-	NT\$ 30,670 (approximately US\$ 1,035)	100.00	NT\$ 38,348 (approximately US\$ 1,293)	NT\$ 1,446,074 (approximately US\$ 47,088)	-
TPKP	Touch modules research, development, manufacture and sales	NT\$ 6,720,945 (approximately US\$ 218,852)	Direct investment	-	-	-	-	NT\$ (381,663) (approximately US\$ -12,874)	100.00	NT\$ (381,663) (approximately US\$ -12,874)	NT\$ (4,803,041) (approximately US\$ -156,400)	-
TPKM (Note 5)	Electronic materials manufacture	-	Direct investment	-	-	-	-	NT\$ 3,727 (approximately US\$ 126)	100.00	NT\$ 3,727 (approximately US\$ 126)	-	-
TPKQ	Inspection and testing services	NT\$ 6,919 (approximately US\$ 225)	Direct investment	-	-	-	-	NT\$ (23,480) (approximately US\$ -792)	100.00	NT\$ (23,480) (approximately US\$ -792)	NT\$ (28,813) (approximately US\$ -938)	-
TPKD	Touch modules research, development, manufacture and sales	NT\$ 3,928,775 (approximately US\$ 127,931)	Direct investment	-	-	-	-	NT\$ (654,160) (approximately US\$ -22,065)	100.00	NT\$ (654,160) (approximately US\$ -22,065)	NT\$ 13,475,047 (approximately US\$ 438,784)	-
AMP XM	Resin products research, development, manufacture and sales	NT\$ 46,065 (approximately US\$ 1,500)	Direct investment	-	-	-	-	NT\$ (1,542) (approximately US\$ -52)	57.69	NT\$ (889) (approximately US\$ -30)	NT\$ 37,218 (approximately US\$ 1,212)	-
TPKJ	Protective film and optical adhesive manufacture and sales	NT\$ 110,556 (approximately US\$ 3,600)	Direct investment	-	-	-	-	NT\$ 439,198 (approximately US\$ 14,814)	100.00	NT\$ 438,000 (approximately US\$ 14,774)	NT\$ 2,670,464 (approximately US\$ 86,957)	-
TPKF	Touch modules, protective film and optical adhesive manufacture and sales	NT\$ 1,256,346 (approximately US\$ 40,910)	Direct investment	-	-	-	-	NT\$ 69,926 (approximately US\$ 2,359)	100.00	NT\$ 69,926 (approximately US\$ 2,359)	NT\$ 217,921 (approximately US\$ 7,096)	-

(Continued)

Investee Company	Main Business and Products	Paid in Capital (Notes 1 and 2)	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2022	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2022	Net Income (Loss) of the investee (Note 3)	% Ownership of Direct or Indirect Investment	Investment Income (Loss) Recognized (Notes 3 and 4)	Carrying Amount as of December 31, 2022 (Note 2)	Accumulated Repatriation of Investment Income as of December 31, 2022 (Note 2)
					Outward	Inward						
TPKMT	Electronic material manufacture	NT\$ 307,100 (approximately US\$ 10,000)	Direct investment	\$ -	\$ -	\$ -	\$ -	NT\$ (36,545) (approximately US\$ -1,233)	100.00	NT\$ (36,545) (approximately US\$ -1,233)	NT\$ 250,601 (approximately US\$ 8,160)	\$ -
TPKCA (Note 6)	Touch modules manufacture and sales	NT\$ 4,815 (approximately US\$ 157)	Direct investment	-	-	-	-	NT\$ (194,712) (approximately US\$ -6,568)	100.00	NT\$ (194,712) (approximately US\$ -6,568)	NT\$ 1,486,065 (approximately US\$ 48,390)	-
AUTO XM (Note 7)	Touch modules research, development, manufacture and sales	NT\$ 609,759 (approximately US\$ 19,855)	Direct investment	-	-	-	-	NT\$ (173,727) (approximately US\$ -5,860)	90.00	NT\$ (162,784) (approximately US\$ -5,491)	NT\$ 380,804 (approximately US\$ 12,400)	-
TPKGA (Note 8)	Electric utility vehicles manufacture	NT\$ 62,150 (approximately US\$ 2,024)	Direct investment	-	-	-	-	NT\$ (7,396) (approximately US\$ -249)	100.00	NT\$ (7,396) (approximately US\$ -249)	NT\$ 54,489 (approximately US\$ 1,774)	-

Accumulated Outward Remittance for Investment in Mainland China as of December 31, 2022	Investment Amount Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
-	-	-

- Note 1: It is calculated based on historical cost.
- Note 2: The exchange rate from U.S. dollars to New Taiwan dollars as of December 31, 2022 was US\$1=NT\$30.71.
- Note 3: The average exchange rate from U.S. dollars to New Taiwan dollars for the year ended December 31, 2022 was US\$1=NT\$29.6467.
- Note 4: The investee company’s financial report was audited by parent company’s auditors.
- Note 5: In order to simplify the organizational structure, the process of dissolution and liquidation of TPKM was completed on June 27, 2022.
- Note 6: TPKC set up TPKCA by injecting capital of RMB1,000 thousand and transferring the real estate investment. The setup was completed on November 16, 2021, while the real estate investment and capital injection were completed on December 30, 2021 and January 10, 2022, respectively.
- Note 7: To increase core competitiveness and expand the customer base, AUTO XM planned to cooperate with TES XM as a strategic investor. Therefore, the Company’s board of directors resolved that TPKG sells 10% of the shares of AUTO XM to TES XM. The transaction of equity transfer had been completed on May 23, 2022.
- Note 8: TPKG set up TPKGA by injecting capital of RMB1,000 thousand and transferring the real estate investment. The setup was completed on November 16, 2021, and the capital injection of RMB1,000 thousand was completed on June 2, 2022. However, after considering the future business and operational needs, on August 18, 2022, the Company’s board of directors resolved to cancel the real estate investment and invested RMB39,000 thousand in exchange, and the capital amount decreased to RMB40,000 thousand. The Company invested RMB13,000 thousand in December 2022.

(Concluded)

**TABLE 9**

**TPK HOLDING CO., LTD. AND SUBSIDIARIES**

**INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS  
FOR THE YEAR ENDED DECEMBER 31, 2022  
(In Thousands)**

No. (Note 1)	Company Name (Note 2)	Counterparty (Note 2)	Relationship (Note 3)	Transactions Details				
				Financial Statement Account	Amount (Approximately US\$)	Amount (NT\$)	Terms (Note 4)	Percentage of Consolidated Total Gross Sales or Total Assets (Note 5)
1	TPKH	TPK HK	1	Short-term borrowings	\$ 231,720	\$ 7,116,121	-	8.51
2	UYH	TPK HK	3	Long-term borrowings	30,000	921,300	-	1.10
3	TPKA	TPK HK	3	Loan to related parties - long-term	67,000	2,057,570	-	2.46
4	AMPH	AMP HK	3	Sales	15,269	452,661	-	0.47
5	TPKT	TPK HK	3	Loan to related parties - short-term	20,000	614,200	-	0.73
6	TPKC	TPKS	3	Short-term borrowings	15,574	478,290	-	0.57
		TPKS	3	Notes payable	15,796	485,095	-	0.58
		TPKS	3	Purchase	19,072	565,435	-	0.58
		TPKG	3	Loan to related parties - short-term	148,044	4,546,444	-	5.44
		TPKG	3	Trade payables	6,063	186,201	-	0.22
		TPKG	3	Notes payable	5,600	171,988	-	0.21
		TPKG	3	Trade receivables, net	4,038	123,993	-	0.15
		TPKG	3	Purchase	25,658	760,690	-	0.78
		TPKG	3	Sales	9,303	275,794	-	0.28
		TPK HK	3	Loan to related parties - short-term	101,000	3,101,710	-	3.71
		TPK HK	3	Trade payables	44,361	1,362,331	-	1.63
		TPK HK	3	Trade receivables, net	231,045	7,095,400	-	8.49
		TPK HK	3	R&D expense	13,813	409,511	-	0.42
		TPK HK	3	Purchase	266,492	7,900,616	-	8.13
		TPK HK	3	Sales	1,241,307	36,800,653	-	37.87
		MTOH	3	Loan to related parties - short-term	5,431	166,780	-	0.20
		TPKP	3	Loan to related parties - short-term	256,800	7,886,328	-	9.43
		TPKD	3	Other current assets	2,973	91,311	-	0.11
		TPKD	3	Loan to related parties - short-term	162,545	4,991,763	-	5.97
		TPKD	3	Notes receivable	4,542	139,490	-	0.17
		TPKD	3	Rental revenue	8,378	248,376	-	0.26
		TPKD	3	Non-operating income	5,462	161,942	-	0.17
		TPKF	3	Loan to related parties - short-term	8,098	248,690	-	0.30
		TPKF	3	Trade payables	3,672	112,779	-	0.13
		TPKF	3	Notes payable	20,104	617,394	-	0.74
		TPKF	3	Purchase	46,720	1,385,100	-	1.43

(Continued)

No. (Note 1)	Company Name (Note 2)	Counterparty (Note 2)	Relationship (Note 3)	Transactions Details				
				Financial Statement Account	Amount (Approximately US\$)	Amount (NT\$)	Terms (Note 4)	Percentage of Consolidated Total Gross Sales or Total Assets (Note 5)
		AUTO HK	3	Sales	\$ 12,303	\$ 364,731	-	0.38
		AUTO XM	3	Notes receivable	7,180	220,498	-	0.26
		TPKJ	3	Short-term borrowings	27,132	833,228	-	1.00
		TPKJ	3	Purchase	8,289	245,727	-	0.25
		TPKJ HK	3	Purchase	6,052	179,411	-	0.18
7	TPKS	TPKG	3	Trade payables	9,932	305,007	-	0.36
		TPKG	3	Notes payable	11,488	352,796	-	0.42
		TPKG	3	Purchase	29,024	860,469	-	0.89
		TPK HK	3	Trade payables	22,661	695,914	-	0.83
		TPK HK	3	Trade receivables, net	41,420	1,271,996	-	1.52
		TPK HK	3	Purchase	154,017	4,566,095	-	4.70
		TPK HK	3	Sales	248,878	7,378,398	-	7.59
		TPKF	3	Purchase	10,307	305,570	-	0.31
8	TPKG	TPK HK	3	Short-term borrowings	51,900	1,593,849	-	1.91
		TPK HK	3	Trade receivables, net	9,924	304,771	-	0.36
		TPK HK	3	Sales	62,616	1,856,352	-	1.91
		TPKD	3	Sales	11,930	353,685	-	0.36
		TPKF	3	Trade payables	9,848	302,447	-	0.36
		TPKF	3	Purchase	27,115	803,858	-	0.83
9	TPK HK	TPKD	3	Trade payables	422,644	12,979,392	-	15.52
		TPKD	3	Trade receivables, net	79,013	2,426,499	-	2.90
		TPKD	3	Notes receivable	48,909	1,501,982	-	1.80
		TPKD	3	Purchase	1,333,997	39,548,614	-	40.70
		TPKD	3	Sales	869,149	25,767,396	-	26.51
10	TPKD	TPKJ	3	Trade payables	13,349	409,954	-	0.49
		TPKJ	3	Notes payable	7,179	220,472	-	0.26
		TPKJ	3	Purchase	69,612	2,063,773	-	2.12
		TPKJ	3	Non-operating income	5,998	177,828	-	0.18
11	TPKF	TPKJ	3	Trade payables	5,106	156,811	-	0.19
		TPKJ	3	Notes payable	10,912	335,118	-	0.40
		TPKJ	3	Purchase	53,471	1,585,237	-	1.63
12	AUTO HK	AUTO XM	3	Trade payables	13,935	427,940	-	0.51
		AUTO XM	3	Purchase	44,760	1,327,000	-	1.37
		AUTO XM	3	Sales	4,861	144,126	-	0.15
13	TPKJ	TPKJ HK	3	Prepayments	2,942	90,342	-	0.11
		TPKJ HK	3	Purchase	19,916	590,455	-	0.61
		TPKJ HK	3	Sales	6,114	181,267	-	0.19

(Continued)

Note 1: The parent company is indicated by “1”, while all other numbers indicate subsidiaries.

Note 2: The Company name and counterparty are listed in Note 12 to the financial statements.

Note 3: No. 1 represents the transactions from parent company to subsidiary.  
No. 2 represents the transactions from subsidiary to parent company.  
No. 3 represents the transactions between subsidiaries.

Note 4: The sales prices and payment terms of intercompany sales and purchases were not significantly different from those transactions with third parties. For other intercompany transactions, prices and terms are determined based on mutual agreements.

Note 5: Other transactions that were less than 0.1% of total assets or sales are not disclosed.

Note 6: Intercompany balances and transactions were eliminated upon consolidation.

(Concluded)



**TABLE 10****TPK HOLDING CO., LTD. AND SUBSIDIARIES****INFORMATION OF MAJOR SHAREHOLDERS  
DECEMBER 31, 2022**

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
Max Gain Management Limited	25,222,643	6.20
Capable Way Investments Limited	23,139,855	5.69

Note 1: The information of major shareholders presented in this table is provided by the Taiwan Depository & Clearing Corporation based on the number of ordinary shares and preferred shares held by shareholders with ownership of 5% or greater, that have been issued without physical registration (including treasury shares) by the Company as of the last business day for the current quarter. The share capital in the consolidated financial statements may differ from the actual number of shares that have been issued without physical registration because of different preparation basis.

Note 2: If a shareholder delivers the shareholdings to the trust, the above information will be disclosed by the individual trustor who opened the trust account. For shareholders who declare insider shareholdings with ownership greater than 10% in accordance with the Security and Exchange Act, the shareholdings include shares held by shareholders and those delivered to the trust over which shareholders have rights to determine the use of trust property. For information relating to insider shareholding declaration, please refer to Market Observation Post System.