

**EDOM Technology Co., Ltd. and  
Subsidiaries**

**Consolidated Financial Statements for the  
Three Months Ended March 31, 2023 and 2022 and  
Independent Auditors' Review Report**

## INDEPENDENT AUDITORS' REVIEW REPORT

The Board of Directors and Shareholders  
EDOM Technology Co., Ltd.

### Introduction

We have reviewed the accompanying consolidated balance sheets of EDOM Technology Co., Ltd. (the "Company") and its subsidiaries (collectively referred to as the "Group") as of March 31, 2023 and 2022, and the related consolidated statements of comprehensive income, the consolidated statements of changes in equity and cash flows for the three months then ended, and the related notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as 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 Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

### Scope of Review

Except as explained in the following paragraph, we conducted our reviews in accordance with the Standards on Review Engagements of the Republic of China 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Basis for Qualified Conclusion

As disclosed in Note 12 to the consolidated financial statements, the financial statements of some non-significant subsidiaries included in the consolidated financial statements referred to in the first paragraph were not reviewed. As of March 31, 2023 and 2022, combined total assets of these non-significant subsidiaries were NT\$3,724,777 thousand and NT\$3,898,450 thousand, respectively, representing 12.66% and 14.41%, respectively, of the consolidated total assets, and combined total liabilities of these subsidiaries were NT\$2,031,619 thousand and NT\$2,294,758 thousand, respectively, representing 8.48% and 10.71%, respectively, of the consolidated total liabilities; for the three months ended March 31, 2023 and 2022, the amounts of combined comprehensive income of these subsidiaries were NT\$(4,012) thousand and NT\$53,149 thousand, respectively, representing (7.75%) and 11.42%, respectively, of the consolidated total comprehensive income. In addition, as disclosed in Note 34 to the consolidated financial statements, the related investment amounts as well as additional disclosures are based on these investees' unreviewed financial statements for the same reporting periods as those of the Group.

## Qualified Conclusion

Based on our reviews, except for the adjustments, if any, as might have been determined to be necessary had the financial statements of the non-significant subsidiaries as described in the preceding paragraph been reviewed, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as of March 31, 2023 and 2022, and of its consolidated financial performance and its consolidated cash flows for the three months ended March 31, 2023 and 2022 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Accounting Standard 34 "Interim Financial Reporting".

The engagement partners on the reviews resulting in this independent auditors' review report are Chin-Tsung Cheng and Meng-Chieh Chiu.

CHIN TSUNG CHENG Meng-Chieh, Chiu

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

May 12, 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 review such consolidated financial statements are those generally applied in the Republic of China.*

*For the convenience of readers, the independent auditors' review 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' review report and consolidated financial statements shall prevail.*

# EDOM TECHNOLOGY CO., LTD. AND SUBSIDIARIES

## CONSOLIDATED BALANCE SHEETS (In Thousands of New Taiwan Dollars)

	March 31, 2023 (Reviewed)		December 31, 2022 (Audited)		March 31, 2022 (Reviewed)	
	Amount	%	Amount	%	Amount	%
<b>ASSETS</b>						
<b>CURRENT ASSETS</b>						
Cash and cash equivalents (Note 6)	\$ 1,811,206	6	\$ 1,714,533	5	\$ 1,694,923	6
Financial assets at fair value through profit or loss - current (Note 7)	-	-	4,979	-	5,000	-
Financial assets at amortized cost - current (Notes 9 and 30)	314,040	1	277,232	1	380,499	2
Notes receivable (Note 10)	47,594	-	68,087	-	92,810	-
Trade receivables (Note 10)	2,904,064	10	4,633,841	15	5,108,679	19
Other receivables (Notes 10 and 29)	4,406,023	15	4,268,161	14	4,128,474	15
Current tax assets (Notes 4 and 24)	91	-	-	-	2,227	-
Inventories (Note 11)	17,312,753	59	18,189,482	57	13,098,174	49
Other current assets (Notes 17 and 29)	694,329	2	660,791	2	535,565	2
Total current assets	27,490,100	93	29,817,106	94	25,046,351	93
<b>NON-CURRENT ASSETS</b>						
Financial assets at fair value through profit or loss - non-current (Note 7)	434,072	2	422,244	1	485,112	2
Financial assets at fair value through other comprehensive income - non-current (Note 8)	14,255	-	10,660	-	9,290	-
Financial assets at amortized cost - non-current (Notes 9 and 30)	2,000	-	2,000	-	-	-
Investments accounted for using the equity method (Note 13)	50,541	-	53,584	-	46,865	-
Property, plant and equipment (Notes 14 and 30)	712,274	3	697,919	2	698,918	3
Right-of-use assets (Note 15)	111,028	-	126,191	1	71,119	-
Investment properties (Note 16)	28,037	-	28,284	-	29,027	-
Goodwill	199,801	1	199,801	1	199,801	1
Other intangible assets	104,212	-	110,359	-	128,591	-
Deferred tax assets (Notes 4 and 24)	81,189	-	71,560	-	150,891	-
Net defined benefit assets- non-current (Notes 4 and 21)	21,758	-	21,512	-	11,239	-
Other non-current assets (Note 17)	163,120	1	183,280	1	183,798	1
Total non-current assets	1,922,287	7	1,927,394	6	2,014,651	7
<b>TOTAL</b>	<b>\$ 29,412,387</b>	<b>100</b>	<b>\$ 31,744,500</b>	<b>100</b>	<b>\$ 27,061,002</b>	<b>100</b>
<b>LIABILITIES AND EQUITY</b>						
<b>CURRENT LIABILITIES</b>						
Short-term borrowings (Notes 18 and 30)	\$ 7,603,191	26	\$ 10,240,535	32	\$ 9,739,932	36
Short-term bills payable (Note 18)	958,574	3	858,939	3	649,606	2
Notes and trade payables (Notes 19 and 29)	13,083,805	45	12,483,593	39	8,716,251	32
Other payables (Notes 20 and 29)	779,301	3	1,095,477	4	676,395	3
Current tax liabilities (Notes 4 and 24)	94,304	-	80,411	-	251,932	1
Lease liabilities - current (Note 15)	51,521	-	55,579	-	31,448	-
Current portion of long-term borrowings (Notes 18 and 30)	20,844	-	24,124	-	186,687	1
Other current liabilities (Note 20)	275,473	1	302,828	1	276,769	1
Total current liabilities	22,867,013	78	25,141,486	79	20,529,020	76
<b>NON-CURRENT LIABILITIES</b>						
Long-term borrowings, net of current portion (Notes 18 and 30)	865,871	3	869,226	3	726,590	3
Deferred tax liabilities (Notes 4 and 24)	76,571	-	93,425	1	74,444	-
Lease liabilities - non-current (Note 15)	62,568	-	73,571	-	41,262	-
Net defined benefit liabilities - non-current (Notes 4 and 21)	734	-	762	-	5,334	-
Guarantee deposits received	77,785	-	52,406	-	49,700	-
Total non-current liabilities	1,083,529	3	1,089,390	4	897,330	3
Total liabilities	23,950,542	81	26,230,876	83	21,426,350	79
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>						
Share capital	2,698,298	9	2,698,298	9	2,698,298	10
Capital surplus	736,939	3	736,939	2	737,176	3
Retained earnings						
Legal reserve	796,739	3	796,739	2	681,953	3
Special reserve	391,623	1	391,623	1	261,001	1
Unappropriated earnings	845,716	3	849,224	3	1,485,431	5
Total retained earnings	2,034,078	7	2,037,586	6	2,428,385	9
Other equity	(7,470)	-	40,801	-	(233,064)	(1)
Total equity attributable to owners of the Company	5,461,845	19	5,513,624	17	5,630,795	21
<b>NON-CONTROLLING INTERESTS</b>						
	-	-	-	-	3,857	-
Total equity	5,461,845	19	5,513,624	17	5,634,652	21
<b>TOTAL</b>	<b>\$ 29,412,387</b>	<b>100</b>	<b>\$ 31,744,500</b>	<b>100</b>	<b>\$ 27,061,002</b>	<b>100</b>

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

(With Deloitte & Touche auditors' review report dated May 12, 2023)

## EDOM TECHNOLOGY CO., LTD. AND SUBSIDIARIES

### CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings (Loss) Per Share) (Reviewed, Not Audited)

	For the Three Months Ended March 31			
	2023		2022	
	Amount	%	Amount	%
OPERATING REVENUE				
Sales	\$ 24,216,022	100	\$ 29,062,352	100
Service revenue	<u>249</u>	<u>-</u>	<u>143</u>	<u>-</u>
Total operating revenue	24,216,271	100	29,062,495	100
OPERATING COSTS (Notes 11 and 23)	<u>23,393,863</u>	<u>97</u>	<u>28,108,466</u>	<u>97</u>
GROSS PROFIT	<u>822,408</u>	<u>3</u>	<u>954,029</u>	<u>3</u>
OPERATING EXPENSES (Notes 23 and 29)				
Selling and marketing expenses	316,815	1	378,600	1
General and administrative expenses	122,825	-	172,548	1
Expected credit loss (gain)	<u>83</u>	<u>-</u>	<u>(6,277)</u>	<u>-</u>
Total operating expenses	<u>439,723</u>	<u>1</u>	<u>544,871</u>	<u>2</u>
PROFIT FROM OPERATIONS	<u>382,685</u>	<u>1</u>	<u>409,158</u>	<u>1</u>
NONOPERATING INCOME AND EXPENSES (Notes 13, 23, 29 and 32)				
Interest income	3,103	-	464	-
Other income	15,677	-	15,806	-
Other gains and losses	11,552	-	27,765	-
Foreign exchange (losses) gains	(2,763)	-	34,709	-
Finance costs	(406,965)	(2)	(96,248)	-
Share of loss of associates accounted for using the equity method	<u>(4,141)</u>	<u>-</u>	<u>(5,150)</u>	<u>-</u>
Total nonoperating income and expenses	<u>(383,537)</u>	<u>(2)</u>	<u>(22,654)</u>	<u>-</u>
(LOSS) PROFIT BEFORE INCOME TAX	(852)	-	386,504	1
INCOME TAX EXPENSE (Notes 4 and 24)	<u>2,656</u>	<u>-</u>	<u>79,648</u>	<u>-</u>
NET (LOSS) PROFIT FOR THE PERIOD	<u>(3,508)</u>	<u>-</u>	<u>306,856</u>	<u>1</u>

(Continued)

## EDOM TECHNOLOGY CO., LTD. AND SUBSIDIARIES

### CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings (Loss) Per Share) (Reviewed, Not Audited)

	For the Three Months Ended March 31			
	2023		2022	
	Amount	%	Amount	%
<b>OTHER COMPREHENSIVE INCOME (LOSS)</b>				
Items that will not be reclassified subsequently to profit or loss:				
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income (Note 22)	\$ 3,595	-	\$ (1,566)	-
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of the financial statements of foreign operations (Note 22)	(68,019)	-	198,331	1
Unrealized gain (loss) on investments in debt instruments at fair value through other comprehensive income (Note 22)	2,054	-	(573)	-
Share of the other comprehensive gain of associates accounted for using the equity method (Note 22)	1,098	-	242	-
Income tax related to items that may be reclassified subsequently to profit or loss (Notes 4 and 24)	13,001	-	(37,873)	-
	(51,866)	-	160,127	1
Other comprehensive (loss) income for the period, net of income tax	(48,271)	-	158,561	1
<b>TOTAL COMPREHENSIVE (LOSS) INCOME FOR THE PERIOD</b>	<b>\$ (51,779)</b>	<b>-</b>	<b>\$ 465,417</b>	<b>2</b>
<b>NET (LOSS) PROFIT ATTRIBUTABLE TO:</b>				
Owners of the Company	\$ (3,508)	-	\$ 306,837	1
Non-controlling interests	-	-	19	-
	<b>\$ (3,508)</b>	<b>-</b>	<b>\$ 306,856</b>	<b>1</b>
<b>TOTAL COMPREHENSIVE (LOSS) INCOME ATTRIBUTABLE TO:</b>				
Owners of the Company	\$ (51,779)	-	\$ 465,396	2
Non-controlling interests	-	-	21	-
	<b>\$ (51,779)</b>	<b>-</b>	<b>\$ 465,417</b>	<b>2</b>

(Continued)

# EDOM TECHNOLOGY CO., LTD. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings (Loss) Per Share) (Reviewed, Not Audited)

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	For the Three Months Ended March 31			
	2023		2022	
	Amount	%	Amount	%
(LOSS) EARNINGS PER SHARE (Note 25)				
Basic	<u>\$ (0.01)</u>		<u>\$ 1.23</u>	
Diluted	<u>\$ (0.01)</u>		<u>\$ 1.22</u>	

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

(With Deloitte & Touche auditors' review report dated May 12, 2023)

(Concluded)

## EDOM TECHNOLOGY CO., LTD. AND SUBSIDIARIES

### CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	Equity Attributable to Owners of the Company						Other Equity (Note 22)		Total	Non-controlling Interests (Note 22)	Total Equity
	Share Capital (Note 22)		Capital Surplus (Note 22)	Retained Earnings (Note 22)			Exchange Differences on Translation of the Financial Statements of Foreign Operations	Unrealized Valuation Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income			
	Shares (In Thousands)	Amount		Legal Reserve	Special Reserve	Unappropriated Retained Earnings					
BALANCE JANUARY 1, 2022	244,830	\$ 2,448,298	\$ 124,676	\$ 681,953	\$ 261,001	\$ 1,178,594	\$ (468,888)	\$ 77,265	\$ 4,302,899	\$ 3,836	\$ 4,306,735
Issuance of ordinary shares for cash (Note 22)	25,000	250,000	612,500	-	-	-	-	-	862,500	-	862,500
Net profit for the three months ended March 31, 2022	-	-	-	-	-	306,837	-	-	306,837	19	306,856
Other comprehensive income (loss) for the three months ended March 31, 2022, net of income tax	-	-	-	-	-	-	160,700	(2,141)	158,559	2	158,561
Total comprehensive income (loss) for the three months ended March 31, 2022	-	-	-	-	-	306,837	160,700	(2,141)	465,396	21	465,417
BALANCE AT MARCH 31, 2022	<u>269,830</u>	<u>\$ 2,698,298</u>	<u>\$ 737,176</u>	<u>\$ 681,953</u>	<u>\$ 261,001</u>	<u>\$ 1,485,431</u>	<u>\$ (308,188)</u>	<u>\$ 75,124</u>	<u>\$ 5,630,795</u>	<u>\$ 3,857</u>	<u>\$ 5,634,652</u>
BALANCE JANUARY 1, 2023	269,830	\$ 2,698,298	\$ 736,939	\$ 796,739	\$ 391,623	\$ 849,224	\$ (32,042)	\$ 72,843	\$ 5,513,624	\$ -	\$ 5,513,624
Net loss for the three months ended March 31, 2023	-	-	-	-	-	(3,508)	-	-	(3,508)	-	(3,508)
Other comprehensive income (loss) for three months ended March 31, 2023, net of income tax	-	-	-	-	-	-	(53,920)	5,649	(48,271)	-	(48,271)
Total comprehensive income (loss) for the three months ended March 31, 2023	-	-	-	-	-	(3,508)	(53,920)	5,649	(51,779)	-	(51,779)
BALANCE AT MARCH 31, 2023	<u>269,830</u>	<u>\$ 2,698,298</u>	<u>\$ 736,939</u>	<u>\$ 796,739</u>	<u>\$ 391,623</u>	<u>\$ 845,716</u>	<u>\$ (85,962)</u>	<u>\$ 78,492</u>	<u>\$ 5,461,845</u>	<u>\$ -</u>	<u>\$ 5,461,845</u>

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

(With Deloitte & Touche auditors' review report dated May 12, 2023)

# EDOM TECHNOLOGY CO., LTD. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	For the Three Months Ended March 31	
	2023	2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
(Loss) income before income tax	\$ (852)	\$ 386,504
Adjustments for:		
Depreciation expenses	26,248	23,819
Amortization expenses	9,386	8,267
Expected credit loss recognized (reserved) on trade receivables	83	(6,277)
Net gain on fair value changes of financial assets at fair value through profit or loss	(11,841)	(28,079)
Finance costs	406,965	96,248
Interest income	(3,103)	(464)
Dividend income	(889)	(788)
Share of loss of associates accounted for using the equity method	4,141	5,150
Loss (gain) on disposal of property, plant and equipment	43	(18)
Write-down of inventories and loss on inventory physical count	2,770	33,048
Unrealized loss on foreign currency exchange	70,795	53,707
Other items	(274)	(202)
Changes in operating assets and liabilities		
Decrease in notes receivable	2,325	6,030
Decrease in trade receivables	1,885,201	882,894
Increase in other receivables	(138,029)	(721,362)
Decrease (increase) in inventories	756,176	(409,382)
(Increase) decrease in other current assets	(34,758)	91,228
(Increase) decrease in notes and trade payables	554,994	(3,471,616)
Decrease in other payables	(280,566)	(174,938)
(Decrease) increase in other current liabilities	(25,256)	43,925
Cash generated from (used in) operations	3,223,559	(3,182,306)
Interest paid	(438,691)	(86,237)
Income tax paid	(1,074)	(8,180)
Net cash generated from (used in) operating activities	<u>2,783,794</u>	<u>(3,276,723)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of financial assets at amortized cost	(36,760)	(53,614)
Purchase of financial assets at fair value through profit or loss	-	(33,318)
Proceeds from sale of financial assets at fair value through profit or loss	5,012	-
Net cash outflow on acquisition of subsidiary	-	(786,340)
Payments for property, plant and equipment	(24,888)	(1,666)
Proceeds from disposal of property, plant and equipment	-	43
Decrease (increase) in refundable deposits	17,693	(6,827)
Payments for intangible assets	(3,259)	(2,494)
Decrease (increase) in other non-current assets	1,772	(635)

(Continued)

# EDOM TECHNOLOGY CO., LTD. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	For the Three Months Ended March 31	
	2023	2022
Interest received	\$ 3,103	\$ 464
Dividends received	<u>889</u>	<u>788</u>
Net cash used in investing activities	<u>(36,438)</u>	<u>(883,599)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from short-term borrowings	-	3,269,139
Repayments of short-term borrowings	(2,733,578)	-
Proceeds from short-term bills payable	99,635	-
Repayments of short-term bills payable	-	(169,826)
Repayments of long-term borrowings	(6,635)	(6,657)
Proceeds from guarantee deposits received	25,765	9,211
Repayment of the principal portion of lease liabilities	(15,492)	(13,154)
Issuance of ordinary shares (Note 22)	<u>-</u>	<u>862,500</u>
Net cash (used in) generated from financing activities	<u>(2,630,305)</u>	<u>3,951,213</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	<u>(20,378)</u>	<u>(211,364)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	96,673	(420,473)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	<u>1,714,533</u>	<u>2,115,396</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>\$ 1,811,206</u>	<u>\$ 1,694,923</u>

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

(With Deloitte & Touche auditors' review report dated May 12, 2023)

(Concluded)

# EDOM TECHNOLOGY CO., LTD. AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars Unless Stated Otherwise) (Reviewed, Not Audited)

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### 1. GENERAL INFORMATION

EDOM Technology Co., Ltd. (the “Company”) was established in July 1996 and involved in the distribution of electronic parts and computer software, hardware and equipment. The Company’s shares have been listed on the Taiwan Stock Exchange since October 1, 2002.

The consolidated financial statements of the Company and its subsidiaries (collectively referred to as the “Group”) are presented in the Company’s functional currency, the New Taiwan dollar.

### 2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Company’s board of directors and authorized for issue on May 12, 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 material impact on the Group’s accounting policies.

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

- 1) Amendments to IAS 1 “Disclosure of Accounting Policies”

When applying the amendments, the Group refers to the definition of material to determine its material accounting policy information to be disclosed. Accounting policy information is material if it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. Moreover:

- Accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed;
- The Group may consider the accounting policy information material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial; and
- Not all accounting policy information relating to material transactions, other events or conditions is itself material.

The accounting policy information is likely to be considered as material to the financial statements if that information relates to material transactions, other events or conditions and:

- a) The Group changed its accounting policy during the reporting period and this change resulted in a material change to the information in the financial statements;
- b) The Group chose the accounting policy from options permitted by the standards;
- c) The accounting policy was developed in accordance with IAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors” in the absence of an IFRS that specifically applies;
- d) The accounting policy relates to an area for which the Group is required to make significant judgements or assumptions in applying an accounting policy, and the Group discloses those judgements or assumptions; or
- e) The accounting is complex, and users of the financial statements would otherwise not understand those material transactions, other events or conditions.

2) Amendments to IAS 8 “Definition of Accounting Estimates”

The Group has applied the amendments since January 1, 2023. The Group defines accounting estimates as monetary amounts in financial statements that are subject to measurement uncertainty. In applying accounting policies, the Group may be required to measure items at monetary amounts that cannot be observed directly and must instead be estimated. In such a case, the Group uses measurement techniques and inputs to develop accounting estimates to achieve the objective. The effects on an accounting estimate of a change in a measurement technique or a change in an input are changes in accounting estimates unless they result from the correction of prior period errors.

b. The IFRSs in issue but not yet endorsed and issued into effect by the FSC

<b>New, Amended and Revised Standards and Interpretations</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.

Amendments to IAS 1 “Classification of Liabilities as Current or Non-current” (referred to as the “2020 amendments”) and “Non-current Liabilities with Covenants” (referred to as the “2022 amendments”)

The 2020 amendments clarify that for a liability to be classified as non-current, the Group shall assess whether it has the right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period. If such rights exist at the end of the reporting period, the liability is classified as non-current regardless of whether the Group will exercise that right.

The 2020 amendments also stipulate that, if the right to defer settlement is subject to compliance with specified conditions, the Group must comply with those conditions at the end of the reporting period even if the lender does not test compliance until a later date. The 2022 amendments further clarify that only covenants with which an entity is required to comply on or before the reporting date should affect the classification of a liability as current or non-current. Although the covenants to be complied with within twelve months after the reporting period do not affect the classification of a liability, the Group shall disclose information that enables users of financial statements to understand the risk of the Group, which may have difficulty complying with the covenants and repaying its liabilities within twelve months after the reporting period.

The 2020 amendments stipulate that, for the purpose of liability classification, the aforementioned settlement refers to a transfer of cash, other economic resources or the Group’s own equity instruments to the counterparty that results in the extinguishment of the liability. However, if the terms of a liability that, at the option of the counterparty, result in its settlement by a transfer of the Group’s own equity instruments, and if such an option is recognized separately as equity in accordance with IAS 32 “Financial Instruments: Presentation”, the aforementioned terms would not affect the classification of the liability.

Except for the above impact, as of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the possible impact of the application of other 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 MATERIAL ACCOUNTING POLICY INFORMATION**

##### **a. Statement of compliance**

These interim consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 “Interim Financial Reporting” as endorsed and issued into effect by the FSC. Disclosure information included in these interim consolidated financial statements is less than the disclosure information required in a complete set of annual consolidated financial statements.

##### **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 the defined benefit obligations 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. 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).

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.

Refer to Note 12, Tables 6 and 7 for the detailed information of subsidiaries (including the percentages of ownership and main businesses).

d. Other material accounting policies

Except for the following, please refer to the consolidated financial statements for the year ended December 31, 2022.

1) Retirement benefits

Pension cost for an interim period is calculated on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior financial year, adjusted for significant market fluctuations since that time and for significant plan amendments, settlements, or other significant one-off events.

2) Income tax expense

Income tax expense represents the sum of the tax currently payable and deferred tax. Interim period income taxes are assessed on an annual basis and calculated by applying to an interim period's pre-tax income the tax rate that would be applicable to expected total annual earnings.

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Refer to the statements of critical accounting judgments and key sources of estimation uncertainty to the consolidated financial statements for the year ended December 31, 2022.

## 6. CASH AND CASH EQUIVALENTS

	March 31, 2023	December 31, 2022	March 31, 2022
Cash on hand	\$ 642	\$ 684	\$ 563
Checking accounts and demand deposits	1,560,221	1,517,008	1,543,219
Cash equivalents (investments with original maturities of less than 3 months)			
Time deposits	82,426	82,905	36,500
Repurchase agreements collateralized by bonds	<u>167,917</u>	<u>113,936</u>	<u>114,641</u>
	<u>\$ 1,811,206</u>	<u>\$ 1,714,533</u>	<u>\$ 1,694,923</u>

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

	March 31, 2023	December 31, 2022	March 31, 2022
<u>Financial assets at FVTPL - current</u>			
Financial assets mandatorily classified as at FVTPL			
Non-derivative financial assets			
Mutual funds	<u>\$ -</u>	<u>\$ 4,979</u>	<u>\$ 5,000</u>
<u>Financial assets at FVTPL - non-current</u>			
Financial assets mandatorily classified as at FVTPL			
Non-derivative financial assets			
Domestic unlisted ordinary shares	\$ 10,203	\$ 10,571	\$ 15,156
Foreign listed ordinary shares	-	-	142,284
Foreign unlisted preference shares	41,706	47,337	31,023
Domestic emerging market private ordinary shares	8,624	8,520	11,200
Domestic limited partnership	9,324	9,439	5,936
Foreign private funds	<u>364,215</u>	<u>346,377</u>	<u>279,513</u>
	<u>\$ 434,072</u>	<u>\$ 422,244</u>	<u>\$ 485,112</u>

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

	March 31, 2023	December 31, 2022	March 31, 2022
<u>Non-current</u>			
Investments in equity instruments at FVTOCI			
Listed shares			
Ordinary shares - Aewin Technologies Co., Ltd	<u>\$ 14,255</u>	<u>\$ 10,660</u>	<u>\$ 9,290</u>

These investments in equity instruments are not held for trading. Instead, they are held for medium to long-term strategic purposes. Accordingly, the management elected to designate these investments in equity instruments as at FVTOCI as they believe that recognizing short-term fluctuations in these investments fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes.

## 9. FINANCIAL ASSETS AT AMORTIZED COST

	March 31, 2023	December 31, 2022	March 31, 2022
<u>Current</u>			
Domestic investments			
Reverse and restricted deposits	\$ 295,770	\$ 277,232	\$ 380,499
Financial products	<u>18,270</u>	<u>-</u>	<u>-</u>
	<u>\$ 314,040</u>	<u>\$ 277,232</u>	<u>\$ 380,499</u>
<u>Non-current</u>			
Domestic investments			
Reverse and restricted deposits	<u>\$ 2,000</u>	<u>\$ 2,000</u>	<u>\$ -</u>

The financial product is a one-year, USD-denominated, principal-protected product, with the yield fixed at the time of subscription and not subject to further changes. The return amount in the event of early redemption can also represent the unpaid principal and interest. The cash flow of this contract is entirely dedicated to the payment of principal and interest on the outstanding principal amount.

Refer to Note 30 for information relating to investments in financial assets at amortized cost pledged as security.

## 10. NOTES RECEIVABLE, TRADE RECEIVABLES AND OTHER RECEIVABLES

	March 31, 2023	December 31, 2022	March 31, 2022
<u>Notes receivable</u>			
At amortized cost			
Gross carrying amount	\$ 47,725	\$ 68,433	\$ 92,925
Less: Allowance for impairment loss	<u>(131)</u>	<u>(346)</u>	<u>(115)</u>
	<u>\$ 47,594</u>	<u>\$ 68,087</u>	<u>\$ 92,810</u>

(Continued)

	<b>March 31, 2023</b>	<b>December 31, 2022</b>	<b>March 31, 2022</b>
<u>Trade receivables</u>			
At amortized cost			
Gross carrying amount	\$ 350,146	\$ 619,112	\$ 1,077,503
Less: Allowance for impairment loss	<u>(21,413)</u>	<u>(23,845)</u>	<u>(19,709)</u>
	328,733	595,267	1,057,794
At FVTOCI	<u>2,575,331</u>	<u>4,038,574</u>	<u>4,050,885</u>
	<u>\$ 2,904,064</u>	<u>\$ 4,633,841</u>	<u>\$ 5,108,679</u>
<u>Other receivables</u>			
At amortized cost			
Tax refund receivables	\$ 7,127	\$ 19,781	\$ 23,941
Others	<u>1,784</u>	<u>4,135</u>	<u>14,809</u>
	8,911	23,916	38,750
At FVTOCI	<u>4,397,112</u>	<u>4,244,245</u>	<u>4,089,724</u>
	<u>\$ 4,406,023</u>	<u>\$ 4,268,161</u>	<u>\$ 4,128,474</u> (Concluded)

a. Notes receivable and trade receivables

1) At amortized cost

The average credit period of sales of goods is 90 days. The Group adopted a policy of only dealing with entities that have been rated. Credit rating information is obtained from independent rating agencies where available or, if not available, the Group uses other publicly available financial information or its own trading records to rate its major customers. The Group's exposures 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 credit limit that are reviewed and approved by the accounting department periodically.

The Group measures the loss allowance for notes receivable and trade receivables at an amount equal to lifetime expected credit losses. The expected credit losses on notes receivable and trade receivables are estimated using a provision matrix prepared by reference to past default experience of the customer, the customers current financial position, general economic conditions of industry in which the customer operates, as well as the GDP forecasts and unemployment rate forecasts. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on credit quality is not further distinguished according to the Group's different customer base.

The Group writes off a trade receivable when there is evidence 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 and notes receivable based on the Group's provision matrix.

March 31, 2023

	<b>Normal Credit Quality</b>	<b>Abnormal Credit Quality</b>	<b>Total</b>
Expected credit loss rate	0-10%	100%	
Gross carrying amount	\$ 386,472	\$ 11,399	\$ 397,871
Loss allowance (Lifetime ECLs)	<u>(10,145)</u>	<u>(11,399)</u>	<u>(21,544)</u>
Amortized cost	<u>\$ 376,327</u>	<u>\$ -</u>	<u>\$ 376,327</u>

December 31, 2022

	<b>Normal Credit Quality</b>	<b>Abnormal Credit Quality</b>	<b>Total</b>
Expected credit loss rate	0-10%	100%	
Gross carrying amount	\$ 676,088	\$ 11,457	\$ 687,545
Loss allowance (Lifetime ECLs)	<u>(12,734)</u>	<u>(11,457)</u>	<u>(24,191)</u>
Amortized cost	<u>\$ 663,354</u>	<u>\$ -</u>	<u>\$ 663,354</u>

March 31, 2022

	<b>Normal Credit Quality</b>	<b>Abnormal Credit Quality</b>	<b>Total</b>
Expected credit loss rate	0-10%	100%	
Gross carrying amount	\$ 1,166,797	\$ 3,631	\$ 1,170,428
Loss allowance (Lifetime ECLs)	<u>(16,193)</u>	<u>(3,631)</u>	<u>(19,824)</u>
Amortized cost	<u>\$ 1,150,604</u>	<u>\$ -</u>	<u>\$ 1,150,604</u>

The movements of the loss allowance of trade receivables and notes receivable at amortized cost were as follows:

	<b>For the Three Months Ended March 31</b>	
	<b>2023</b>	<b>2022</b>
Balance at January 1	\$ 24,191	\$ 22,811
Less: Net remeasurement of loss allowance	(2,542)	(3,344)
Foreign exchange gains and losses	<u>(105)</u>	<u>357</u>
Balance at March 31	<u>\$ 21,544</u>	<u>\$ 19,824</u>

The aging of trade receivables and notes receivable were as follows:

	<b>March 31, 2023</b>	<b>December 31, 2022</b>	<b>March 31, 2022</b>
Up to 60 days	\$ 269,430	\$ 459,877	\$ 821,613
61-90 days	53,720	115,481	196,218
91-120 days	51,851	79,543	120,494
Over 120 days	<u>22,870</u>	<u>32,644</u>	<u>32,103</u>
	<u>\$ 397,871</u>	<u>\$ 687,545</u>	<u>\$ 1,170,428</u>

The above aging schedule was based on the invoice date.

2) At FVTOCI

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

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

March 31, 2023

	<b>Normal Credit Quality</b>	<b>Abnormal Credit Quality</b>	<b>Total</b>
Expected credit loss rate	0-10%	100%	
Gross carrying amount	\$ 2,575,331	\$ -	\$ 2,575,331
Loss allowance (Lifetime ECLs)	<u>(49,306)</u>	<u>-</u>	<u>(49,306)</u>
FVTOCI	<u>\$ 2,526,025</u>	<u>\$ -</u>	<u>\$ 2,526,025</u>

December 31, 2022

	<b>Normal Credit Quality</b>	<b>Abnormal Credit Quality</b>	<b>Total</b>
Expected credit loss rate	0-10%	100%	
Gross carrying amount	\$ 4,038,574	\$ -	\$ 4,038,574
Loss allowance (Lifetime ECLs)	<u>(47,031)</u>	<u>-</u>	<u>(47,031)</u>
FVTOCI	<u>\$ 3,991,543</u>	<u>\$ -</u>	<u>\$ 3,991,543</u>

March 31, 2022

	<b>Normal Credit Quality</b>	<b>Abnormal Credit Quality</b>	<b>Total</b>
Expected credit loss rate	0-10%	100%	
Gross carrying amount	\$ 4,050,885	\$ -	\$ 4,050,885
Loss allowance (Lifetime ECLs)	<u>(53,002)</u>	<u>-</u>	<u>(53,002)</u>
FVTOCI	<u>\$ 3,997,883</u>	<u>\$ -</u>	<u>\$ 3,997,883</u>

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

	<b>For the Three Months Ended March 31</b>	
	<b>2023</b>	<b>2022</b>
Balance at January 1	\$ 47,031	\$ 54,023
Add: Net remeasurement of loss allowance	2,663	-
Less: Net remeasurement of loss allowance	-	(2,768)
Foreign exchange gains and losses	<u>(388)</u>	<u>1,747</u>
Balance at March 31	<u>\$ 49,306</u>	<u>\$ 53,002</u>

The aging of trade receivables was as follows:

	<b>March 31, 2023</b>	<b>December 31, 2022</b>	<b>March 31, 2022</b>
Up to 60 days	\$ 1,412,739	\$ 2,114,323	\$ 2,077,727
61-90 days	539,836	978,920	1,146,653
91-120 days	400,154	646,236	580,080
Over 120 days	<u>222,602</u>	<u>299,095</u>	<u>246,425</u>
	<u>\$ 2,575,331</u>	<u>\$ 4,038,574</u>	<u>\$ 4,050,885</u>

The above aging schedule was based on the invoice date.

b. Other receivables

As of March 31, 2023, December 31, 2022 and March 31, 2022, other receivables of the Group mainly included receivables which were factored but not used and tax refund receivables.

- At FVTOCI

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.

The movements of the loss allowance of other receivables at FVTOCI according to the agreement were as follows:

	<b>For the Three Months Ended March 31</b>	
	<b>2023</b>	<b>2022</b>
Balance at January 1	\$ 22,184	\$ 19,460
Less: Net remeasurement of loss allowance	(38)	(165)
Foreign exchange gains and losses	<u>(183)</u>	<u>613</u>
Balance at March 31	<u>\$ 21,963</u>	<u>\$ 19,908</u>

## 11. INVENTORIES

	<b>March 31, 2023</b>	<b>December 31, 2022</b>	<b>March 31, 2022</b>
Merchandise	<u>\$ 17,312,753</u>	<u>\$ 18,189,482</u>	<u>\$ 13,098,174</u>

The nature of the cost of goods sold is as follows:

	<b>For the Three Months Ended March 31</b>	
	<b>2023</b>	<b>2022</b>
Cost of inventories sold	\$ 23,391,093	\$ 28,075,418
Inventory write-downs and loss on inventory physical count	<u>2,770</u>	<u>33,048</u>
	<u>\$ 23,393,863</u>	<u>\$ 28,108,466</u>

## 12. SUBSIDIARIES

Subsidiaries included in the consolidated financial statements were summarized as follows:

Investor	Investee	Nature of Activities	<b>Proportion of Ownership (%)</b>			Remark
			<b>March 31, 2023</b>	<b>December 31, 2022</b>	<b>March 31, 2022</b>	
The Company	ACCU	General trade and investment in manufacturing and service industries	100.00	100.00	100.00	a
The Company	Sunjet Components Corp.	General trade of electronic components	100.00	100.00	100.00	a
The Company	iPro Technology, Inc.	General trade of electronic components	100.00	100.00	100.00	a
The Company	Goldenflash Electronics Co., Ltd.	General trade of electronic components	100.00	100.00	97.00	a, b
The Company	Promaster Technology Corp.	General trade of electronic components	100.00	100.00	100.00	a
The Company	EDOM Technology Japan Co., Ltd.	General trade of electronic components	100.00	100.00	-	a, c
ACCU Technologies Ltd. (ACCU)	Sunshine Global	General trade and investment in manufacturing and service industries	100.00	100.00	100.00	a
ACCU	Honest Rich	General trade and investment in manufacturing and service industries	100.00	100.00	100.00	a
ACCU	Massive Strong	General trade and investment in manufacturing and service industries	100.00	100.00	100.00	a
Honest Rich	EDOM (Shenzhen)	Trade of computer peripherals	100.00	100.00	100.00	a

(Continued)

Investor	Investee	Nature of Activities	Proportion of Ownership (%)			Remark
			March 31, 2023	December 31, 2022	March 31, 2022	
Massive Strong	EDOM (Shanghai)	Trade, research and development of computer peripherals	100.00	100.00	100.00	a
Sunjet Components Corp.	Sunjet (HK) Components	General trade and investment in manufacturing and service industries	100.00	100.00	100.00	a
Sunjet (HK) Components	Sunjet Components Corp. (Dongguan)	Trade of electric power equipment and computer peripherals	100.00	100.00	100.00	a
Promaster Technology Corp.	Promaster (Brunei) Technology Corp.	General trade of electronic components	100.00	100.00	100.00	a
Promaster (Brunei) Technology Corp.	Yanyang Technology International Trade (Shanghai) Co., Ltd.	General trade of electronic components	100.00	100.00	100.00	a

(Concluded)

Remarks:

- a. It is not a significant subsidiaries; its financial statements have not been reviewed.
- b. The Group acquired 300,000 shares of Goldenflash Electronics Co., Ltd. in May 2022. Subsequently, the Group's ownership in Goldenflash Electronics Co., Ltd. had increased from 97.00% to 100.00%.
- c. The Group registered EDOM Technology Japan Co., Ltd. in May 2022.

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

	March 31, 2023	December 31, 2022	March 31, 2022
Associates that are not individually material	<u>\$ 50,541</u>	<u>\$ 53,584</u>	<u>\$ 46,865</u>

For the three months ended March 31, 2023 and 2022, investments accounted for using the equity method and the share of income and other comprehensive income of those investments were calculated based on the financial statements that have not been reviewed. Management believes that there is no material impact on the equity method of accounting or the calculation of the share of income and other comprehensive income from the financial statements of investees that have not been reviewed.

### 14. PROPERTY, PLANT AND EQUIPMENT

	March 31, 2023	December 31, 2022	March 31, 2022
Assets used by the Group			
Land	\$ 374,509	\$ 374,509	\$ 374,509
Buildings	227,216	228,483	236,285
Transportation equipment	29,650	29,799	29,674
Office equipment	71,564	54,840	51,108
Leasehold improvements	<u>9,335</u>	<u>10,288</u>	<u>7,342</u>
	<u>\$ 712,274</u>	<u>\$ 697,919</u>	<u>\$ 698,918</u>

Except for depreciation recognized, the Group had no significant addition, disposal, or impairment of property, plant and equipment during the three months ended March 31, 2023 and 2022. Property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives as follows:

Buildings	
Main buildings	30-50 years
Engineering system	2-5 years
Transportation equipment	5-7 years
Office equipment	2-10 years
Leasehold improvements	2-5 years

Property, plant and equipment used by the Group and pledged as collateral for bank borrowings are set out in Note 30.

## 15. LEASE ARRANGEMENTS

### a. Right-of-use assets

	March 31, 2023	December 31, 2022	March 31, 2022
<u>Carrying amounts</u>			
Buildings	\$ 107,110	\$ 121,234	\$ 63,830
Transportation equipment	<u>3,918</u>	<u>4,957</u>	<u>7,289</u>
	<u>\$ 111,028</u>	<u>\$ 126,191</u>	<u>\$ 71,119</u>
		<b>For the Three Months Ended March 31</b>	
		<u>2023</u>	<u>2022</u>
Additions to right-of-use assets		\$ <u>-</u>	\$ <u>4,403</u>
Depreciation charge for right-of-use assets			
Buildings		\$ 13,785	\$ 12,058
Transportation equipment		<u>1,039</u>	<u>1,295</u>
		<u>\$ 14,824</u>	<u>\$ 13,353</u>

Expect for the aforementioned addition and recognized depreciation, the Group did not have significant sublease or impairment of right-of-use assets during three months ended March 31, 2023 and 2022.

### b. Lease liabilities

	March 31, 2023	December 31, 2022	March 31, 2022
<u>Carrying amount</u>			
Current	<u>\$ 51,521</u>	<u>\$ 55,579</u>	<u>\$ 31,448</u>
Non-current	<u>\$ 62,568</u>	<u>\$ 73,571</u>	<u>\$ 41,262</u>

Range of discount rates for lease liabilities was as follows:

	<b>March 31, 2023</b>	<b>December 31, 2022</b>	<b>March 31, 2022</b>
Buildings	0.95%-6.00%	0.95%-6.00%	0.95%-4.96%
Transportation equipment	2.91%	2.91%	2.91%

c. Material lease in activities and terms

The Group leases certain several buildings and transportation equipment with lease terms of 2 to 5 years. The Group does not have bargain purchase options to acquire the leasehold buildings and transportation equipment at the end of the lease terms.

d. Other lease information

	<b>For the Three Months Ended March 31</b>	
	<b>2023</b>	<b>2022</b>
Expenses relating to short-term leases	<u>\$ 1,177</u>	<u>\$ 2,021</u>
Expenses relating to variable lease payments not included in the measurement of lease liabilities	<u>\$ 3,825</u>	<u>\$ 3,757</u>
Total cash outflow for leases	<u>\$ (21,374)</u>	<u>\$ (19,544)</u>

## 16. INVESTMENT PROPERTIES

	<b>March 31, 2023</b>	<b>December 31, 2022</b>	<b>March 31, 2022</b>
Investment properties	<u>\$ 28,037</u>	<u>\$ 28,284</u>	<u>\$ 29,027</u>

Except for depreciation recognized, the Group had no significant addition, disposal, or impairment of investment properties during the three months ended March 31, 2023 and 2022. Investment properties are depreciated using the straight-line method over their estimated useful lives as follows:

Main buildings 43 years

The fair values of investment properties as of December 31, 2022 and 2021 was NT\$135,706 thousand and NT\$162,155 thousand, respectively. Management of the Company had assessed and determined that there were no significant changes in the fair value as of March 31, 2023 and 2022, as compared to that of December 31, 2022 and 2021.

The investment properties are leased out for 3 to 5 years. The lessees do not have bargain purchase options to acquire the investment properties at the expiry of the lease periods.

In addition to fixed lease payments, the lease contracts also indicate that the lease payments should be adjusted periodically.

The maturity analysis of lease payments receivable under operating leases of investment properties is as follows:

	March 31, 2023	December 31, 2022	March 31, 2022
Year 1	\$ 3,070	\$ 3,057	\$ 3,722
Year 2	3,109	3,057	3,046
Year 3	3,264	3,210	3,084
Year 4	1,692	2,442	2,419
Year 5	<u>-</u>	<u>-</u>	<u>1,224</u>
	<u>\$ 11,135</u>	<u>\$ 11,766</u>	<u>\$ 13,495</u>

## 17. OTHER ASSETS

	March 31, 2023	December 31, 2022	March 31, 2022
<u>Current</u>			
Excess VAT paid	\$ 183,092	\$ 190,353	\$ 156,661
Prepayments	461,769	412,683	331,844
Prepayments for investments	-	-	4,350
Others	<u>49,468</u>	<u>57,755</u>	<u>42,710</u>
	<u>\$ 694,329</u>	<u>\$ 660,791</u>	<u>\$ 535,565</u>
<u>Non-current</u>			
Refundable deposits	\$ 162,672	\$ 181,059	\$ 171,760
Others	<u>448</u>	<u>2,221</u>	<u>12,038</u>
	<u>\$ 163,120</u>	<u>\$ 183,280</u>	<u>\$ 183,798</u>

## 18. BORROWINGS

### a. Short-term borrowings

	March 31, 2023	December 31, 2022	March 31, 2022
<u>Secured borrowings (Note 30)</u>			
Bank loans (1)	\$ 2,397,360	\$ 2,604,917	\$ 2,817,182
<u>Unsecured borrowings</u>			
Line of credit borrowings (2)	<u>5,205,831</u>	<u>7,635,618</u>	<u>6,922,750</u>
	<u>\$ 7,603,191</u>	<u>\$ 10,240,535</u>	<u>\$ 9,739,932</u>

1) The effective weighted average interest rates for bank loans were 1.88%-6.61%, 1.75%-7.20% and 0.88%-2.60% per annum at March 31, 2023, December 31, 2022 and March 31, 2022, respectively.

- 2) The effective weighted average interest rates for credit loans were 1.53%-6.68%, 1.41%-6.68% and 0.52%-1.96% per annum at March 31, 2023, December 31, 2022 and March 31, 2022, respectively.

b. Short-term bills payable

	<b>March 31, 2023</b>	<b>December 31, 2022</b>	<b>March 31, 2022</b>
Commercial paper	\$ 960,000	\$ 860,000	\$ 650,000
Less: Unamortized discount on bills payable	<u>1,426</u>	<u>1,061</u>	<u>394</u>
	<u>\$ 958,574</u>	<u>\$ 858,939</u>	<u>\$ 649,606</u>

Interest rates of the outstanding short-term bills payable were 1.10%-2.09%, 0.85%-1.93% and 0.25%-1.12% per annum as of March 31, 2023, December 31, 2022 and March 31, 2022, respectively.

c. Long-term borrowings

	<b>March 31, 2023</b>	<b>December 31, 2022</b>	<b>March 31, 2022</b>
<u>Secured borrowings (Note 30)</u>			
Loans from bank (1) (3)	\$ 86,715	\$ 93,350	\$ 113,277
<u>Unsecured borrowings</u>			
Line of credit borrowings from bank (2)	<u>800,000</u>	<u>800,000</u>	<u>800,000</u>
	886,715	893,350	913,277
Less: Current portion	<u>20,844</u>	<u>24,124</u>	<u>186,687</u>
Long-term borrowings	<u>\$ 865,871</u>	<u>\$ 869,226</u>	<u>\$ 726,590</u>

To meet its working capital and capital expenditure requirements, the Group signed long-term loan agreements with banks, as follows:

- 1) On August 11, 2017, the Group acquired new bank borrowing facilities in the amount of NT\$107,000 thousand. As of March 31, 2023, December 31, 2022 and March 31, 2022, the weighted average effective interest rates of the bank borrowings secured by the Group's freehold land and buildings (refer to Note 30) were 1.8760%, 1.7510% and 1.3000% per annum, respectively, and the principal and interests will be repayable monthly until August 11, 2032.
- 2) In October 2019, the Group signed a NT\$2,000,000 thousand syndicated loan agreement, and initial appropriation of this loan was on October 14, 2019. The credit period is five years from October 2019. The loan is repayable in five semiannual installments from October 2022. As of March 31, 2022, the interest rate was 1.7970% per annum. The Group repayment at advance on August 8, 2022. In July 2022, the Group signed a NT\$2,500,000 thousand syndicated loan agreement, and initial appropriation of this loan was on August 8, 2022. The credit period is five years from August 2022. The loan is repayable in five semiannual installments from August 2025. As of March 31, 2023 and December 31, 2022, the interest rate were 2.3421% and 2.1931% per annum, respectively.

- 3) On December 30, 2021, the Group acquired new bank loan facilities in the amount of NT\$60,000 thousand through business combinations, and 80% of the borrowings were secured by Small & Medium Enterprise Credit Guarantee Fund of Taiwan (Taiwan SMEG). The credit period is three years from the initial appropriation of this loan. As of March 31, 2023 and December 31, 2022 and March 31, 2022 the weighted average effective interest rates were 2.73%-3.00%, 2.61%-2.88% and 1.50%-2.25% per annum, respectively, and the principal and interests will be repayable monthly until August 20, 2024.

## 19. NOTES AND TRADE PAYABLES

	March 31, 2023	December 31, 2022	March 31, 2022
<u>Notes and trade payables</u>			
Operating	<u>\$ 13,083,805</u>	<u>\$ 12,483,593</u>	<u>\$ 8,716,251</u>

The average credit period for purchases of certain goods is one month. The Group has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

## 20. OTHER LIABILITIES

	March 31, 2023	December 31, 2022	March 31, 2022
<u>Current</u>			
Other payables			
Payables for salaries and bonuses	\$ 202,737	\$ 486,197	\$ 279,450
Accrued interest payable	111,752	143,478	32,321
Accrued commissions	13,942	17,161	15,534
Accrued freights	140,170	137,780	110,168
Payables for annual leave	31,144	38,844	30,458
Others	<u>279,556</u>	<u>272,017</u>	<u>208,464</u>
	<u>\$ 779,301</u>	<u>\$ 1,095,477</u>	<u>\$ 676,395</u>
Other liabilities			
Refund liabilities	\$ 235,238	\$ 267,187	\$ 211,134
Contract liabilities	7,284	12,587	50,639
Others	<u>32,951</u>	<u>23,054</u>	<u>14,996</u>
	<u>\$ 275,473</u>	<u>\$ 302,828</u>	<u>\$ 276,769</u>

## 21. RETIREMENT BENEFIT PLANS

For the three months ended March 31, 2023 and 2022, the pension (gain) and expenses of defined benefit plans were NT\$(7) thousand and NT\$58 thousand, respectively, and these were calculated based on the pension cost rate determined by the actuarial calculation on December 31, 2022 and 2021, respectively.

## 22. EQUITY

### a. Share capital - ordinary shares

	March 31, 2023	December 31, 2022	March 31, 2022
Shares authorized (in thousands of shares)	<u>400,000</u>	<u>400,000</u>	<u>400,000</u>
Shares authorized	<u>\$ 4,000,000</u>	<u>\$ 4,000,000</u>	<u>\$ 4,000,000</u>
Shares issued and fully paid (in thousands of shares)	<u>269,830</u>	<u>269,830</u>	<u>269,830</u>
Shares issued and fully paid	<u>\$ 2,698,298</u>	<u>\$ 2,698,298</u>	<u>\$ 2,698,298</u>

Fully paid ordinary shares, with a par value of NT\$10, each of which carries one vote per share and carry a right to receive dividends.

On March 8, 2022, the Company's board of directors resolved to issue 25,000 thousand ordinary shares through private placement with a par value of NT\$10 for a total amount of NT\$862,500 thousand. The subscription base date was determined to be March 14, 2022 by the board of directors; the change registration of the Company's issued shares had been completed.

The rights and obligations of privately issued ordinary shares are the same as those of issued ordinary shares, except for a restriction on negotiation in accordance with the Securities and Exchange Act and the application for public listing after 3 years from the settlement date.

To enrich working capital, improve financial structure and support funding requirements for long-term development, the Company's shareholders' meeting resolved to increase cash capital by issuing ordinary shares and domestic convertible bonds through private placement on May 26, 2022, and proposed to request the shareholders' approval to issue no more than 50,000 thousand ordinary shares depending on the market needs in accordance with best practices and requirements related to the timing and financing tools of the Company. The issuance of domestic convertible bonds through private placement is based on the conversion price of ordinary shares. On March 15, 2023, the Company's board of directors resolved not to proceed the remaining 50,000 thousand ordinary shares in consideration of approaching expiration date and the current economic situation.

### b. Capital surplus

	March 31, 2023	December 31, 2022	March 31, 2022
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (1)			
Issuance of ordinary shares	\$ 723,652	\$ 723,652	\$ 723,652
Arising from treasury share transactions	10,010	10,010	10,010
The difference between the consideration received or paid and the carrying amount of the subsidiaries' net assets during actual disposal or acquisition	2,081	2,081	2,318
			(Continued)

	<b>March 31, 2023</b>	<b>December 31, 2022</b>	<b>March 31, 2022</b>
<u>May only be used to offset a deficit</u>			
Share of in capital surplus of associates (2)	\$ 1,152	\$ 1,152	\$ 1,152
Changes in percentage of ownership interest in subsidiaries (3)	<u>44</u>	<u>44</u>	<u>44</u>
	<u>\$ 736,939</u>	<u>\$ 736,939</u>	<u>\$ 737,176</u> (Concluded)

- 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's capital surplus and once a year).
- 2) Such capital surplus arises from the effect of changes in ownership interests in associates resulting from equity transactions other than actual disposals or acquisitions.
- 3) Such capital surplus arises from the effect of changes in ownership interests in subsidiaries resulting from equity transactions other than actual disposals or acquisitions.

c. Retained earnings and dividends policy

Under the dividend policy as set forth in the Articles, where the Company made profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as legal reserve 10% of the remaining profit, setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Company's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for the distribution of dividends and bonuses to shareholders. For the policies on the distribution of compensation of employees and remuneration of directors stipulated in the Articles, refer to "Compensation of employees and remuneration of directors" in Note 23 (h).

An appropriation of earnings to a legal reserve shall be made until the legal reserve equals the Company's paid-in capital. The legal reserve may be used to offset deficits. If the Company has no deficit and the legal reserve has exceeded 25% of the Company's paid-in capital, the excess may be transferred to capital or distributed in cash.

Items referred to under Rule No. 1090150022 issued by the FSC and the directive titled "Questions and Answers for Special Reserves Appropriated Following Adoption of IFRSs" should be appropriated to or reversed from a special reserve by the Company.

The appropriations of earnings for 2022 that were proposed by the board of directors on March 15, 2023 and the appropriations of earnings for 2021 that had been resolved by the shareholders in their meeting on May 26, 2022 were as follows:

	<b>Appropriation of Earnings</b>		<b>Dividends Per Share (NT\$)</b>	
	<b>For the Year Ended</b>		<b>For the Year Ended</b>	
	<b>December 31</b>		<b>December 31</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
Legal reserve	\$ 83,346	\$ 114,786		
Special reserve	(391,623)	130,622		
Cash dividends	539,660	917,421	\$2.0	\$3.4

The appropriation of earnings for 2022 will be resolved by the shareholders in their meeting to be held on June 7, 2023.

d. Other equity items

1) Exchange differences on the translation of the financial statements of foreign operations

	<b>For the Three Months Ended</b>	
	<b>2023</b>	<b>2022</b>
Balance at January 1	\$ (32,042)	\$ (468,888)
Recognized for the period		
Exchange differences on the translation of the financial statements of foreign operations	(68,019)	198,331
Share from associates accounted for using the equity method	1,098	242
Income tax related to exchange differences on the translation of the financial statements of foreign operations	13,221	(37,825)
Income tax related to share from associates accounted for using the equity method	(220)	(48)
Other comprehensive (loss) income recognized for the period	(53,920)	160,700
Balance at March 31	\$ (85,962)	\$ (308,188)

2) Unrealized valuation gain (loss) on financial assets at FVTOCI

	<b>For the Three Months Ended</b>	
	<b>2023</b>	<b>2022</b>
Balance at January 1	\$ 72,843	\$ 77,265
Recognized for the period		
Unrealized gain (loss) - equity instruments	3,595	(1,566)
Net remeasurement of loss allowance	2,054	(575)
Other comprehensive income (loss) recognized for the period	5,649	(2,141)
Balance at March 31	\$ 78,492	\$ 75,124

e. Non-controlling interests

	<b>For the Three Months Ended March 31</b>	
	<b>2023</b>	<b>2022</b>
Balance at January 1	\$ -	\$ 3,836
Share in profit for the period	-	19
Other comprehensive income during the period		
Net remeasurement of loss allowance	<u>-</u>	<u>2</u>
Balance at March 31	<u>\$ -</u>	<u>\$ 3,857</u>

**23. NET PROFIT (LOSS)**

a. Interest income

	<b>For the Three Months Ended March 31</b>	
	<b>2023</b>	<b>2022</b>
Bank deposits	<u>\$ 3,103</u>	<u>\$ 464</u>

b. Other income

	<b>For the Three Months Ended March 31</b>	
	<b>2023</b>	<b>2022</b>
Rental income	\$ 1,321	\$ 3,534
Dividend income	889	788
Others	<u>13,467</u>	<u>11,484</u>
	<u>\$ 15,677</u>	<u>\$ 15,806</u>

c. Other gains and losses

	<b>For the Three Months Ended March 31</b>	
	<b>2023</b>	<b>2022</b>
Fair value changes of financial assets		
Financial assets mandatorily classified as at FVTPL	\$ 11,841	\$ 28,079
(Loss) gain on disposal of property, plant and equipment	(43)	18
Others	<u>(246)</u>	<u>(332)</u>
	<u>\$ 11,552</u>	<u>\$ 27,765</u>

d. Finance costs

**For the Three Months Ended  
March 31**

	2023	2022
Interest on bank loans	\$ 406,085	\$ 95,636
Interest on lease liabilities	<u>880</u>	<u>612</u>
	<u>\$ 406,965</u>	<u>\$ 96,248</u>

e. Impairment losses recognized (reversed)

**For the Three Months Ended  
March 31**

	2023	2022
Notes receivable and trade receivables	<u>\$ 83</u>	<u>\$ (6,277)</u>
Inventories (included in operating costs)	<u>\$ 2,770</u>	<u>\$ 33,000</u>

f. Depreciation and amortization

**For the Three Months Ended  
March 31**

	2023	2022
Property, plant and equipment	\$ 11,177	\$ 10,219
Right-of-use assets	14,824	13,353
Investment properties	247	247
Intangible assets	<u>9,386</u>	<u>8,267</u>
	<u>\$ 35,634</u>	<u>\$ 32,086</u>
 An analysis of depreciation by function		
Operating expenses	\$ 26,001	\$ 23,572
Non-operating expenses	<u>247</u>	<u>247</u>
	<u>\$ 26,248</u>	<u>\$ 23,819</u>
 An analysis of amortization by function		
Operating expenses	<u>\$ 9,386</u>	<u>\$ 8,267</u>

g. Employee benefits expense

	<b>For the Three Months Ended March 31</b>	
	<b>2023</b>	<b>2022</b>
Post-employment benefits (refer to Note 21)		
Defined contribution plan	\$ 17,792	\$ 15,465
Defined benefit plans	<u>(7)</u>	<u>58</u>
	17,785	15,523
Other employee benefits	<u>256,640</u>	<u>325,394</u>
Total employee benefits expense	<u>\$ 274,425</u>	<u>\$ 340,917</u>
An analysis of employee benefits expense by function		
Operating expenses	<u>\$ 274,425</u>	<u>\$ 340,917</u>

h. Compensation of employees and remuneration of directors

According to the Company's Articles, the Company accrues compensation of employees and remuneration of directors at the rates of no less than 3% and no higher than 3%, respectively, of net profit before income tax, compensation of employees, and remuneration of directors. The compensation of employees and the remuneration of directors for the three months ended March 31, 2022 is as follows:

Accrual rate

	<b>For the Three Months Ended March 31, 2022</b>
Compensation of employees	5.0%
Remuneration of directors	2.5%

Amount

	<b>For the Three Months Ended March 31, 2022</b>
Compensation of employees	<u>\$ 20,846</u>
Remuneration of directors	<u>\$ 10,423</u>

The Group did not accrue the compensation of employees and the remuneration of directors because of the losses for the three months ended March 31, 2023.

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.

The appropriations of employees' compensation and remuneration of directors for 2022 and 2021 that were resolved by the Company's board of directors on March 15, 2023 and March 8, 2022, respectively, were as follows:

Amount

	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
	<b>Cash</b>	<b>Cash</b>
Compensation of employees	\$ 56,247	\$ 75,246
Remuneration of directors	28,124	37,623

There is no difference between the actual amounts of compensation of employees and remuneration of directors paid and the amounts recognized in the consolidated financial statements for the years ended December 31, 2022 and 2021.

Information on the compensation of employees 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.

## 24. INCOME TAXES

### a. Income tax recognized in profit or loss

Major components of income tax expense are as follows:

	<b>For the Three Months Ended</b>	
	<b>March 31</b>	
	<b>2023</b>	<b>2022</b>
Current tax		
In respect of the current period	\$ 16,138	\$ 80,874
Deferred tax		
In respect of current period	<u>(13,482)</u>	<u>(1,226)</u>
Income tax expense recognized in profit or loss	<u>\$ 2,656</u>	<u>\$ 79,648</u>

### b. Income tax recognized in other comprehensive income

	<b>For the Three Months Ended</b>	
	<b>March 31</b>	
	<b>2023</b>	<b>2022</b>
<u>Deferred tax</u>		
In respect of current period		
Exchange differences on translation the financial statements of foreign operations	\$ 13,221	\$ (37,825)
Shares of other comprehensive loss of subsidiaries and associates accounted for using the equity method	<u>(220)</u>	<u>(48)</u>
Total income tax recognized in other comprehensive income (loss)	<u>\$ 13,001</u>	<u>\$ (37,873)</u>

c. Income tax assessments

The tax returns of the Company, Sunjet Components Corp., Goldenflash Electronic Co., Ltd., and Promaster Technology Corp., through 2020 have been assessed and cleared by the tax authorities. The tax returns of iPro Technology Inc., through 2021 have been assessed and cleared by the tax authorities.

**25. EARNINGS (LOSS) PER SHARE**

	<b>For the Three Months Ended March 31</b>	
	<b>2023</b>	<b>2022</b>
Basic (loss) earnings per share	<u>\$ (0.01)</u>	<u>\$ 1.23</u>
Diluted (loss) earnings per share	<u>\$ (0.01)</u>	<u>\$ 1.22</u>

The earnings (loss) and weighted average number of ordinary shares outstanding used in the computation of earnings (loss) per share were as follows:

**Net Profit (Loss) for the Period**

	<b>For the Three Months Ended March 31</b>	
	<b>2023</b>	<b>2022</b>
(Loss) profit for the period attributable to owners of the Company	\$ (3,508)	\$ 306,837
Effect of potentially dilutive ordinary shares	<u>-</u>	<u>-</u>
(Loss) earnings used in the computation of diluted (loss) earnings per share	<u>\$ (3,508)</u>	<u>\$ 306,837</u>

The weighted average number of ordinary shares outstanding (in thousands of shares) was as follows:

	<b>For the Three Months Ended March 31</b>	
	<b>2023</b>	<b>2022</b>
Weighted average number of ordinary shares used in the computation of basic earnings (loss) per share	269,830	249,552
Effect of potentially dilutive ordinary shares		
Compensation of employees	<u>-</u>	<u>2,020</u>
Weighted average number of ordinary shares used in the computation of diluted earnings (loss) per share	<u>269,830</u>	<u>251,572</u>

The Group may settle the compensation of employees in cash or shares; therefore, the Group assumes that the entire amount of the compensation will 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 the 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.

The Group did not consider the potential shares of compensation of employees in the calculation of diluted loss per share for the three months ended March 31, 2023 due to the anti-dilutive effect.

## 26. CASH FLOW INFORMATION

Changes in liabilities arising from financing activities:

For the three months ended March 31, 2023

	Opening Balance	Cash Flows	Non-cash Changes				Closing Balance
			New Leases	Exchange Rate Change	Unrealized Exchange Gains and Losses	Others	
Short-term borrowings	\$ 10,240,535	\$ (2,733,578)	\$ -	\$ -	\$ 96,234	\$ -	\$ 7,603,191
Short-term bills payables	858,939	99,635	-	-	-	-	958,574
Long-term borrowings	893,350	(6,635)	-	-	-	-	886,715
Guarantee deposits received	52,406	25,765	-	(386)	-	-	77,785
Lease liabilities	129,150	(15,492)	-	6	-	425	114,089
	<u>\$ 12,174,380</u>	<u>\$ (2,630,305)</u>	<u>\$ -</u>	<u>\$ (380)</u>	<u>\$ 96,234</u>	<u>\$ 425</u>	<u>\$ 9,640,354</u>

For the three months ended March 31, 2022

	Opening Balance	Cash Flows	Non-cash Changes				Closing Balance
			New Leases	Exchange Rate Change	Unrealized Exchange Gains and Losses	Others	
Short-term borrowings	\$ 6,345,667	\$ 3,269,139	\$ -	\$ -	\$ 125,126	\$ -	\$ 9,739,932
Short-term bills payables	819,432	(169,826)	-	-	-	-	649,606
Long-term borrowings	919,934	(6,657)	-	-	-	-	913,277
Guarantee deposits received	39,386	9,211	-	1,103	-	-	49,700
Lease liabilities	84,600	(13,154)	4,403	1,957	3	(5,099)	72,710
	<u>\$ 8,209,019</u>	<u>\$ 3,088,713</u>	<u>\$ 4,403</u>	<u>\$ 3,060</u>	<u>\$ 125,129</u>	<u>\$ (5,099)</u>	<u>\$ 11,425,225</u>

## 27. CAPITAL MANAGEMENT

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 the debt and equity balance.

The capital structure of the Group consists of net debt (borrowings offset by cash and cash equivalents) and equity attributable to the owners of the Company (comprising issued capital, reserves, retained earnings and other equity).

The Group is subject to capital requirements such as current ratio, financial debt ratio, time interest earned etc. imposed by bank loan agreements.

Key management personnel of the Group review the capital structure on a quarterly basis. As part of this review, the key management personnel consider the cost of capital and the risks associated with each class of capital. 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/or the amount of new debt issued or existing debt redeemed.

## 28. FINANCIAL INSTRUMENTS

- a. Fair value of financial instruments that are not measured at fair value

Management believes the carrying amounts of financial assets and financial liabilities recognized in the consolidated financial statements approximate their fair values or their fair values cannot be reliably measured.

b. Fair value of financial instruments measured at fair value on a recurring basis

1) Fair value hierarchy

March 31, 2023

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Investments in equity instruments				
Domestic unlisted shares	\$ -	\$ -	\$ 10,203	\$ 10,203
Foreign unlisted shares	-	-	41,706	41,706
Domestic private emerging market shares	-	-	8,624	8,624
Other instruments				
Domestic limited partnership	-	-	9,324	9,324
Foreign private funds	-	-	<u>364,215</u>	<u>364,215</u>
	<u>\$ -</u>	<u>\$ 18,270</u>	<u>\$ 434,072</u>	<u>\$ 434,072</u>
Financial assets at FVTOCI				
Investments in equity instruments				
Domestic listed shares	\$ 14,255	\$ -	\$ -	\$ 14,255
Investments in debt instruments				
Trade receivables	-	-	2,575,331	2,575,331
Other receivables	-	-	<u>4,397,112</u>	<u>4,397,112</u>
	<u>\$ 14,255</u>	<u>\$ -</u>	<u>\$ 6,972,443</u>	<u>\$ 6,986,698</u>

December 31, 2022

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Investments in equity instruments				
Domestic unlisted shares	\$ -	\$ -	\$ 10,571	\$ 10,571
Foreign unlisted shares	-	-	47,337	47,337
Domestic private emerging market shares	-	-	8,520	8,520
Other instruments				
Mutual funds	4,979	-	-	4,979
Domestic limited partnership	-	-	9,439	9,439
Foreign private funds	-	-	<u>346,377</u>	<u>346,377</u>
	<u>\$ 4,979</u>	<u>\$ -</u>	<u>\$ 422,244</u>	<u>\$ 427,223</u>

(Continued)

	Level 1	Level 2	Level 3	Total
Financial assets at FVTOCI				
Investments in equity instruments				
Domestic listed shares	\$ 10,660	\$ -	\$ -	\$ 10,660
Investments in debt instruments				
Trade receivables	-	-	4,038,574	4,038,574
Other receivables	-	-	<u>4,244,245</u>	<u>4,244,245</u>
	<u>\$ 10,660</u>	<u>\$ -</u>	<u>\$ 8,282,819</u>	<u>\$ 8,293,479</u>
				(Concluded)

March 31, 2022

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Investments in equity instruments				
Domestic unlisted shares	\$ -	\$ -	\$ 15,156	\$ 15,156
Foreign unlisted shares	-	-	31,023	31,023
Foreign listed shares	-	142,284	-	142,284
Domestic private emerging market shares	-	-	11,200	11,200
Other instruments				
Mutual funds	5,000	-	-	5,000
Domestic limited partnership	-	-	5,936	5,936
Foreign private funds	-	-	<u>279,513</u>	<u>279,513</u>
	<u>\$ 5,000</u>	<u>\$ 142,284</u>	<u>\$ 342,828</u>	<u>\$ 490,112</u>

Financial assets at FVTOCI				
Investments in equity instruments				
Domestic listed shares	\$ 9,290	\$ -	\$ -	\$ 9,290
Investments in debt instruments				
Trade receivables	-	-	4,050,885	4,050,885
Other receivables	-	-	<u>4,089,724</u>	<u>4,089,724</u>
	<u>\$ 9,290</u>	<u>\$ -</u>	<u>\$ 8,140,609</u>	<u>\$ 8,149,899</u>

There were no transfers between Levels 1 and 2 in the current and prior periods.

2) Reconciliation of Level 3 fair value measurements of financial instruments

For the three months ended March 31, 2023

Financial Assets	Financial Assets at FVTPL		Financial Assets at FVTOCI	Total
	Equity Instruments	Other Instruments	Debt Instruments	
Balance at January 1, 2023	\$ 66,428	\$ 355,816	\$ 8,282,819	\$ 8,705,063
Recognized in profit or loss (included in other gains and losses)	(5,895)	17,723	-	11,828
Recognized in profit or loss (included in expected credit loss)	-	-	(2,625)	(2,625)
Recognized in other comprehensive income (included in unrealized valuation loss on financial assets at FVTOCI)	-	-	2,054	2,054
Net change in trade receivables and other receivables (included exchange differences on foreign currency)	-	-	(1,309,805)	(1,309,805)
Balance at March 31, 2023	<u>\$ 60,533</u>	<u>\$ 373,539</u>	<u>\$ 6,972,443</u>	<u>\$ 7,406,515</u>
Unrealized gain (loss) for the current year included in profit or loss relating to assets held at the end of the period	<u>\$ (5,895)</u>	<u>\$ 17,723</u>		<u>\$ 11,828</u>

For the three months ended March 31, 2022

Financial Assets	Financial Assets at FVTPL		Financial Assets at FVTOCI	Total
	Equity Instruments	Other Instruments	Debt Instruments	
Balance at January 1, 2022	\$ 146,001	\$ 282,714	\$ 7,951,995	\$ 8,380,710
Recognized in profit or loss (included in other gains and losses)	(1,951)	2,735	-	784
Recognized in profit or loss (included in expected credit loss)	-	-	2,933	2,933
Recognized in other comprehensive income (included in unrealized valuation loss on financial assets at FVTOCI)	-	-	(573)	(573)
Purchases	28,318	-	-	28,318
Transfers out of Level 3	(114,989)	-	-	(114,989)
Net change in trade receivables and other receivables (included exchange differences on foreign currency)	-	-	186,254	186,254
Balance at March 31, 2022	<u>\$ 57,379</u>	<u>\$ 285,449</u>	<u>\$ 8,140,609</u>	<u>\$ 8,483,437</u>
Unrealized gain (loss) for the current year included in profit or loss relating to assets held at the end of the period	<u>\$ (1,951)</u>	<u>\$ 2,735</u>		<u>\$ 784</u>

3) Valuation techniques and inputs applied for Level 2 fair value measurement

The fair value of the foreign listed shares held by the Group are assessed by reference to their fair values in the open market, taking into account the liquidity discount during the lock-up period.

4) Valuation techniques and inputs applied for Level 3 fair value measurement

- a) The fair value of unlisted shares, limited partnerships and private funds were determined by using the asset-based approach. In this approach, the total value of individual assets and liabilities covered by each evaluation object was adopted to calculate a business entity valuation.
- b) The fair value of trade receivables and other receivables of FVTOCI was determined using the discounted cash flow method. Future cash flows are estimated based on the trade receivables and other receivables at the end of the reporting period, and discounted at a rate that reflects the trading credit risk.

c. Categories of financial instruments

	March 31, 2023	December 31, 2022	March 31, 2022
<u>Financial assets</u>			
FVTPL			
Mandatorily classified as at FVTPL	\$ 434,072	\$ 427,223	\$ 490,112
Financial assets at amortized cost (1)	2,505,357	2,661,254	3,240,835
Financial assets at FVTOCI			
Equity instruments	14,255	10,660	9,290
Debt instruments	6,972,443	8,282,819	8,140,609
<u>Financial liabilities</u>			
Financial liabilities at amortized cost (2)	23,077,705	25,046,853	20,385,553

- 1) The balances include financial assets at amortized cost, which comprise cash and cash equivalents, debt investments, notes receivable, trade receivables and other receivables.
- 2) The balances include financial liabilities at amortized cost, which comprise short-term and long-term loans, short-term bills payable, notes payable and trade payables and other payables.

d. Financial risk management objectives and policies

The Group's major financial instruments include equity and debt investments, trade receivables, trade payables, borrowings, lease liabilities and short-term bills payable. 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 that analyze exposures by degree and magnitude of risks. These risks include market risk (including foreign currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The corporate treasury function reports quarterly to the Group regarding the risks and policies implemented to mitigate risk exposures.

1) Market risk

The Group's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates (see (a) below) and interest rates (see (b) below).

There had been no change to the Group's exposure to market risks and the manner in which these risks were managed and measured.

a) Foreign currency risk

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities (including those eliminated on consolidation) at the end of the year are set out in Note 33.

### Sensitivity analysis

The Group is mainly exposed to the U.S. dollar (USD).

The following table details the Group's sensitivity to a 5% increase and decrease in New Taiwan dollars (i.e., the functional currency) against the relevant foreign currencies. The 5% sensitivity rate is used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis included only outstanding foreign currency denominated monetary items and adjusted their translation at the end of the reporting period for a 5% change in foreign currency rates. A positive number below indicates an increase in pretax profit and other equity associated with the 5% strengthening of the New Taiwan dollar against the relevant currency. For a 5% weakening of New Taiwan dollar against the relevant currency, there would be an equal and opposite impact on pre-tax profit and other equity and the balances below would be negative.

	<b>USD Impact</b>	
	<b>For the Three Months Ended</b>	
	<b>March 31</b>	
	<b>2023</b>	<b>2022</b>
Profit or loss	\$ 17,040	\$ 164,620

\* The above sensitivity analysis was mainly attribution to the exposure on the outstanding receivables, payables and borrowings in USD that were not hedged at the end of the period.

The Group's sensitivity to foreign currency decreased during the current period mainly due to the net decrease of borrowings balance in the USD.

In management's opinion, the sensitivity analysis did not reflect the inherent exchange rate risk because the exposure at the end of the reporting period did not reflect the exposure during the period.

#### b) Interest rate risk

The Group is exposed to interest rate risk because entities in the Group borrow funds at both fixed and floating interest rates.

The carrying amounts 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>March 31, 2023</b>	<b>December, 31</b>	
		<b>2022</b>	<b>March 31, 2022</b>
Fair value interest rate risk			
Financial assets	\$ 326,068	\$ 254,296	\$ 275,310
Financial liabilities	114,089	129,150	72,710
Cash flow interest rate risk			
Financial assets	1,706,945	1,674,836	1,716,641
Financial liabilities*	31,379,295	37,832,237	35,001,106

\* The balance included short-term borrowings, short-term bills payable, long-term borrowings (including current portion) and advances on the factored receivables.

The Group is exposed to cash flow interest rate risk in relation to floating-rate bank borrowings. The Group's policy is to keep its borrowings at floating interest rates to minimize the fair value interest rate risk. The Group's cash flow interest rate risk was mainly concentrated in the fluctuations of benchmark interest rate and Taipei Interbank Offered Rate (TAIBOR) and London Interbank Offered Rate (LIBOR) arising from the Group's New Taiwan dollar and USD-denominated borrowings.

#### Sensitivity analysis

The sensitivity analysis below was determined based on the Group's exposure to interest rates for non-derivative instruments at the end of the period. For floating-rate liabilities, the analysis was prepared assuming the amount of each liability outstanding at the end of the period was outstanding for the whole year. A 100 basis point increase or decrease is 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 100 basis points higher/lower and all other variables were held constant, the Group's pre-tax profits for the three months ended March 31, 2023 and 2022 would have decreased/increased by NT\$74,181 thousand and NT\$83,211 thousand, respectively, which was mainly because of the Group's exposure to interest rates on its floating-rate bank borrowings.

The decrease in the Group's sensitivity to interest rates during the current period was mainly due to the decreasing use of floating-rate debt instruments.

## 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. At the end of the period, the Group's maximum exposure to credit risk, which would cause a financial loss to the Group due to the failure of counterparties to discharge its obligation could be measured the carrying amounts of the recognized financial assets as stated in the balance sheets.

The Group has a policy of only dealing with creditworthy counterparties and obtaining sufficient collaterals, 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 credit exposures and the credit ratings of its counterparties are continually monitored and the total amount of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty credit limit that are reviewed and approved by finance and accounting department annually.

The Group's transactions are with a large number of customers in different industries and locations. Ongoing credit evaluation is performed on the status of trade receivables and, where appropriate, credit guarantee insurance cover would be purchased.

The Group did not have significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics, except for customer A. The Group defines counterparties as having similar characteristics if they are related entities. From the balance of trade receivables on March 31, 2023, December 31, 2022 and March 31, 2022, the exposure amounts were NT\$3,200,125 thousand, NT\$3,412,931 thousand and NT\$2,034,521 thousand, respectively. During for the three months ended March 31, 2023 and 2022, the concentration of credit risk did not exceed 31.00% and 16.78% of the total monetary assets of each period, respectively.

### 3) Liquidity risk

The Group manages liquidity risk by maintaining and monitoring a level of cash and cash equivalents deemed adequate to finance the Group's operations and mitigate the effects of cash flow fluctuations. In addition, management monitors the utilization of bank borrowings and ensures the compliance with loan covenants.

The Group relies on bank borrowings as a significant source of liquidity. As of March 31, 2023, December 31, 2022 and March 31, 2022, the Group's unused short-term bank loan facilities are set out in (b) below.

#### a) Liquidity and interest risk rate tables for nonderivative financial liabilities

The following table details the Group's remaining contractual maturity for its nonderivative financial liabilities with agreed upon repayment periods. The tables had been drawn up on the basis of the undiscounted cash flows of financial liabilities from the earliest date on which the Group can be required to pay. The tables included both interest and principal cash flows. Specifically, bank loans with a repayment on demand clause were included in the earliest time bonds regardless of the probability of the banks choosing to exercise their rights immediately. The maturity dates for other nonderivative financial liabilities were based on the agreed upon repayment dates.

To the extent that interest rates are floating, the undiscounted amount was derived from the yield curve at the end of the period.

#### March 31, 2023

	<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>Over 5 Years</b>
<u>Nonderivative financial liabilities</u>					
Noninterest bearing	\$ 11,015,800	\$ 2,335,224	\$ 512,008	\$ 74	\$ -
Lease liabilities	5,532	9,394	36,941	62,712	-
Floating interest rate liabilities	<u>3,363,970</u>	<u>3,534,928</u>	<u>1,720,980</u>	<u>877,637</u>	<u>35,816</u>
	<u>\$ 14,385,302</u>	<u>\$ 5,879,546</u>	<u>\$ 2,269,929</u>	<u>\$ 940,423</u>	<u>\$ 35,816</u>

#### 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>Over 5 Years</b>
Noninterest bearing	\$ 11,636,600	\$ 1,590,275	\$ 352,115	\$ 80	\$ -
Lease liabilities	5,483	9,478	40,478	74,150	-
Floating interest rate liabilities	<u>917,607</u>	<u>2,997,473</u>	<u>7,266,400</u>	<u>883,526</u>	<u>37,622</u>
	<u>\$ 12,559,690</u>	<u>\$ 4,597,226</u>	<u>\$ 7,658,993</u>	<u>\$ 957,756</u>	<u>\$ 37,622</u>

March 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>Over 5 Years</b>
<u>Nonderivative financial liabilities</u>					
Noninterest bearing	\$ 7,379,034	\$ 1,655,293	\$ 450,714	\$ -	\$ -
Lease liabilities	4,537	5,770	20,944	39,684	-
Floating interest rate liabilities	<u>2,527,375</u>	<u>4,925,950</u>	<u>3,151,100</u>	<u>698,010</u>	<u>167,799</u>
	<u>\$ 9,910,946</u>	<u>\$ 6,587,013</u>	<u>\$ 3,622,758</u>	<u>\$ 737,694</u>	<u>\$ 167,799</u>

Bank loans with a repayment on demand clause were included in the “on demand or less than 1 month” time band in the above maturity analysis. As of March 31, 2023, December 31, 2022 and March 31, 2022, the aggregate undiscounted principal amounts of these bank loans were NT\$3,360,628 thousand, NT\$915,689 thousand and NT\$2,525,875 thousand, respectively. Taking into account the Group’s financial position, management does not believe that it is probable that the banks will exercise their discretionary rights to demand immediate repayment. Management believes that such bank loans will be repaid after the reporting date in accordance with the scheduled repayment dates set out in the loan agreements. At that time, the aggregate principal and interest cash outflows will amount to NT\$9,533,331 thousand.

The amounts included above for floating interest rate instruments of both non-derivative financial assets and liabilities are subject to change if the floating interest rates differ from those estimates of interest rates determined at the end of the period.

b) Financing facilities

	<b>March 31, 2023</b>	<b>December 31, 2022</b>	<b>March 31, 2022</b>
Unsecured bank borrowings and trade receivables overdraft facilities and payable on demand, reviewed annually:			
Amount used	\$ 27,936,646	\$ 34,275,031	\$ 31,271,040
Amount unused	<u>29,704,982</u>	<u>24,149,133</u>	<u>16,904,172</u>
	<u>\$ 57,641,628</u>	<u>\$ 58,424,164</u>	<u>\$ 48,175,212</u>
Secured bank overdraft facilities:			
Amount used	\$ 2,557,360	\$ 2,664,917	\$ 2,817,182
Amount unused	<u>2,948,720</u>	<u>2,731,487</u>	<u>1,418,324</u>
	<u>\$ 5,506,080</u>	<u>\$ 5,396,404</u>	<u>\$ 4,235,506</u>
Unsecured bank loan facilities which may be extended by mutual agreement:			
Amount used	\$ 800,000	\$ 800,000	\$ 800,000
Amount unused	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 800,000</u>	<u>\$ 800,000</u>	<u>\$ 800,000</u>

(Continued)

	March 31, 2023	December 31, 2022	March 31, 2022
Secured bank loan facilities which may be extended by mutual agreement:			
Amount used	\$ 86,715	\$ 93,350	\$ 113,277
Amount unused	<u>-</u>	<u>-</u>	<u>23,473</u>
	<u>\$ 86,715</u>	<u>\$ 93,350</u>	<u>\$ 136,750</u>
			(Concluded)

e. Transfers of financial assets

Factored trade receivables at the end of the period were as follows:

March 31, 2023

Counterparties	Receivables Factoring Proceeds	Amount Reclassified to Other Receivables	Advances Received - Unused	Advances Received - Used	Annual Interest Rates on Advances Received (Used) (%)	Credit Lines
Mega International Commercial Bank	\$ 8,375,303	\$ 1,108,551	\$ 689,797	\$ 7,266,741	5.95-6.56	\$ 9,287,250
Taishin International Bank	255,132	77,359	51,882	177,737	5.83-6.15	1,695,000
Chang Hwa Bank	2,082,357	253,605	190,209	1,818,284	5.91-6.22	3,045,000
Taipei Fubon Bank	198,603	73,613	73,905	124,699	6.03-6.13	1,522,500
CitiBank	442,879	126,570	126,570	316,309	6.40	3,045,000
DBS Bank	7,722,573	330,705	345,578	7,376,995	5.95	11,723,250
KGI Bank	938,081	260,685	170,891	676,594	6.34-6.47	4,202,100
Bank SinoPac	4,600,447	1,695,615	1,239,353	2,901,049	5.89-6.27	4,856,775
Mizuho Bank	46,160	45,721	46,160	-	-	806,925
HSBC Bank	1,018,764	260,247	161,250	755,638	6.06-6.37	2,298,975
DBS Bank (Hong Kong)	558,247	79,601	79,601	478,646	6.04-6.25	609,000
Cathay United Bank	58,955	58,955	53,060	-	-	124,845
Far Eastern International Bank	64,008	25,885	19,484	38,123	5.97-6.19	90,000
	<u>\$ 26,361,509</u>	<u>\$ 4,397,112</u>	<u>\$ 3,247,740</u>	<u>\$ 21,930,815</u>		<u>\$ 43,306,620</u>

December 31, 2022

Counterparties	Receivables Factoring Proceeds	Amount Reclassified to Other Receivables	Advances Received - Unused	Advances Received - Used	Annual Interest Rates on Advances Received (Used) (%)	Credit Lines
Mega International Commercial Bank	\$ 9,381,146	\$ 1,813,262	\$ 1,337,777	\$ 7,567,884	5.30-6.34	\$ 9,366,550
Taishin International Bank	487,940	130,805	82,026	357,119	4.47-6.15	1,695,000
Chang Hwa Bank	1,844,463	55,230	15,048	1,773,665	5.26-5.79	3,071,000
Taipei Fubon Bank	380,318	114,090	114,870	265,448	5.34-5.52	1,535,500
CitiBank	394,775	167,191	167,191	227,583	5.85	3,071,000
DBS Bank	8,914,035	271,880	299,596	8,614,439	5.78	11,823,350
KGI Bank	1,143,097	158,157	52,566	984,103	5.58-5.84	4,237,980
Bank SinoPac	4,627,028	1,102,498	639,795	3,524,530	4.41-6.31	4,898,245
Mizuho Bank	182,898	91,697	94,556	88,342	5.50	813,815
HSBC Bank	2,062,208	266,728	66,098	1,789,890	5.49-5.80	2,856,030
DBS Bank (Hong Kong)	614,200	11,241	11,241	602,959	4.41-6.05	614,200
Cathay United Bank	19,079	19,079	17,171	-	-	125,911
Far Eastern International Bank	85,838	42,387	33,803	43,451	5.97	90,000
	<u>\$ 30,137,025</u>	<u>\$ 4,244,245</u>	<u>\$ 2,931,738</u>	<u>\$ 25,839,413</u>		<u>\$ 44,198,581</u>

March 31, 2022

Counterparties	Receivables Factoring Proceeds	Amount Reclassified to Other Receivables	Advances Received - Unused	Advances Received - Used	Annual Interest Rates on Advances Received (Used) (%)	Credit Lines
Mega International Commercial Bank	\$ 7,837,068	\$ 1,061,531	\$ 669,678	\$ 6,775,537	1.22-1.59	\$ 7,871,875
Taishin International Bank	315,238	63,159	31,666	252,048	1.01-1.96	1,580,000
Chang Hwa Bank	1,675,339	382,221	247,536	1,290,454	0.99-1.51	2,862,500
Taipei Fubon Bank	239,547	70,501	74,931	164,616	1.37-1.44	715,625
CitiBank	763,009	310,238	310,238	452,771	1.60	2,862,500
DBS Bank	8,971,975	253,100	272,321	8,699,655	0.97-1.16	11,020,625
KGI Bank	1,899,850	237,742	61,121	1,661,785	1.31-1.69	3,435,000
Bank SinoPac	2,632,327	930,581	670,291	1,698,803	1.05-2.16	2,979,862
Mizuho Bank	522,356	-	-	522,356	1.43	758,562
HSBC Bank	2,418,812	693,523	451,643	1,725,289	1.24-1.45	2,418,813
DBS Bank (Hong Kong)	458,000	79,569	79,569	378,431	1.14-2.08	458,000
Cathay United Bank	40,140	4,014	-	36,126	1.22-1.61	88,737
Far Eastern International Bank	44,911	3,545	-	40,420	1.40-2.20	81,344
	<u>\$ 27,818,572</u>	<u>\$ 4,089,724</u>	<u>\$ 2,868,994</u>	<u>\$ 23,698,291</u>		<u>\$ 37,133,443</u>

The above credit lines may be used on a revolving basis.

The Group signed trade receivables factoring contracts with several banks. That is, the Group sold trade receivables on non-letter of credit transactions to banks without recourse. In these transactions, the credit risk on trade receivables was transferred to the banks, and the Group paid the banks a specific percentage of trade receivables as a handling charge. The Group asked for the advances of 90% to 100% of the trade receivables by paying interest. Because the trade receivables factoring was without recourse, the Group was free from credit risk, and banks assumed the risk of losses on the receivables.

The Group's exposure to credit risk from defaults amounted to US\$690 thousand, US\$690 thousand and US\$735 thousand on March 31, 2023, December 31, 2022 and March 31, 2022, respectively. Management had set up sufficient allowance to cover possible losses.

## 29. TRANSACTIONS WITH RELATED PARTIES

Balances and transactions between the Company and its subsidiaries, which are the 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 name and category

Related Party Name	Related Party Category
KingHold Technology	Associate
Prowine Co., Ltd.	Associate
Vxis Technology Corp.	Associate

- b. Sales of goods

Line Item	Related Party Category/Name	For the Three Months Ended March 31	
		2023	2022
Sales	Associates	<u>\$ 654</u>	<u>\$ -</u>

The market prices and contract terms between the Group and its related parties were not significantly different from those of the Group and non-related parties.

c. Receivables from related parties

<b>Line Item</b>	<b>Related Party Category/Name</b>	<b>March 31, 2023</b>	<b>December 31, 2022</b>	<b>March 31, 2022</b>
Other receivables	Associates	<u>\$ 15</u>	<u>\$ 105</u>	<u>\$ -</u>

The outstanding other receivables from related parties are unsecured. No impairment losses were recognized for receivables from related parties.

d. Payables to related parties

<b>Line Item</b>	<b>Related Party Category/Name</b>	<b>March 31, 2023</b>	<b>December 31, 2022</b>	<b>March 31, 2022</b>
Trade payables	Associates	\$ -	\$ 77	\$ -
Other payables	Associates	<u>249</u>	<u>292</u>	<u>60</u>
		<u>\$ 249</u>	<u>\$ 369</u>	<u>\$ 60</u>

The outstanding other payables to related parties are unsecured and repaid in cash.

e. Prepayments

<b>Related Party Category/Name</b>	<b>March 31, 2023</b>	<b>December 31, 2022</b>	<b>March 31, 2022</b>
Associates	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 158</u>

f. Others

<b>Line Item</b>	<b>Related Party Category/Name</b>	<b>For the Three Months Ended March 31</b>	
		<b>2023</b>	<b>2022</b>
Operating expenses	Associates	<u>\$ 453</u>	<u>\$ 783</u>
Rent income	Associates	<u>\$ 43</u>	<u>\$ 43</u>
Other income	Associates	<u>\$ -</u>	<u>\$ 127</u>

The Group leases out office and plant to its associates under operating lease for one year. In the leasing contract between the Group and its associates, the rents are set according to market trends, and conforms to normal payments terms.

g. Remuneration of key management personnel

	<b>For the Three Months Ended March 31</b>	
	<b>2023</b>	<b>2022</b>
Short-term employee benefits	\$ 12,427	\$ 22,796
Post-employment benefits	<u>413</u>	<u>386</u>
	<u>\$ 12,840</u>	<u>\$ 23,182</u>

The remuneration of directors and key executives was determined by the remuneration committee on the basis of individual performances and market trends.

### 30. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The Group's assets mortgaged or pledged as collaterals for long-term and short-term borrowings, the trade receivables factoring, and the deposits in current accounts:

	March 31, 2023	December 31, 2022	March 31, 2022
Properties, plant and equipment, net	\$ 415,431	\$ 416,317	\$ 418,843
Financial assets at amortized cost	<u>297,770</u>	<u>279,232</u>	<u>380,499</u>
	<u>\$ 713,201</u>	<u>\$ 695,549</u>	<u>\$ 799,342</u>

### 31. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

The significant commitments of the Group as of March 31, 2023, December 31, 2022 and March 31, 2022 were as follows:

a. Significant commitments

- 1) Unused letters of credit amounting to approximately NT\$597,893 thousand, NT\$675,438 thousand and NT\$669,940 thousand, respectively.
- 2) Checks that had been issued as guarantees for the Group's loans and purchases amounted to NT\$74,807,767 thousand, NT\$74,239,269 thousand and NT\$56,567,024 thousand, respectively.
- 3) The ceiling amounts of guarantees were NT\$320,000 thousand, NT\$320,000 thousand and NT\$286,250 thousand, respectively. Guarantees amounting to all NT\$0 thousand was provided for the loans obtained by Sunjet Components Corp. The Company did not recognize any loss and offer any cash or other assets for the guarantees.
- 4) The ceiling amounts of guarantees were NT\$64,000 thousand, NT\$64,000 thousand and NT\$57,250 thousand, respectively. Guarantees amounting to all NT\$0 thousand was provided for the loans obtained by iPro Technology Inc. The Company did not recognize any loss and offer any cash or other assets for the guarantees.
- 5) The ceiling amounts of guarantees were NT\$2,240,000 thousand, NT\$2,240,000 thousand and NT\$1,145,000 thousand, respectively. Guarantees amounting to NT\$365,930 thousand, NT\$169,949 thousand and NT\$309,375 thousand, respectively, were provided for the loans obtained by Goldenflash Electronics Co., Ltd. The Company did not recognize any loss and offer any cash or other assets for the guarantees.
- 6) The ceiling amounts of guarantees were NT\$3,200,000 thousand, NT\$3,200,000 thousand and NT\$1,431,250 thousand, respectively. Guarantees amounting to NT\$815,961 thousand, NT\$1,188,964 thousand and NT\$291,018 thousand, respectively, were provided for the loans obtained by Promaster Technology Corp. The Company did not recognize any loss and offer any cash or other assets for the guarantees.
- 7) The ceiling amounts of guarantees were NT\$64,000 thousand, NT\$64,000 thousand and NT\$57,250 thousand, respectively. Guarantees amounting to all NT\$0 thousand was provided for the loans by Sunjet Components Corp. (Hong Kong). Sunjet Components Corp. did not recognize any loss and offer any cash or other assets for the guarantees.

- 8) The ceiling amounts of guarantees was NT\$384,000 thousand, NT\$384,000 thousand and NT\$242,311 thousand, respectively. Guarantees amounting to NT\$0 thousand, NT\$0 thousand and NT\$94,509 thousand, respectively, were provided for the loans obtained by Promaster (Brunei) Technology Corp. Promaster Technology Corp. did not recognize any loss and offer any cash or other assets for guarantees.

b. Contingencies

Pegatron Corporation (“Pegatron”) filed an arbitration with the Arbitration Association of the Republic of China to determine the responsibility of Pegatron and the Group in connection with an anomaly in a product manufactured by Pegatron that contained components of an electronic product distributed by the Group. The Group has appointed a lawyer to prepare a response plan in the best interests of the Company and its shareholders. As of March 31, 2023, the actual impact cannot be estimated as the respondents have not yet been clarified.

### 32. OTHER ITEMS

Due to the impact of COVID-19 pandemic which has evolved globally and currently in Taiwan, some of the Group’s customers and suppliers are implementing preventive measures such as isolation and travel restriction. The Group assesses that its overall business and financial aspects have not been significantly affected and there are no doubts about its going concerns, asset impairment and financial risks. There is still much uncertainty about the impact the epidemic and the Group will continue to pay attention to the development of the epidemic.

### 33. 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 functional currencies of the entities in the Group and the related exchange rates between foreign currencies and respective functional currencies were as follows:

March 31, 2023

	<b>Foreign Currency (In Thousands)</b>	<b>Exchange Rate</b>	<b>Carrying Amount</b>
<u>Financial assets</u>			
Monetary items			
USD	\$ 103,612	30.4500 (USD:NTD)	\$ 3,154,993
USD	7,546	6.8717 (USD:RMB)	229,790
USD	6,848	1.3291 (USD:SGD)	208,515
USD	84	133.0857 (USD:JPY)	2,554
Nonmonetary items			
Investments accounted for using the equity method			
KRW	923,040	0.0236 (KRW:NTD)	21,784
<u>Financial liabilities</u>			
Monetary items			
USD	114,419	30.4500 (USD:NTD)	3,484,060
USD	7,578	6.8717 (USD:RMB)	230,740
USD	7,232	1.3291 (USD:SGD)	220,229
USD	53	133.0857 (USD:JPY)	1,621

December 31, 2022

	<b>Foreign Currency (In Thousands)</b>	<b>Exchange Rate</b>	<b>Carrying Amount</b>
<u>Financial assets</u>			
Monetary items			
USD	\$ 130,480	30.7100 (USD:NTD)	\$ 4,007,027
USD	6,199	6.9646 (USD:RMB)	190,371
USD	5,490	1.3422 (USD:SGD)	168,598
USD	75	132.1429 (USD:JPY)	2,303
Non-monetary items			
Investments accounted for using the equity method			
KRW	916,121	0.0224 (KRW:NTD)	20,521

Financial liabilities

Monetary items			
USD	201,866	30.7100 (USD:NTD)	6,199,306
USD	8,268	6.9646 (USD:RMB)	253,898
USD	4,226	1.3422 (USD:SGD)	129,783
USD	57	132.1429 (USD:JPY)	1,756

March 31, 2022

	<b>Foreign Currency (In Thousands)</b>	<b>Exchange Rate</b>	<b>Carrying Amount</b>
<u>Financial assets</u>			
Monetary items			
USD	\$ 149,970	28.6250 (USD:NTD)	\$ 4,292,891
USD	7,368	6.3482 (USD:RMB)	210,909
USD	5,894	1.3528 (USD:SGD)	168,716
Non-monetary items			
Investments accounted for using the equity method			
KRW	807,180	0.0238 (KRW:NTD)	19,211

Financial liabilities

Monetary items			
USD	266,808	28.6250 (USD:NTD)	7,637,379
USD	8,151	6.3482 (USD:RMB)	233,322
USD	3,291	1.3528 (USD:SGD)	94,205

The Group is mainly exposed to the fluctuations other than the USD. The following information was aggregated by the functional currencies of the entities in the Group, and the exchange rates between respective functional currencies and the presentation currency were disclosed. The significant realized and unrealized foreign exchange gains (losses) were as follows:

Foreign Currency	For the Three Months Ended March 31			
	2023		2022	
	Exchange Rate	Net Foreign Exchange Gain (Loss)	Exchange Rate	Net Foreign Exchange Gain (Loss)
NTD	1 (NTD:NTD)	\$ (3,306)	1 (NTD:NTD)	\$ 32,504
USD	30.3947 (USD:NTD)	(2,961)	27.9941 (USD:NTD)	1,217
RMB	4.4413 (RMB:NTD)	100	4.4064 (RMB:NTD)	1,885
SGD	22.8133 (SGD:NTD)	4,024	20.7139 (SGD:NTD)	(897)
JPY	0.2300 (JPY:NTD)	(620)	0.2410 (JPY:NTD)	-
		<u>\$ (2,763)</u>		<u>\$ 34,709</u>

### 34. SEPARATELY DISCLOSED ITEMS

a. Information on significant transactions:

- 1) Financing provided to others: Table 1
- 2) Endorsements/guarantees provided: Table 2
- 3) Marketable securities held (excluding investments in subsidiaries and associates): Table 3
- 4) Marketable securities acquired and disposed of at costs or prices at least NT\$300 million or 20% of the paid-in capital: None
- 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: None
- 8) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital: Table 4
- 9) Trading in derivative instruments: None
- 10) Intercompany relationships and significant intercompany transactions: Table 5

b. Information on investees: Table 6

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 investees, 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 7
- 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:
  - a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the year: None
  - b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the year: None
  - c) The amount of property transactions and the amount of the resultant gains or losses: None
  - d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the year and the purposes: Table 2
  - e) The highest balance, the end balance, the interest rate range, and total current period interest with respect to financing of funds: None
  - 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 receiving of services: Table 5
- 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 8

### 35. SEGMENT INFORMATION

Information reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance focuses on financial information of industries, and each of the investees have similar economic attributes and sell the same types of products in a uniform management approach; thus, the Company is a single reportable segment. The measurement basis of the information provided to the chief operating decision maker is the same as the information and amounts shown in the financial statements, so the consolidated statements of comprehensive income for the three months ended March 31, 2023 and 2022 can be compared with reportable segment revenue and operating outcome for these periods. In addition, the information on operating segment assets was not periodically reported to the chief operating decision maker, so the reportable amount is zero.

## EDOM TECHNOLOGY CO., LTD. AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS  
FOR THE THREE MONTHS ENDED MARCH 31, 2023  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Lender	Borrower	Financial Statement Account	Related Parties	Highest Balance for the Period (Note 3)	Ending Balance (Note 3)	Actual Borrowing Amount (Note 3)	Interest Rate	Nature of Financing	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Note 1)	Aggregate Financing Limits (Note 2)
													Item	Value		
0	EDOM Technology Co., Ltd.	Sunjet Components Corp.	Other receivables	Yes	\$ 64,000	\$ 64,000	\$ -	-	For business operation	\$ -	For business operation	\$ -	-	-	\$ 546,184	\$ 1,092,369
		iPro Technology, Inc.	Other receivables	Yes	64,000	64,000	-	-	For business operation	-	For business operation	-	-	-	546,184	1,092,369
		Goldenflash Electronics Co., Ltd.	Other receivables	Yes	320,000	320,000	-	-	For business operation	-	For business operation	-	-	-	546,184	1,092,369
		Promaster Technology Corp.	Other receivables	Yes	320,000	320,000	-	-	For business operation	-	For business operation	-	-	-	546,184	1,092,369
1	Sunjet Components Corp.	Sunjet Components Corp. (Dongguan)	Other receivables	Yes	16,000	16,000	-	-	For business operation	-	For business operation	-	-	-	37,316	74,633

- Notes: 1. The maximum amount of financing to an individual borrower is 10% of the Company and Sunjet Components Corp.'s net asset value. For borrowers with transactions with the Company, maximum financing is 10% of the net assets of the Company or the total amount of transactions between the Company and borrower.
2. The maximum financing amount is 20% of the Company and Sunjet Components Corp.'s net asset value.
3. The amounts are based on the exchange rate at the end of the period.

## EDOM TECHNOLOGY CO., LTD. AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED  
FOR THE THREE MONTHS ENDED MARCH 31, 2023  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Endorser/Guarantor	Endorsee/Guarantee		Limits on Endorsement/ Guarantee Given on Behalf of Each Party (Note 1)	Maximum Amount Endorsed/ Guaranteed During the Period (Note 3)	Outstanding Endorsement/ Guarantee at the End of the Period (Note 3)	Actual Borrowing Amount	Amount Endorsed/ Guaranteed by Collaterals	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit (Note 2)	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
		Name	Relationship										
0	EDOM Technology Co., Ltd.	Sunjet Components Corp.	Subsidiary	\$ 5,461,845	\$ 320,000	\$ 320,000	\$ -	\$ -	5.86	\$ 10,923,690	Y	N	N
		iPro Technology, Inc.	Subsidiary	5,461,845	64,000	64,000	-	-	1.17	10,923,690	Y	N	N
		Goldenflash Electronics Co., Ltd.	Subsidiary	5,461,845	2,240,000	2,240,000	365,930	-	41.01	10,923,690	Y	N	N
		Promaster Technology Corp.	Subsidiary	5,461,845	3,200,000	3,200,000	815,961	-	58.59	10,923,690	Y	N	N
1	Sunjet Components Corp.	Sunjet (HK) Components Ltd.	Subsidiary	149,267	64,000	64,000	-	-	17.15	298,535	N	N	N
2	Promaster Technology Corp.	Promaster (Brunei) Technology Corp.	Subsidiary	491,229	384,000	384,000	-	-	62.54	614,037	N	N	N

- Notes: 1. 100% of the Company's net asset value. 40% of Sunjet Components Corp.'s net asset value. 80% of Promaster Technology Corp.'s net asset value.  
2. 200% of the Company's net asset value. 80% of Sunjet Components Corp.'s net asset value. 100% of Promaster Technology Corp.'s net asset value.  
3. The Company at the ceiling amounts of guarantees to Promaster and Promaster's subsidiaries were approved by the Company's board of directors, and cannot surpass the approved total amount.

## EDOM TECHNOLOGY CO., LTD. AND SUBSIDIARIES

## MARKETABLE SECURITIES HELD

MARCH 31, 2023

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Holding Company Name	Type and Issuer of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	March 31, 2023				Note
				Shares	Carrying Value	Percentage of Ownership (%)	Market Value or Net Asset Value	
EDOM Technology Co., Ltd.	<u>Ordinary shares</u> AEWIN Technologies Co., Ltd.	-	Financial assets at fair value through other comprehensive income - noncurrent	355,923	\$ 14,255	0.60	\$ 14,255	Note 1
	Largan Health AI-Tech Co., Ltd.	-	Financial assets at fair value through profit or loss - noncurrent	120,000	227	4.00	227	Note 2
	Upbeat Technology Co., Ltd.	-	Financial assets at fair value through profit or loss - noncurrent	1,250,000	4,971	2.74	4,971	Note 2
	Metanola Communication Inc.	-	Financial assets at fair value through profit or loss - noncurrent	357,500	5,005	7.69	5,005	Note 2
	<u>Preference shares</u> XMEMS Laks, Inc.	-	Financial assets at fair value through profit or loss - noncurrent	501,505	11,210	0.50	11,210	Note 2
	GOMORE INC.	-	Financial assets at fair value through profit or loss - noncurrent	14,285,714	11,507	2.03	11,507	Note 2
	Empower Semiconductor Inc.	-	Financial assets at fair value through profit or loss - noncurrent	86,757	16,108	-	16,108	Note 2
	<u>Private ordinary shares</u> AcSip Technology Co., Ltd.	-	Financial assets at fair value through profit or loss - noncurrent	1,000,000	8,624	2.72	8,624	Note 3
	<u>Private funds</u> BRV Lotus Growth Fund	-	Financial assets at fair value through profit or loss - noncurrent	-	199,500	1.32	199,500	Note 2
	PHI Fund, L.P.	-	Financial assets at fair value through profit or loss - noncurrent	-	143,565	6.90	143,565	Note 2
	AMED Ventures II Limited Partnership	-	Financial assets at fair value through profit or loss - noncurrent	-	21,150	1.33	21,150	Note 2
	<u>Limited partnership</u> Mesh Cooperative Ventures Fund LP	-	Financial assets at fair value through profit or loss - noncurrent	-	9,324	-	9,324	Note 2
	Goldenflash Electronics Co., Ltd.	<u>Financial products</u> 1-Year USD Denominated Interest Rate-Linked Portfolio Investment Merchandise	-	Financial assets at amortized cost - current	-	18,270	-	18,270
ACCU Technologies Ltd.	<u>Preference shares</u> Largan Health Technology, Inc.	-	Financial assets at fair value through profit or loss - noncurrent	205,410	2,881	1.67	2,881	Note 2

Note 1: The amounts are based on the closing price at the end of the period.

Note 2: The fair values of financial assets are measured by using asset approach, in accordance with the latest financial statements.

Note 3: The fair values of financial assets are measured by the average price of the transactions in emerging markets.

Note 4: Refer to Tables 6 and 7 for information on investments in subsidiaries and associates.

**EDOM TECHNOLOGY CO., LTD. AND SUBSIDIARIES**

**RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL**

**MARCH 31, 2023**

**(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

Company Name	Related Party	Relationship	Ending Balance	Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Actions Taken		
Promaster Technology Corp.	Promaster (Brunei) Technology Corp.	Fellow subsidiary	\$ 248,537	0.9	\$ 145,627	-	\$ 116,269	\$ -
Promaster (Brunei) Technology Corp.	Promaster Technology Corp.	Parent company	360,739	0.1	248,801	-	-	-

## EDOM TECHNOLOGY CO., LTD. AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT TRANSACTIONS  
FOR THE THREE MONTHS ENDED MARCH 31, 2023  
(In Thousands of New Taiwan Dollars)

No. (Note 1)	Investee Company	Counterparty	Flow of Transactions (Note 2)	Transaction Details			% to Total Sales or Assets (Note 3)
				Financial Statement Account	Amount	Payment Terms	
0	EDOM Technology Co., Ltd.	EDOM Trading (Shenzhen) Ltd.	a	Sales	\$ 23,223	Transaction terms are not significantly different from those of third parties	-
		EDOM Trading (Shenzhen) Ltd.	a	Operating expenses - service charge	64,830	Transaction terms are not significantly different from those of third parties	-
		EDOM Trading (Shenzhen) Ltd.	a	Trade receivables	43,284	Monthly 180 days	-
		EDOM Trading (Shenzhen) Ltd.	a	Other payables	18,240	Monthly 90 days	-
		EDOM Electronic Technology (Shanghai) Co., Ltd.	a	Sales	25,995	Transaction terms are not significantly different from those of third parties	-
		EDOM Electronic Technology (Shanghai) Co., Ltd.	a	Operating expenses - service charge	49,900	Transaction terms are not significantly different from those of third parties	-
		EDOM Electronic Technology (Shanghai) Co., Ltd.	a	Trade receivables	47,966	Monthly 180 days	-
		EDOM Electronic Technology (Shanghai) Co., Ltd.	a	Other payables	14,312	Monthly 90 days	-
		EDOM Technology Japan Co., Ltd.	a	Sales	238	Transaction terms are not significantly different from those of third parties	-
		EDOM Technology Japan Co., Ltd.	a	Operating expenses - service charge	2,357	Transaction terms are not significantly different from those of third parties	-
		EDOM Technology Japan Co., Ltd.	a	Trade receivables	240	Monthly 30 days	-
		EDOM Technology Japan Co., Ltd.	a	Trade payables	649	Monthly 30 days	-
		Sunjet Components Corp.	a	Sales	1,235	Transaction terms are not significantly different from those of third parties	-
		Sunjet Components Corp.	a	Purchases	1,359	Transaction terms are not significantly different from those of third parties	-
		Sunjet Components Corp.	a	Other income	1,947	Transaction terms are not significantly different from those of third parties	-
		Sunjet Components Corp.	a	Rental income	750	Transaction terms are not significantly different from those of third parties	-
		Sunjet Components Corp.	a	Operating expenses - service charge	1,133	Transaction terms are not significantly different from those of third parties	-
		Sunjet Components Corp.	a	Trade receivables	1,025	Monthly 30 days	-
		Sunjet Components Corp.	a	Other receivables	373	Monthly 30 days	-
		Sunjet Components Corp.	a	Payment on behalf of others	62	Monthly 30 days	-
		Sunjet Components Corp.	a	Trade payables	3,684	Monthly 30 days	-
		Sunjet Components Corp.	a	Other payables	208	Monthly 30 days	-
		iPro Technology, Inc.	a	Sales	35,360	Transaction terms are not significantly different from those of third parties	-
		iPro Technology, Inc.	a	Purchases	34	Transaction terms are not significantly different from those of third parties	-
		iPro Technology, Inc.	a	Other income	1,801	Transaction terms are not significantly different from those of third parties	-
		iPro Technology, Inc.	a	Rental income	236	Transaction terms are not significantly different from those of third parties	-
		iPro Technology, Inc.	a	Rental expenses	159	Transaction terms are not significantly different from those of third parties	-
		iPro Technology, Inc.	a	Operating expenses - service charge	1,226	Transaction terms are not significantly different from those of third parties	-
		iPro Technology, Inc.	a	Trade receivables	19,568	Monthly 30 days	-
		iPro Technology, Inc.	a	Other receivables	147	Monthly 30 days	-
		iPro Technology, Inc.	a	Payment on behalf of others	42	Monthly 30 days	-
		iPro Technology, Inc.	a	Trade payables	55	Monthly 30 days	-
iPro Technology, Inc.	a	Other payables	924	Monthly 30 days	-		

(Continued)

No. (Note 1)	Investee Company	Counterparty	Flow of Transactions (Note 2)	Transaction Details			% to Total Sales or Assets (Note 3)
				Financial Statement Account	Amount	Payment Terms	
		Goldenflash Electronics Co., Ltd.	a	Purchases	\$ 2,425	Transaction terms are not significantly different from those of third parties	-
		Goldenflash Electronics Co., Ltd.	a	Other income	2,655	Transaction terms are not significantly different from those of third parties	-
		Goldenflash Electronics Co., Ltd.	a	Interest income	1,734	Transaction terms are not significantly different from those of third parties	-
		Goldenflash Electronics Co., Ltd.	a	Other receivables	1,251	Monthly 30 days	-
		Goldenflash Electronics Co., Ltd.	a	Payment on behalf of others	48	Monthly 30 days	-
		Goldenflash Electronics Co., Ltd.	a	Trade payables	491	Monthly 30 days	-
		Goldenflash Electronics Co., Ltd.	a	Other advance	2,108	Monthly 30 days	-
		Promaster Technology Corp.	a	Sales	16	Transaction terms are not significantly different from those of third parties	-
		Promaster Technology Corp.	a	Purchases	3,077	Transaction terms are not significantly different from those of third parties	-
		Promaster Technology Corp.	a	Other income	2,896	Transaction terms are not significantly different from those of third parties	-
		Promaster Technology Corp.	a	Trade receivables	194	Monthly 180 days	-
		Promaster Technology Corp.	a	Other receivables	716	Monthly 30 days	-
		Promaster Technology Corp.	a	Payment on behalf of others	113	Monthly 30 days	-
		Promaster Technology Corp.	a	Trade payables	3,091	Monthly 180 days	-
		Promaster Technology Corp.	a	Other advance	1,633	TT advance	-
		Sunjet Components Corp. (Dongguan)	a	Trade receivables	30	Monthly 180 days	-
		Pormaster (Brunei) Technology Corp.	a	Other income	41	Transaction terms are not significantly different from those of third parties	-
		Pormaster (Brunei) Technology Corp.	a	Other advance	65	TT advance	-
		Yanyang Technology International Trade (Shanghai) Co., Ltd.	a	Sales	247	Transaction terms are not significantly different from those of third parties	-
		Yanyang Technology International Trade (Shanghai) Co., Ltd.	a	Trade receivables	250	Monthly 180 days	-
1	EDOM Electronic Technology (Shanghai) Co., Ltd.	EDOM Trading (Shenzhen) Ltd.	b	Sales	32	Transaction terms are not significantly different from those of third parties	-
		EDOM Trading (Shenzhen) Ltd.	b	Purchases	598	Transaction terms are not significantly different from those of third parties	-
		EDOM Trading (Shenzhen) Ltd.	b	Trade payables from related parties	218	Monthly 30 days	-
		Yanyang Technology International Trade (Shanghai) Co., Ltd.	b	Purchases	38	Transaction terms are not significantly different from those of third parties	-
		Yanyang Technology International Trade (Shanghai) Co., Ltd.	b	Rental income	503	Transaction terms are not significantly different from those of third parties	-
2	EDOM Trading (Shenzhen) Ltd.	Yanyang Technology International Trade (Shanghai) Co., Ltd.	b	Rental income	397	Transaction terms are not significantly different from those of third parties	-
		Yanyang Technology International Trade (Shanghai) Co., Ltd.	b	Guarantee deposits received	287	Note 5	-
3	Sunjet Components Corp.	Sunjet Components Corp. (Dongguan)	b	Sales	2,423	Transaction terms are not significantly different from those of third parties	-
		Sunjet Components Corp. (Dongguan)	b	Purchase	11	Transaction terms are not significantly different from those of third parties	-
		Sunjet Components Corp. (Dongguan)	b	Trade receivables	36,269	Monthly 180 days	-
		Sunjet Components Corp. (Dongguan)	b	Trade payables	12	Monthly 180 days	-
		Sunjet (HK) Components Ltd.	b	Sales	7,432	Transaction terms are not significantly different from those of third parties	-
		Sunjet (HK) Components Ltd.	b	Trade receivables	16,198	Monthly 120 days	-
		Goldenflash Electronics Co., Ltd.	b	Purchases	287	Transaction terms are not significantly different from those of third parties	-
		Goldenflash Electronics Co., Ltd.	b	Other income	10	Transaction terms are not significantly different from those of third parties	-
		Promaster Technology Corp.	b	Other receivables	366	Monthly 30 days	-

(Continued)

No. (Note 1)	Investee Company	Counterparty	Flow of Transactions (Note 2)	Transaction Details			% to Total Sales or Assets (Note 3)
				Financial Statement Account	Amount	Payment Terms	
		EDOM Technology Japan Co., Ltd.	b	Sales	\$ 28,731	Transaction terms are not significantly different from those of third parties	-
		EDOM Technology Japan Co., Ltd.	b	Trade receivables	1,381	Monthly 30 days	-
		Promaster (Brunei) Technology Corp.	b	Other receivables	21	Monthly 30 days	-
		Yanyang Technology International Trade (Shanghai) Co., Ltd.	b	Other receivables	145	Monthly 30 days	-
4	Promaster Technology Corp.	Promaster (Brunei) Technology Corp.	b	Sales	49,181	Transaction terms are not significantly different from those of third parties	-
		Promaster (Brunei) Technology Corp.	b	Purchases	13,830	Transaction terms are not significantly different from those of third parties	-
		Promaster (Brunei) Technology Corp.	b	Trade receivables	248,537	Monthly 180 days	1
		Promaster (Brunei) Technology Corp.	b	Other receivables	4,294	Monthly 30 days	-
		Promaster (Brunei) Technology Corp.	b	Trade payables	360,739	Monthly 180 days	1
		Promaster (Brunei) Technology Corp.	b	Other payables	3,204	Monthly 30 days	-
		Yanyang Technology International Trade (Shanghai) Co., Ltd.	b	Sales	76,281	Transaction terms are not significantly different from those of third parties	-
		Yanyang Technology International Trade (Shanghai) Co., Ltd.	b	Operating expenses - service charge	20,477	Transaction terms are not significantly different from those of third parties	-
		Yanyang Technology International Trade (Shanghai) Co., Ltd.	b	Trade receivables	99,611	Monthly 180 days	-
		Yanyang Technology International Trade (Shanghai) Co., Ltd.	b	Trade payables	21,788	Monthly 180 days	-

Note 1: The parent company and its subsidiaries are numbered as follows:

- a. "0" for the parent company.
- b. Subsidiaries are numbered from "1".

Note 2: The flow of intercompany transactions is as follows:

- a. From the parent company to a subsidiary.
- b. Between subsidiaries

Note 3: Balance sheet items are shown as a percentage to consolidated total assets as of March 31, 2023, while income statement items are shown as a percentage to consolidated total operating revenue for the nine months ended March 31, 2023.

Note 4: The above transaction amounts were eliminated upon consolidation.

Note 5: The above transaction amounts were guarantee deposits.

(Concluded)

## EDOM TECHNOLOGY CO., LTD. AND SUBSIDIARIES

INFORMATION ON INVESTEEES  
FOR THE THREE MONTHS ENDED MARCH 31, 2023  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Investment Amount		As of March 31, 2023			Net Income (Loss) of the Investee (Note 2)	Share of Profit (Loss)	Note
				March 31, 2023 (Note 1)	December 31, 2022 (Note 1)	Shares	Percentage of Ownership	Carrying Amount			
EDOM Technology Co., Ltd. (the "Company")	ACCU Technologies Ltd.	B.V.I	General trade and investment in manufacturing and service industries	\$ 479,527 (US\$ 15,748 thousand)	\$ 479,527 (US\$ 15,748 thousand)	15,748,179	100.00	\$ 414,169	\$ 4,796	\$ 4,796	Subsidiary (Notes 3 and 4)
	ILDO Korea Co., Ltd.	Korea	Trade of computer peripherals	14,584 (₩ 619,012 thousand)	14,584 (₩ 619,012 thousand)	74,083	25.00	21,784 (₩ 923,040 thousand)	659 (₩ 27,677 thousand)	165 (₩ 6,919 thousand)	Note 3
	Sunjet Components Corp.	Taipei	General trade of electronic components	299,108	299,108	34,767,559	100.00	401,823	(3,838)	(3,838)	Subsidiary (Notes 3 and 4)
	KingHold Technology	New Taipei	General trade of electronic components	43,771	43,771	2,716,000	33.95	3,423	(10,656)	(3,401)	Note 3
	iPro Technology, Inc.	Hsinchu City	General trade of electronic components	159,890	159,890	7,000,000	100.00	169,033	(3,814)	(3,814)	Subsidiary (Notes 3 and 4)
	Goldenflash Electronics Co., Ltd.	Taipei	General trade of electronic components	104,500	104,500	12,394,126	100.00	143,185	(2,452)	(2,452)	Subsidiary (Notes 3 and 4)
	Promaster Technology Corp.	Taipei	General trade of electronic components	816,646	816,646	46,401,534	100.00	870,745	1,314	(3,366)	Subsidiary (Notes 3 and 4)
	EDOM Technology Japan Co., Ltd.	Japan	General trade of electronic components	4,576 (¥ 20,000 thousand)	4,576 (¥ 20,000 thousand)	2,000	100.00	5,097 (¥ 22,278 thousand)	191 (¥ 816 thousand)	191 (¥ 816 thousand)	Subsidiary (Note 3)
ACCU Technologies Ltd.	Sunshine Global International Ltd.	Western Samoa	General trade and investment in manufacturing and service industries	60,139 (US\$ 1,975 thousand)	60,139 (US\$ 1,975 thousand)	1,975,000	100.00	32,503	139	139	Subsidiary (Notes 3 and 4)
	Honest Rich Trading Ltd.	Western Samoa	General trade and investment in manufacturing and service industries	167,505 (US\$ 5,501 thousand)	167,505 (US\$ 5,501 thousand)	5,501,000	100.00	113,251	4,114	4,114	Subsidiary (Notes 3 and 4)
	Massive Strong Investment Ltd.	Western Samoa	General trade and investment in manufacturing and service industries	304,500 (US\$ 10,000 thousand)	304,500 (US\$ 10,000 thousand)	10,000,000	100.00	272,251	1,161	1,161	Subsidiary (Notes 3 and 4)
Sunjet Components Corp.	Sunjet (HK) Components Ltd.	Hong Kong	General trade and investment in manufacturing and service industries	97,417 (HK\$ 25,114 thousand)	97,417 (HK\$ 25,114 thousand)	25,113,810	100.00	(17,272)	(1,584)	(1,584)	Subsidiary (Notes 3 and 4)
Promaster Technology Corp.	Promaster (Brunei) Technology Corp.	Seychelles	General trade of electronic components	83,305	83,305	2,550,000	100.00	278,155	5,609	5,609	Subsidiary (Notes 3 and 4)
	Vxis Technology Corp.	Hsinchu City	Electronic parts and components manufacturing	16,197	16,197	3,230,000	27.26	20,085	(3,231)	(881)	Note 3
	Prowine Co., Ltd.	Taipei	Wholesale of tobacco products and alcoholic beverages	5,000	5,000	500,000	22.22	5,249	(110)	(24)	Note 3

Note 1: The amounts are based on the exchange rate at the end of the period.

Note 2: The amounts are based on the average exchange rate for the three months ended March 31, 2023.

Note 3: The amounts are based on the financial statements which has not been reviewed for the three months ended March 31, 2023.

Note 4: The above transaction amounts were eliminated upon consolidation.

Note 5: Refer to Table 7 for information on investment in mainland China.

## EDOM TECHNOLOGY CO., LTD. AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA  
FOR THE THREE MONTHS ENDED MARCH 31, 2023  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment (Note 1)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2023	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of March 31, 2023	Net Income (Losses) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 2)	Carrying Amount as of March 31, 2023	Accumulated Repatriation of Investment Income as of March 31, 2023
						Outward	Inward						
EDOM Technology Co., Ltd.	EDOM Trading (Shenzhen) Ltd.	Trade of computer peripherals	\$ 167,475 (US\$ 5,500 thousand)	b (Note 3)	\$ 167,475 (US\$ 5,500 thousand)	\$ -	\$ -	\$ 167,475 (US\$ 5,500 thousand)	\$ 4,114	100	\$ 4,114	\$ 113,222	\$ -
	EDOM Electronic Technology (Shanghai) Co., Ltd.	Trade, research and development of computer peripherals	304,500 (US\$ 10,000 thousand)	b (Note 4)	304,500 (US\$ 10,000 thousand)	-	-	304,500 (US\$ 10,000 thousand)	1,161	100	1,161	275,251	-
Sunjet Components Corp.	Sunjet Components Corp. (Dongguan)	Trade of electric power equipment and computer peripherals	95,826 (US\$ 3,147 thousand)	b (Note 5)	95,826 (US\$ 3,147 thousand)	-	-	95,826 (US\$ 3,147 thousand)	(1,139)	100	(1,139)	(21,604)	-
Promaster Technology Corp.	Yanyang Technology International Trade (Shanghai) Co., Ltd.	Trade of electric power equipment and computer peripherals	188,181 (US\$ 6,180 thousand)	b (Note 6)	71,241	-	-	71,241	5,335	100	5,335	42,819	-

Investment Company	Accumulated Outward Remittance for Investment in Mainland China as of March 31, 2023	Investment Amounts Authorized by Investment Commission, MOEA	Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
EDOM Technology Co., Ltd.	\$ 471,975 (US\$ 15,500 thousand)	\$ 502,425 (US\$ 16,500 thousand)	$\$5,461,845 \times 60\% = \$3,277,107$
Sunjet Components Corp.	95,826 (US\$ 3,147 thousand)	109,011 (US\$ 3,580 thousand)	$\$373,169 \times 60\% = \$223,901$
Promaster Technology Corp.	71,241	193,228	$\$614,037 \times 60\% = \$368,422$

Note 1: a. Direct investment in mainland China.  
b. Investment in mainland China through investment in an overseas company.  
c. Others.

Note 2: The amounts are based on the financial statements which has not been reviewed for the three months ended March 31, 2023.

Note 3: Investment from Honest Rich Trading Ltd. (Western Samoa).

Note 4: Investment from Massive Strong Investment Ltd. (Western Samoa).

Note 5: Investment from Sunjet (HK) Components Ltd. (Hong Kong).

Note 6: Investment from Promaster (Brunei) Technology Corp. (Seychelles). Items referred to under to Rule No. 091028908, Rule No. 0900275290, Rule No. 10000138510 and Rule No. 10500139960 by the Investment Commission, MOEA.

**EDOM TECHNOLOGY CO., LTD. AND SUBSIDIARIES****INFORMATION OF MAJOR SHAREHOLDERS  
MARCH 31, 2023**

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
Yu-I Tseng	27,766,059	10.29
WPG Holdings Limited	25,000,000	9.26
Sayes Co., Ltd.	13,733,880	5.08

Note: 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 consolidated registration because of different preparation basis.