

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

**Consolidated Financial Statements for the
Six Months Ended June 30, 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 June 30, 2023 and 2022, and the related consolidated statements of comprehensive income for the three months ended June 30, 2023 and 2022 and for the six months ended June 30, 2023 and 2022, the consolidated statements of changes in equity and cash flows for the six 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 June 30, 2023 and 2022, combined total assets of these non-significant subsidiaries were NT\$3,773,103 thousand and NT\$3,913,378 thousand, respectively, representing 13.73% and 13.29%, respectively, of the consolidated total assets, and combined total liabilities of these subsidiaries were NT\$1,995,008 thousand and NT\$2,259,152 thousand, respectively, representing 8.87% and 9.29%, respectively, of the consolidated total liabilities; for the three months ended June 30, 2023 and 2022, the amounts of combined comprehensive income of these subsidiaries were NT\$(9,587) thousand and NT\$48,316 thousand, respectively, representing (16.16%) and 11.31%, respectively, of the consolidated total comprehensive income; for the six months ended June 30, 2023 and 2022, the amounts of combined comprehensive income of these subsidiaries were NT\$(13,599) thousand and NT\$101,465 thousand, respectively, representing (179.86%) and 11.37%, respectively, of the

consolidated total comprehensive income. In addition, as disclosed in Note 13 to the consolidated financial statements, the carrying amounts of the associates accounted for using equity method was NT\$47,987 thousand, as of June 30, 2023. For the three months ended June 30, 2023 and for the six months ended June 30, 2023, the amounts of comprehensive loss recognized on investments accounted for using equity method were NT\$(2,739) thousand and NT\$(6,880) thousand, respectively. As disclosed in Note 35 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 and the associates accounted for using equity method 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 June 30, 2023 and 2022, its consolidated financial performance for the three months ended June 30, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the six months ended June 30, 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" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

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

CHIN TSUNG CHENG

Deloitte & Touche
Taipei, Taiwan
Republic of China

Meng-Chieh, Chiu

August 11, 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)

| ASSETS | June 30, 2023 | | December 31, 2022 | | June 30, 2022 | |
|--|----------------------|------------|----------------------|------------|----------------------|------------|
| | Amount | % | Amount | % | Amount | % |
| CURRENT ASSETS | | | | | | |
| Cash and cash equivalents (Note 6) | \$ 1,623,517 | 6 | \$ 1,714,533 | 5 | \$ 1,934,619 | 7 |
| 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 31) | 319,035 | 1 | 277,232 | 1 | 271,350 | 1 |
| Notes receivable (Note 10) | 82,205 | - | 68,087 | - | 105,920 | - |
| Trade receivables (Note 10) | 1,218,210 | 5 | 4,633,841 | 15 | 4,419,529 | 15 |
| Other receivables (Notes 10 and 30) | 5,655,585 | 21 | 4,268,161 | 14 | 4,136,313 | 14 |
| Current tax assets (Notes 4 and 24) | 1,735 | - | - | - | 2,246 | - |
| Inventories (Note 11) | 15,990,958 | 58 | 18,189,482 | 57 | 15,760,465 | 53 |
| Other current assets (Notes 17 and 30) | 649,300 | 2 | 660,791 | 2 | 758,918 | 3 |
| Total current assets | <u>25,540,545</u> | <u>93</u> | <u>29,817,106</u> | <u>94</u> | <u>27,394,360</u> | <u>93</u> |
| NON-CURRENT ASSETS | | | | | | |
| Financial assets at fair value through profit or loss - non-current (Note 7) | 480,704 | 2 | 422,244 | 1 | 511,180 | 2 |
| Financial assets at fair value through other comprehensive income - non-current (Note 8) | 16,995 | - | 10,660 | - | 10,429 | - |
| Financial assets at amortized cost - non-current (Notes 9 and 31) | 2,000 | - | 2,000 | - | - | - |
| Investments accounted for using the equity method (Note 13) | 47,987 | - | 53,584 | - | 46,190 | - |
| Property, plant and equipment (Notes 14 and 31) | 707,467 | 3 | 697,919 | 2 | 695,987 | 2 |
| Right-of-use assets (Note 15) | 96,106 | - | 126,191 | 1 | 135,148 | 1 |
| Investment properties (Note 16) | 27,790 | - | 28,284 | - | 28,779 | - |
| Goodwill | 199,801 | 1 | 199,801 | 1 | 199,801 | 1 |
| Other intangible assets | 99,680 | - | 110,359 | - | 121,901 | - |
| Deferred tax assets (Notes 4 and 24) | 64,837 | - | 71,560 | - | 102,646 | - |
| Net defined benefit assets - non-current (Notes 4 and 21) | 21,973 | - | 21,512 | - | 11,405 | - |
| Other non-current assets (Note 17) | 173,728 | 1 | 183,280 | 1 | 187,630 | 1 |
| Total non-current assets | <u>1,939,068</u> | <u>7</u> | <u>1,927,394</u> | <u>6</u> | <u>2,051,096</u> | <u>7</u> |
| TOTAL | <u>\$ 27,479,613</u> | <u>100</u> | <u>\$ 31,744,500</u> | <u>100</u> | <u>\$ 29,445,456</u> | <u>100</u> |
| LIABILITIES AND EQUITY | | | | | | |
| CURRENT LIABILITIES | | | | | | |
| Short-term borrowings (Notes 18 and 31) | \$ 8,941,344 | 32 | \$ 10,240,535 | 32 | \$ 5,581,854 | 19 |
| Short-term bills payable (Note 18) | 758,874 | 3 | 858,939 | 3 | 749,346 | 3 |
| Notes and trade payables (Note 19) | 10,057,348 | 37 | 12,483,593 | 39 | 14,606,850 | 50 |
| Other payables (Notes 20 and 30) | 1,280,084 | 5 | 1,095,477 | 4 | 1,771,077 | 6 |
| Current tax liabilities (Notes 4 and 24) | 42,828 | - | 80,411 | - | 127,256 | - |
| Lease liabilities - current (Note 15) | 48,507 | - | 55,579 | - | 54,317 | - |
| Current portion of long-term borrowings (Notes 18 and 31) | 17,567 | - | 24,124 | - | 346,646 | 1 |
| Other current liabilities (Note 20) | 283,757 | 1 | 302,828 | 1 | 293,601 | 1 |
| Total current liabilities | <u>21,430,309</u> | <u>78</u> | <u>25,141,486</u> | <u>79</u> | <u>23,530,947</u> | <u>80</u> |
| NON-CURRENT LIABILITIES | | | | | | |
| Long-term borrowings, net of current portion (Notes 18 and 31) | 862,515 | 3 | 869,226 | 3 | 559,984 | 2 |
| Deferred tax liabilities (Notes 4 and 24) | 82,434 | 1 | 93,425 | 1 | 86,522 | 1 |
| Lease liabilities - non-current (Note 15) | 50,724 | - | 73,571 | - | 83,023 | - |
| Net defined benefit liabilities - non-current (Notes 4 and 21) | 697 | - | 762 | - | 5,300 | - |
| Guarantee deposits received | 71,408 | - | 52,406 | - | 39,500 | - |
| Total non-current liabilities | <u>1,067,778</u> | <u>4</u> | <u>1,089,390</u> | <u>4</u> | <u>774,329</u> | <u>3</u> |
| Total liabilities | <u>22,498,087</u> | <u>82</u> | <u>26,230,876</u> | <u>83</u> | <u>24,305,276</u> | <u>83</u> |
| EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY | | | | | | |
| Share capital | 2,698,298 | 10 | 2,698,298 | 9 | 2,698,298 | 9 |
| Capital surplus | 736,939 | 3 | 736,939 | 2 | 736,939 | 2 |
| Retained earnings | | | | | | |
| Legal reserve | 880,085 | 3 | 796,739 | 2 | 796,739 | 3 |
| Special reserve | - | - | 391,623 | 1 | 391,623 | 1 |
| Unappropriated earnings | 571,570 | 2 | 849,224 | 3 | 590,737 | 2 |
| Total retained earnings | <u>1,451,655</u> | <u>5</u> | <u>2,037,586</u> | <u>6</u> | <u>1,779,099</u> | <u>6</u> |
| Other equity | 94,634 | - | 40,801 | - | (74,156) | - |
| Total equity attributable to owners of the Company | <u>4,981,526</u> | <u>18</u> | <u>5,513,624</u> | <u>17</u> | <u>5,140,180</u> | <u>17</u> |
| TOTAL | <u>\$ 27,479,613</u> | <u>100</u> | <u>\$ 31,744,500</u> | <u>100</u> | <u>\$ 29,445,456</u> | <u>100</u> |

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

(With Deloitte & Touche auditors' review report dated August 11, 2023)

EDOM TECHNOLOGY CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings (Loss) Per Share)

| | For the Three Months Ended June 30 | | | | For the Six Months Ended June 30 | | | |
|--|------------------------------------|------------|-------------------|-----------|----------------------------------|------------|-------------------|-----------|
| | 2023 | | 2022 | | 2023 | | 2022 | |
| | Amount | % | Amount | % | Amount | % | Amount | % |
| OPERATING REVENUE | | | | | | | | |
| (Note 30) | | | | | | | | |
| Sales | \$ 22,780,095 | 100 | \$ 27,448,125 | 100 | \$ 46,996,117 | 100 | \$ 56,510,477 | 100 |
| Service revenue | <u>49</u> | - | <u>166</u> | - | <u>298</u> | - | <u>309</u> | - |
| Total operating revenue | 22,780,144 | 100 | 27,448,291 | 100 | 46,996,415 | 100 | 56,510,786 | 100 |
| OPERATING COSTS (Notes 11, 23 and 30) | <u>22,054,757</u> | <u>97</u> | <u>26,434,579</u> | <u>97</u> | <u>45,448,620</u> | <u>97</u> | <u>54,543,045</u> | <u>97</u> |
| GROSS PROFIT | <u>725,387</u> | <u>3</u> | <u>1,013,712</u> | <u>3</u> | <u>1,547,795</u> | <u>3</u> | <u>1,967,741</u> | <u>3</u> |
| OPERATING EXPENSES | | | | | | | | |
| (Notes 23 and 30) | | | | | | | | |
| Selling and marketing expenses | 295,640 | 1 | 408,700 | 1 | 612,455 | 1 | 787,300 | 1 |
| General and administrative expenses | 90,336 | - | 168,592 | 1 | 213,161 | 1 | 341,140 | 1 |
| Expected credit loss (gain) | <u>12</u> | - | <u>(1,012)</u> | - | <u>95</u> | - | <u>(7,289)</u> | - |
| Total operating expenses | <u>385,988</u> | <u>1</u> | <u>576,280</u> | <u>2</u> | <u>825,711</u> | <u>2</u> | <u>1,121,151</u> | <u>2</u> |
| PROFIT FROM OPERATIONS | <u>339,399</u> | <u>2</u> | <u>437,432</u> | <u>1</u> | <u>722,084</u> | <u>1</u> | <u>846,590</u> | <u>1</u> |
| NONOPERATING INCOME AND EXPENSES (Notes 13, 23, 30 and 34) | | | | | | | | |
| Interest income | 9,784 | - | 1,436 | - | 12,887 | - | 1,900 | - |
| Other income | 17,669 | - | 13,087 | - | 33,346 | - | 28,893 | - |
| Other gains and losses | 410 | - | 18,438 | - | 11,962 | - | 46,203 | - |
| Foreign exchange gain (loss) | 1,285 | - | 22,848 | - | (1,478) | - | 57,557 | - |
| Finance costs | (383,701) | (2) | (150,738) | - | (790,666) | (1) | (246,986) | - |
| Share of profit or loss of associates | <u>(2,739)</u> | - | <u>184</u> | - | <u>(6,880)</u> | - | <u>(4,966)</u> | - |
| Total nonoperating income and expenses | <u>(357,292)</u> | <u>(2)</u> | <u>(94,745)</u> | - | <u>(740,829)</u> | <u>(1)</u> | <u>(117,399)</u> | - |
| (LOSS) PROFIT BEFORE INCOME TAX | (17,893) | - | 342,687 | 1 | (18,745) | - | 729,191 | 1 |
| INCOME TAX EXPENSE (Notes 4 and 24) | <u>24,871</u> | - | <u>74,252</u> | - | <u>27,527</u> | - | <u>153,900</u> | - |
| NET (LOSS) PROFIT FOR THE PERIOD | <u>(42,764)</u> | - | <u>268,435</u> | <u>1</u> | <u>(46,272)</u> | - | <u>575,291</u> | <u>1</u> |
| OTHER COMPREHENSIVE INCOME (LOSS) | | | | | | | | |
| 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) | <u>2,740</u> | - | <u>1,139</u> | - | <u>6,335</u> | - | <u>(427)</u> | - |

(Continued)

EDOM TECHNOLOGY CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings (Loss) Per Share)

| | For the Three Months Ended June 30 | | | | For the Six Months Ended June 30 | | | |
|--|------------------------------------|----------|-------------------|----------|----------------------------------|----------|-------------------|----------|
| | 2023 | | 2022 | | 2023 | | 2022 | |
| | Amount | % | Amount | % | Amount | % | Amount | % |
| Items that may be reclassified subsequently to profit or loss: | | | | | | | | |
| Exchange differences on translation of the financial statements of foreign operations (Note 22) | \$ 134,415 | - | \$ 191,311 | 1 | \$ 66,396 | - | \$ 389,642 | 1 |
| Unrealized (loss) gain on investments in debt instruments at fair value through other comprehensive income (Note 22) | (9,202) | - | 3,712 | - | (7,148) | - | 3,139 | - |
| Share of other comprehensive income (loss) of associates accounted for using the equity method (Note 22) | 185 | - | (564) | - | 1,283 | - | (322) | - |
| Income tax relating to items that may be reclassified subsequently to profit or loss (Notes 4 and 24) | (26,034) | - | (36,734) | - | (13,033) | - | (74,607) | - |
| | <u>99,364</u> | <u>-</u> | <u>157,725</u> | <u>1</u> | <u>47,498</u> | <u>-</u> | <u>317,852</u> | <u>1</u> |
| Other comprehensive income for the period, net of income tax | <u>102,104</u> | <u>-</u> | <u>158,864</u> | <u>1</u> | <u>53,833</u> | <u>-</u> | <u>317,425</u> | <u>1</u> |
| TOTAL COMPREHENSIVE INCOME FOR THE PERIOD | <u>\$ 59,340</u> | <u>-</u> | <u>\$ 427,299</u> | <u>2</u> | <u>\$ 7,561</u> | <u>-</u> | <u>\$ 892,716</u> | <u>2</u> |
| NET (LOSS) PROFIT ATTRIBUTABLE TO: | | | | | | | | |
| Owners of the Company | \$ (42,764) | - | \$ 268,135 | 1 | \$ (46,272) | - | \$ 574,972 | 1 |
| Non-controlling interests | <u>-</u> | <u>-</u> | <u>300</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>319</u> | <u>-</u> |
| | <u>\$ (42,764)</u> | <u>-</u> | <u>\$ 268,435</u> | <u>1</u> | <u>\$ (46,272)</u> | <u>-</u> | <u>\$ 575,291</u> | <u>1</u> |
| TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO: | | | | | | | | |
| Owners of the Company | \$ 59,340 | - | \$ 427,001 | 2 | \$ 7,561 | - | \$ 892,397 | 2 |
| Non-controlling interests | <u>-</u> | <u>-</u> | <u>298</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>319</u> | <u>-</u> |
| | <u>\$ 59,340</u> | <u>-</u> | <u>\$ 427,299</u> | <u>2</u> | <u>\$ 7,561</u> | <u>-</u> | <u>\$ 892,716</u> | <u>2</u> |
| (LOSS) EARNINGS PER SHARE (Note 25) | | | | | | | | |
| Basic | <u>\$ (0.16)</u> | | <u>\$ 0.99</u> | | <u>\$ (0.17)</u> | | <u>\$ 2.21</u> | |
| Diluted | <u>\$ (0.16)</u> | | <u>\$ 0.99</u> | | <u>\$ (0.17)</u> | | <u>\$ 2.20</u> | |

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

(With Deloitte & Touche auditors' review report dated August 11, 2023)

(Concluded)

EDOM TECHNOLOGY CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (In Thousands of New Taiwan Dollars)

| | 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 Statement of Foreign Operations | Unrealized 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 |
| Appropriation of 2021 earnings | | | | | | | | | | | |
| Legal reserve | - | - | - | 114,786 | - | (114,786) | - | - | - | - | - |
| Special reserve | - | - | - | - | 130,622 | (130,622) | - | - | - | - | - |
| Cash dividends - NT\$3.4 per share | - | - | - | - | - | (917,421) | - | - | (917,421) | - | (917,421) |
| Issuance of ordinary shares in cash (Note 22) | 25,000 | 250,000 | 612,500 | - | - | - | - | - | 862,500 | - | 862,500 |
| Net profit for the six months ended June 30, 2022 | - | - | - | - | - | 574,972 | - | - | 574,972 | 319 | 575,291 |
| Other comprehensive income for the six months ended June 30, 2022, net of income tax | - | - | - | - | - | - | 314,713 | 2,712 | 317,425 | - | 317,425 |
| Total comprehensive income for the six months ended June 30, 2022 | - | - | - | - | - | 574,972 | 314,713 | 2,712 | 892,397 | 319 | 892,716 |
| Actual acquisitions of interests in subsidiaries (Note 26) | - | - | (237) | - | - | - | - | 42 | (195) | (4,155) | (4,350) |
| BALANCE AT JUNE 30, 2022 | 269,830 | \$ 2,698,298 | \$ 736,939 | \$ 796,739 | \$ 391,623 | \$ 590,737 | \$ (154,175) | \$ 80,019 | \$ 5,140,180 | \$ - | \$ 5,140,180 |
| BALANCE AT 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 |
| Appropriation of 2022 earnings | | | | | | | | | | | |
| Legal reserve | - | - | - | 83,346 | - | (83,346) | - | - | - | - | - |
| Special reserve | - | - | - | - | (391,623) | 391,623 | - | - | - | - | - |
| Cash dividends - NT\$2.0 per share | - | - | - | - | - | (539,659) | - | - | (539,659) | - | (539,659) |
| Net loss for the six months ended June 30, 2023 | - | - | - | - | - | (46,272) | - | - | (46,272) | - | (46,272) |
| Other comprehensive income (loss) for the six months ended June 30, 2023, net of income tax | - | - | - | - | - | - | 54,646 | (813) | 53,833 | - | 53,833 |
| Total comprehensive income (loss) for the six months ended June 30, 2023 | - | - | - | - | - | (46,272) | 54,646 | (813) | 7,561 | - | 7,561 |
| BALANCE AT JUNE 30, 2023 | 269,830 | \$ 2,698,298 | \$ 736,939 | \$ 880,085 | \$ - | \$ 571,570 | \$ 22,604 | \$ 72,030 | \$ 4,981,526 | \$ - | \$ 4,981,526 |

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

(With Deloitte & Touche auditors' review report dated August 11, 2023)

EDOM TECHNOLOGY CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS (In Thousands of New Taiwan Dollars)

| | For the Six Months Ended June 30 | |
|---|-------------------------------------|------------------|
| | 2023 | 2022 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| (Loss) income before income tax | \$ (18,745) | \$ 729,191 |
| Adjustments for: | | |
| Depreciation expense | 51,646 | 49,069 |
| Amortization expense | 19,488 | 16,410 |
| Expected credit loss recognized (reversed) on trade receivables | 95 | (7,289) |
| Net gain on fair value changes of financial assets at fair value through profit or loss | (12,296) | (46,086) |
| Finance costs | 790,666 | 246,986 |
| Interest income | (12,887) | (1,900) |
| Dividends income | (889) | (1,106) |
| Share of loss of associates | 6,880 | 4,966 |
| Loss (gain) on disposal of property, plant and equipment | 82 | (1,000) |
| Write-down of inventories and loss on disposal of scrap inventories | 40,128 | 41,689 |
| Net loss (gain) on foreign currency exchange | 87,911 | (39,780) |
| Gain on lease modification | (13) | - |
| Other items | (526) | (403) |
| Changes in operating assets and liabilities | | |
| Increase in notes receivable | (10,440) | (6,123) |
| Decrease in trade receivables | 3,385,615 | 1,772,725 |
| Increase in other receivables | (1,387,123) | (731,009) |
| Decrease (increase) in inventories | 2,331,911 | (2,580,473) |
| Decrease (increase) in other current assets | 10,655 | (128,879) |
| Increase in contract liabilities | 391 | 25,017 |
| (Decrease) increase decrease in notes and trade payables | (2,505,263) | 2,112,588 |
| Decrease in other payables | (329,113) | (22,476) |
| (Decrease) increase in other current liabilities | (22,335) | 24,132 |
| Cash generated from operations | <u>2,425,838</u> | <u>1,456,249</u> |
| Interest paid | (820,872) | (223,827) |
| Income tax paid | <u>(84,146)</u> | <u>(183,538)</u> |
| Net cash generated from operating activities | <u>1,520,820</u> | <u>1,048,884</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Purchase of financial assets at amortized cost | (41,341) | - |
| Proceeds from sale of financial assets at amortized cost | - | 55,535 |
| Purchase of financial assets at fair value through profit or loss | (46,176) | (51,880) |
| Proceeds from sale of financial assets at fair value through profit or loss | 5,012 | 10,501 |
| Net cash outflow on acquisition of subsidiaries | - | (786,340) |
| Payments for property, plant and equipment | (37,317) | (13,522) |
| Proceeds from disposal of property, plant and equipment | 2,148 | 3,733 |
| Decrease (increase) in refundable deposits | 17,639 | (8,674) |

(Continued)

EDOM TECHNOLOGY CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS (In Thousands of New Taiwan Dollars)

| | For the Six Months Ended June 30 | |
|---|-------------------------------------|---------------------|
| | 2023 | 2022 |
| Payments for intangible assets | \$ (8,871) | \$ (3,008) |
| (Increase) decrease in other non-current assets | (7,029) | 146 |
| Interest received | 12,887 | 1,900 |
| Dividend received | 889 | 1,106 |
| Dividend received from associates | <u>-</u> | <u>295</u> |
| Net cash used in investing activities | <u>(102,159)</u> | <u>(790,208)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Repayments of short-term borrowings | (1,457,329) | (787,076) |
| Repayments of short-term bills payable | (100,065) | (70,086) |
| Repayments of long-term borrowings | (13,268) | (13,304) |
| Proceeds from (refund of) guarantee deposits received | 18,341 | (1,947) |
| Repayment of the principal portion of lease liabilities | (29,022) | (27,255) |
| Issuance of ordinary shares (Note 22) | <u>-</u> | <u>862,500</u> |
| Net cash used in financing activities | <u>(1,581,343)</u> | <u>(37,168)</u> |
| EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES | <u>71,666</u> | <u>(402,285)</u> |
| NET DECREASE IN CASH AND CASH EQUIVALENTS | (91,016) | (180,777) |
| 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>\$ 1,623,517</u> | <u>\$ 1,934,619</u> |

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

(With Deloitte & Touche auditors' review report dated August 11, 2023)

(Concluded)

EDOM TECHNOLOGY CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED JUNE 30, 2023 AND 2022 (In Thousands of New Taiwan Dollars Unless Stated Otherwise)

1. GENERAL INFORMATION

EDOM Technology Co., Ltd. (the “Company”) was established in 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 August 11, 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)

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

- 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 as 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 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 judgments or assumptions in applying an accounting policy, and the Group discloses those judgments 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

| New, Amended and Revised Standards and Interpretations | Effective Date Announced by IASB (Note 1) |
|--|--|
| 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 |
| Amendments to IAS 7 and IFRS 7 “Supplier Finance Arrangements” | January 1, 2024 |
| Amendments to IAS 12 “International Tax Reform - Pillar Two Model Rules” | Note 3 |

Note 1: Unless stated otherwise, the above New 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.

Note 3: The requirement that the Group apply the exception and the requirement to disclose that fact are applied immediately upon issuance of the amendments and retrospectively in accordance with IAS 8. The remaining disclosure requirements apply for annual reporting periods beginning on or after January 1, 2023, but not for any interim period ending on or before December 31, 2023.

- 1) 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.

- 2) Amendments to IAS 12 “International Tax Reform - Pillar Two Model Rules”

The amendments introduce a temporary exception to the requirements in IAS 12 by stipulating that the Group should neither recognize nor disclose information about deferred tax assets and liabilities related to Pillar Two income taxes. The amendments also require the Group to disclose that it has applied the exception and separately disclose its current tax expense (income) related to Pillar Two income taxes. In addition, for periods in which Pillar Two legislation is enacted or substantively enacted but not yet in effect, the Group should disclose qualitative and quantitative information that helps users of financial statements understand the Group’s exposure to Pillar Two income taxes.

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 obligation less the fair value of plan assets.

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

- 1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;
- 2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- 3) Level 3 inputs are unobservable inputs for an asset or liability.

c. 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 Company.

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.

See Note 12, Tables 7 and 8 for detailed information on subsidiaries (including 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 material 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

| | June 30, 2023 | December 31, 2022 | June 30, 2022 |
|---|---------------------|----------------------|---------------------|
| Cash on hand | \$ 592 | \$ 684 | \$ 589 |
| Checking accounts and demand deposits | 1,391,813 | 1,517,008 | 1,772,338 |
| Cash equivalents (investments with original maturities of less than 3 months) | | | |
| Time deposits | 199,581 | 82,905 | 51,695 |
| Repurchase agreements collateralized by bonds | <u>31,531</u> | <u>113,936</u> | <u>109,997</u> |
| | <u>\$ 1,623,517</u> | <u>\$ 1,714,533</u> | <u>\$ 1,934,619</u> |

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

| | June 30, 2023 | December 31, 2022 | June 30, 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 | \$ 9,406 | \$ 10,571 | \$ 15,156 |
| Foreign listed ordinary shares | - | - | 121,385 |
| Foreign unlisted preference shares | 33,372 | 47,337 | 31,127 |
| Domestic emerging market private ordinary shares | 8,008 | 8,520 | 11,024 |
| Domestic limited partnership | 9,332 | 9,439 | 9,118 |
| Foreign private funds | <u>420,586</u> | <u>346,377</u> | <u>323,370</u> |
| | <u>\$ 480,704</u> | <u>\$ 422,244</u> | <u>\$ 511,180</u> |

The Group entered into a structured time deposit contract with a bank. The structured time deposit contract includes a dual-currency structured time deposit contract. The currency of the principal redeemed on such a date will be determined based on the foreign exchange rate. The entire contract was assessed and classified mandatorily as at FVTPL since it contained a host that is an asset within the scope of IFRS 9.

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

| | June 30, 2023 | December 31, 2022 | June 30, 2022 |
|--|------------------|----------------------|------------------|
| <u>Non-current</u> | | | |
| Investments in equity instruments at FVTOCI | | | |
| Listed shares | | | |
| Ordinary shares - Aewin Technologies Co., Ltd | \$ <u>16,995</u> | \$ <u>10,660</u> | \$ <u>10,429</u> |

These investments in equity instruments 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

| | June 30, 2023 | December 31, 2022 | June 30, 2022 |
|---------------------------------|-------------------|----------------------|-------------------|
| <u>Current</u> | | | |
| Domestic investments | | | |
| Reverse and restricted deposits | \$ 300,351 | \$ 277,232 | \$ 271,350 |
| Financial products | <u>18,684</u> | <u>-</u> | <u>-</u> |
| | <u>\$ 319,035</u> | <u>\$ 277,232</u> | <u>\$ 271,350</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 31 for information relating to investments in financial assets at amortized cost pledged as security.

10. NOTES RECEIVABLE, TRADE RECEIVABLES AND OTHER RECEIVABLES

| | June 30, 2023 | December 31, 2022 | June 30, 2022 |
|-------------------------------------|---------------------|----------------------|---------------------|
| <u>Notes receivable</u> | | | |
| At amortized cost | | | |
| Gross carrying amount | \$ 82,991 | \$ 68,433 | \$ 106,264 |
| Less: Allowance for impairment loss | <u>(786)</u> | <u>(346)</u> | <u>(344)</u> |
| | <u>\$ 82,205</u> | <u>\$ 68,087</u> | <u>\$ 105,920</u> |
| <u>Trade receivables</u> | | | |
| At amortized cost | | | |
| Gross carrying amount | \$ 506,183 | \$ 619,112 | \$ 1,103,904 |
| Less: Allowance for impairment loss | <u>(31,675)</u> | <u>(23,845)</u> | <u>(17,569)</u> |
| | 474,508 | 595,267 | 1,086,335 |
| At FVTOCI | <u>743,702</u> | <u>4,038,574</u> | <u>3,333,194</u> |
| | <u>\$ 1,218,210</u> | <u>\$ 4,633,841</u> | <u>\$ 4,419,529</u> |
| <u>Other receivables</u> | | | |
| At amortized cost | | | |
| Tax refund receivables | \$ 43,510 | \$ 19,781 | \$ 70 |
| Others | <u>2,950</u> | <u>4,135</u> | <u>18,617</u> |
| | 46,460 | 23,916 | 18,687 |
| At FVTOCI | <u>5,609,125</u> | <u>4,244,245</u> | <u>4,117,626</u> |
| | <u>\$ 5,655,585</u> | <u>\$ 4,268,161</u> | <u>\$ 4,136,313</u> |

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 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 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.

June 30, 2023

| | Normal Credit Quality | Abnormal Credit Quality | Total |
|--------------------------------|----------------------------------|------------------------------------|-------------------|
| Expected credit loss rate | 0-10% | 100% | |
| Gross carrying amount | \$ 575,365 | \$ 13,809 | \$ 589,174 |
| Loss allowance (lifetime ECLs) | <u>(18,652)</u> | <u>(13,809)</u> | <u>(32,461)</u> |
| Amortized cost | <u>\$ 556,713</u> | <u>\$ -</u> | <u>\$ 556,713</u> |

December 31, 2022

| | Normal Credit Quality | Abnormal Credit Quality | Total |
|--------------------------------|----------------------------------|------------------------------------|-------------------|
| 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> |

June 30, 2022

| | Normal Credit Quality | Abnormal Credit Quality | Total |
|--------------------------------|----------------------------------|------------------------------------|---------------------|
| Expected credit loss rate | 0-10% | 100% | |
| Gross carrying amount | \$ 1,206,873 | \$ 3,295 | \$ 1,210,168 |
| Loss allowance (lifetime ECLs) | <u>(14,618)</u> | <u>(3,295)</u> | <u>(17,913)</u> |
| Amortized cost | <u>\$ 1,192,255</u> | <u>\$ -</u> | <u>\$ 1,192,255</u> |

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

| | For the Six Months Ended June 30 | |
|---|---|------------------|
| | 2023 | 2022 |
| Balance at January 1 | \$ 24,191 | \$ 22,811 |
| Add: Net remeasurement of loss allowance | 8,017 | - |
| Less: Net remeasurement of loss allowance | - | (5,576) |
| Foreign exchange gains and losses | <u>253</u> | <u>678</u> |
| Balance at June 30 | <u>\$ 32,461</u> | <u>\$ 17,913</u> |

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

| | June 30, 2023 | December 31, 2022 | June 30, 2022 |
|---------------|----------------------|------------------------------|----------------------|
| Up to 60 days | \$ 428,636 | \$ 459,877 | \$ 785,994 |
| 61-90 days | 82,481 | 115,481 | 207,332 |
| 91-120 days | 39,519 | 79,543 | 136,642 |
| Over 120 days | <u>38,538</u> | <u>32,644</u> | <u>80,200</u> |
| | <u>\$ 589,174</u> | <u>\$ 687,545</u> | <u>\$ 1,210,168</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 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 following table details the loss allowance of trade receivables at FVTOCI based on the Group's provision matrix.

June 30, 2023

| | Normal Credit Quality | Abnormal Credit Quality | Total |
|--------------------------------|----------------------------------|------------------------------------|-------------------|
| Expected credit loss rate | 0-10% | 100% | |
| Gross carrying amount | \$ 743,702 | \$ - | \$ 743,702 |
| Loss allowance (lifetime ECLs) | <u>(39,311)</u> | <u>-</u> | <u>(39,311)</u> |
| FVTOCI | <u>\$ 704,391</u> | <u>\$ -</u> | <u>\$ 704,391</u> |

December 31, 2022

| | Normal Credit Quality | Abnormal Credit Quality | Total |
|--------------------------------|------------------------------|--------------------------------|---------------------|
| 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> |

June 30, 2022

| | Normal Credit Quality | Abnormal Credit Quality | Total |
|--------------------------------|------------------------------|--------------------------------|---------------------|
| Expected credit loss rate | 0-10% | 100% | |
| Gross carrying amount | \$ 3,333,194 | \$ - | \$ 3,333,194 |
| Loss allowance (lifetime ECLs) | <u>(34,543)</u> | <u>-</u> | <u>(34,543)</u> |
| FVTOCI | <u>\$ 3,298,651</u> | <u>\$ -</u> | <u>\$ 3,298,651</u> |

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

| | For the Six Months Ended June 30 | |
|---|---|------------------|
| | 2023 | 2022 |
| Balance at January 1 | \$ 47,031 | \$ 54,023 |
| Less: Net remeasurement of loss allowance | (8,193) | (22,078) |
| Foreign exchange gains and losses | <u>473</u> | <u>2,598</u> |
| Balance at June 30 | <u>\$ 39,311</u> | <u>\$ 34,543</u> |

The aging of trade receivables was as follows:

| | June 30, 2023 | December 31, 2022 | June 30, 2022 |
|---------------|----------------------|------------------------------|----------------------|
| Up to 60 days | \$ 441,993 | \$ 2,114,323 | \$ 1,951,027 |
| 61-90 days | 155,076 | 978,920 | 728,569 |
| 91-120 days | 99,072 | 646,236 | 485,826 |
| Over 120 days | <u>47,561</u> | <u>299,095</u> | <u>167,772</u> |
| | <u>\$ 743,702</u> | <u>\$ 4,038,574</u> | <u>\$ 3,333,194</u> |

The above aging schedule was based on the invoice date.

b. Other receivables

As of June 30, 2023, December 31, 2022 and June 30, 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:

| | For the Six Months Ended June 30 | |
|--|---|------------------|
| | 2023 | 2022 |
| Balance at January 1 | \$ 22,184 | \$ 19,460 |
| Add: Net remeasurement of loss allowance | 271 | 20,365 |
| Foreign exchange gains and losses | <u>301</u> | <u>2,254</u> |
| Balance at June 30 | <u>\$ 22,756</u> | <u>\$ 42,079</u> |

11. INVENTORIES

| | June 30, 2023 | December 31, 2022 | June 30, 2022 |
|-------------|----------------------|------------------------------|----------------------|
| Merchandise | <u>\$ 15,990,958</u> | <u>\$ 18,189,482</u> | <u>\$ 15,760,465</u> |

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

| | For the Three Months Ended June 30 | | For the Six Months Ended June 30 | |
|--|---|----------------------|---|----------------------|
| | 2023 | 2022 | 2023 | 2022 |
| Cost of inventories sold | \$ 22,017,399 | \$ 26,425,938 | \$ 45,408,492 | \$ 54,501,356 |
| Inventory write-downs and loss on disposal of scrap inventories | <u>37,358</u> | <u>8,641</u> | <u>40,128</u> | <u>41,689</u> |
| | <u>\$ 22,054,757</u> | <u>\$ 26,434,579</u> | <u>\$ 45,448,620</u> | <u>\$ 54,543,045</u> |

12. SUBSIDIARIES

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

| Investor | Investee | Nature of Activities | Proportion of Ownership (%) | | | Remark |
|-------------------------------------|---|--|-----------------------------|-------------------|---------------|--------|
| | | | June 30, 2023 | December 31, 2022 | June 30, 2022 | |
| 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 | 100.00 | a, b |
| The Company | Promaster Technology Corp. | General trade of electronic components | 100.00 | 100.00 | 100.00 | a |
| The Company | EDOM Technology Japan | General trade of electronic components | 100.00 | 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 |
| 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 |

Remarks:

- It is not a major subsidiary; its financial statements have not been reviewed.
- 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%.
- The Group registered EDOM Technology Japan in May 2022.

The Group acquired Promaster Technology Corp. in December 2021 and obtained a valuation report at the end of 2022. In accordance with the report, the comparative figures have been restated as if the initial accounting was completed at the acquisition date.

The impact of retrospective adjustments on related items of the consolidated balance sheets is set out below:

| | June 30, 2022 | |
|-------------------------------|-------------------|------------------|
| | Before Adjustment | After Adjustment |
| Goodwill | \$ 199,801 | \$ 198,547 |
| Property, plant and equipment | \$ 695,987 | \$ 694,246 |
| Intangible assets | \$ 121,901 | \$ 132,602 |
| Deferred tax liabilities | \$ 86,522 | \$ 94,851 |
| Retained earnings | \$ 1,779,099 | \$ 1,788,459 |

The impact of retrospective adjustments on related items of consolidated statements of comprehensive income is set out below:

| | For the Three Months Ended June 30, 2022 | For the Six Months Ended June 30, 2022 |
|----------------------|---|---|
| Amortization expense | <u>\$ 5,850</u> | <u>\$ 11,700</u> |
| Income tax benefit | <u>\$ (1,170)</u> | <u>\$ (2,340)</u> |

13. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

| | June 30, 2023 | December 31, 2022 | June 30, 2022 |
|---|----------------------|------------------------------|----------------------|
| Associates that are not individually material | <u>\$ 47,987</u> | <u>\$ 53,584</u> | <u>\$ 46,190</u> |

For the six months ended June 30, 2023 and 2022, investments accounted for using the equity method and the share of profit or loss and other comprehensive income of those investments were calculated based on the financial statements that have not been reviewed. For the six months ended June 30, 2022 management believes that there is no material impact on the equity method of accounting or the calculation of the share of profit or loss and other comprehensive income from the financial statements of investees that have not been reviewed.

14. PROPERTY, PLANT AND EQUIPMENT

| | June 30, 2023 | December 31, 2022 | June 30, 2022 |
|---------------------------------|----------------------|------------------------------|----------------------|
| <u>Assets used by the Group</u> | | | |
| Land | \$ 374,509 | \$ 374,509 | \$ 374,509 |
| Buildings | 228,224 | 228,483 | 232,523 |
| Transportation equipment | 27,573 | 29,799 | 31,288 |
| Office equipment | 68,912 | 54,840 | 51,076 |
| Leasehold improvements | <u>8,249</u> | <u>10,288</u> | <u>6,591</u> |
| | <u>\$ 707,467</u> | <u>\$ 697,919</u> | <u>\$ 695,987</u> |

Except for depreciation recognized, the Group had no significant addition, disposal, or impairment of property, plant and equipment during the six months ended June 30, 2023 and 2022. Property, plant and equipment are depreciated using the straight-line method 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 31.

15. LEASE ARRANGEMENTS

a. Right-of-use assets

| | June 30, 2023 | December 31, 2022 | June 30, 2022 | |
|---|---|----------------------|---|------------------|
| <u>Carrying amount</u> | | | | |
| Buildings | \$ 93,666 | \$ 121,234 | \$ 128,119 | |
| Transportation equipment | <u>2,440</u> | <u>4,957</u> | <u>7,029</u> | |
| | <u>\$ 96,106</u> | <u>\$ 126,191</u> | <u>\$ 135,148</u> | |
| | <u>For the Three Months Ended June 30</u> | | <u>For the Six Months Ended June 30</u> | |
| | 2023 | 2022 | 2023 | 2022 |
| Additions to right-of-use assets | <u>\$ -</u> | <u>\$ 77,573</u> | <u>\$ -</u> | <u>\$ 81,976</u> |
| Depreciation charge for right-of-use assets | | | | |
| Buildings | \$ 13,187 | \$ 13,231 | \$ 26,972 | \$ 25,289 |
| Transportation equipment | <u>1,478</u> | <u>1,187</u> | <u>2,517</u> | <u>2,482</u> |
| | <u>\$ 14,665</u> | <u>\$ 14,418</u> | <u>\$ 29,489</u> | <u>\$ 27,771</u> |

Except for the aforementioned addition and recognized depreciation, the Group did not have significant sublease or impairment of right-of-use assets during the six months ended June 30, 2023 and 2022.

b. Lease liabilities

| | June 30, 2023 | December 31, 2022 | June 30, 2022 |
|------------------------|------------------|----------------------|------------------|
| <u>Carrying amount</u> | | | |
| Current | <u>\$ 48,507</u> | <u>\$ 55,579</u> | <u>\$ 54,317</u> |
| Non-current | <u>\$ 50,724</u> | <u>\$ 73,571</u> | <u>\$ 83,023</u> |

Range of discount rates for lease liabilities was as follows:

| | June 30, 2023 | December 31, 2022 | June 30, 2022 |
|--------------------------|---------------|----------------------|---------------|
| Buildings | 0.95%-6.00% | 0.95%-6.00% | 0.95%-6.00% |
| Transportation equipment | 2.91% | 2.91% | 2.91% |

c. Material leasing activities and terms

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

d. Other lease information

| | For the Three Months Ended June 30 | | For the Six Months Ended June 30 | |
|---|---------------------------------------|-----------------|-------------------------------------|--------------------|
| | 2023 | 2022 | 2023 | 2022 |
| Expenses relating to short-term leases | <u>\$ 1,087</u> | <u>\$ 706</u> | <u>\$ 2,264</u> | <u>\$ 2,727</u> |
| Expenses relating to variable lease payments not included in the measurement of lease liabilities | <u>\$ 3,855</u> | <u>\$ 5,178</u> | <u>\$ 7,680</u> | <u>\$ 8,935</u> |
| Total cash outflow for leases | | | <u>\$ (40,756)</u> | <u>\$ (40,365)</u> |

16. INVESTMENT PROPERTIES

| | June 30, 2023 | December 31, 2022 | June 30, 2022 |
|-----------------------|------------------|----------------------|------------------|
| Investment properties | <u>\$ 27,790</u> | <u>\$ 28,284</u> | <u>\$ 28,779</u> |

Except for depreciation recognized, the Group had no significant addition, disposal, or impairment of investment properties during the six months ended June 30, 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 value 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 June 30, 2023 and 2022, as compared to that of December 31, 2022 and 2021.

The investment properties were 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:

| | June 30, 2023 | December 31, 2022 | June 30, 2022 |
|--------|------------------|----------------------|------------------|
| Year 1 | \$ 3,047 | \$ 3,057 | \$ 3,060 |
| Year 2 | 3,123 | 3,057 | 3,060 |
| Year 3 | 2,440 | 3,210 | 3,136 |
| Year 4 | 1,680 | 2,442 | 2,435 |
| Year 5 | <u>-</u> | <u>-</u> | <u>614</u> |
| | <u>\$ 10,290</u> | <u>\$ 11,766</u> | <u>\$ 12,305</u> |

17. OTHER ASSETS

| | June 30, 2023 | December 31, 2022 | June 30, 2022 |
|-----------------------------|-------------------|----------------------|-------------------|
| <u>Current</u> | | | |
| Excess VAT paid | \$ 155,680 | \$ 190,353 | \$ 179,524 |
| Prepayments | 442,737 | 412,683 | 481,515 |
| Prepayments for investments | - | - | 39,759 |
| Others | <u>50,883</u> | <u>57,755</u> | <u>58,120</u> |
| | <u>\$ 649,300</u> | <u>\$ 660,791</u> | <u>\$ 758,918</u> |
| <u>Non-current</u> | | | |
| Refundable deposits | \$ 164,478 | \$ 181,059 | \$ 176,373 |
| Others | <u>9,250</u> | <u>2,221</u> | <u>11,257</u> |
| | <u>\$ 173,728</u> | <u>\$ 183,280</u> | <u>\$ 187,630</u> |

18. BORROWINGS

a. Short-term borrowings

| | June 30, 2023 | December 31, 2022 | June 30, 2022 |
|-------------------------------------|---------------------|----------------------|---------------------|
| <u>Secured borrowings (Note 31)</u> | | | |
| Bank loans (1) | \$ 2,727,017 | \$ 2,604,917 | \$ 1,378,864 |
| <u>Unsecured borrowings</u> | | | |
| Line of credit borrowings (2) | <u>6,214,327</u> | <u>7,635,618</u> | <u>4,202,990</u> |
| | <u>\$ 8,941,344</u> | <u>\$ 10,240,535</u> | <u>\$ 5,581,854</u> |

- 1) The effective weighted average interest rates for bank loans were 2.00%-6.61%, 1.75%-7.20% and 1.25%-3.76% per annum as of June 30, 2023, December 31, 2022 and June 30, 2022, respectively.
- 2) The effective weighted average interest rates for credit loans were 1.66%-6.83%, 1.41%-6.68% and 1.04%-3.36% per annum as of June 30, 2023, December 31, 2022 and June 30, 2022, respectively.

b. Short-term bills payable

| | June 30, 2023 | December 31, 2022 | June 30, 2022 |
|---|-------------------|----------------------|-------------------|
| Commercial paper | \$ 760,000 | \$ 860,000 | \$ 750,000 |
| Less: Unamortized discount on bills payable | <u>1,126</u> | <u>1,061</u> | <u>654</u> |
| | <u>\$ 758,874</u> | <u>\$ 858,939</u> | <u>\$ 749,346</u> |

Interest rates of the outstanding short-term bills payable were 1.35%-2.06%, 0.85%-1.93% and 0.58%-1.39% per annum as of June 30, 2023, December 31, 2022 and June 30, 2022, respectively.

c. Long-term borrowings

| | June 30, 2023 | December 31, 2022 | June 30, 2022 |
|---|-------------------|----------------------|-------------------|
| <u>Secured borrowings (Note 31)</u> | | | |
| Loans from bank (1) (3) | \$ 80,082 | \$ 93,350 | \$ 106,630 |
| <u>Unsecured borrowings</u> | | | |
| Line of credit borrowings from bank (2) | <u>800,000</u> | <u>800,000</u> | <u>800,000</u> |
| | 880,082 | 893,350 | 906,630 |
| Less: Current portion | <u>17,567</u> | <u>24,124</u> | <u>346,646</u> |
| Long-term borrowings | <u>\$ 862,515</u> | <u>\$ 869,226</u> | <u>\$ 559,984</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 June 30, 2023, December 31, 2022 and June 30, 2022, the weighted average effective interest rates of the bank borrowings secured by the Group's freehold land and buildings (refer to Note 31) were 2.0030%, 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 repaid the remaining borrowings in 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 June 30, 2023 and December 31, 2022, the interest rate were 2.4769% 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 June 30, 2023, December 31, 2022 and June 30, 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

| | June 30, 2023 | December 31, 2022 | June 30, 2022 |
|---------------------------------|---------------|----------------------|---------------|
| <u>Notes and trade payables</u> | | | |
| Operating | \$ 10,057,348 | \$ 12,483,593 | \$ 14,606,850 |

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

| | June 30, 2023 | December 31, 2022 | June 30, 2022 |
|-----------------------------------|---------------------|----------------------|---------------------|
| <u>Current</u> | | | |
| Other payables | | | |
| Payables for salaries and bonuses | \$ 206,631 | \$ 486,197 | \$ 380,982 |
| Payables for commissions | 15,601 | 17,161 | 19,742 |
| Payables for freights | 139,505 | 137,780 | 132,553 |
| Payables for annual leave | 35,418 | 38,844 | 33,495 |
| Payables for dividends | 539,659 | - | 917,421 |
| Payables for interest | 113,272 | 143,478 | 46,500 |
| Others | <u>229,998</u> | <u>272,017</u> | <u>240,384</u> |
| | <u>\$ 1,280,084</u> | <u>\$ 1,095,477</u> | <u>\$ 1,771,077</u> |
| Other liabilities | | | |
| Refund liabilities | \$ 240,690 | \$ 267,187 | \$ 224,459 |
| Contract liabilities | 12,978 | 12,587 | 50,160 |
| Others | <u>30,089</u> | <u>23,054</u> | <u>18,982</u> |
| | <u>\$ 283,757</u> | <u>\$ 302,828</u> | <u>\$ 293,601</u> |

21. RETIREMENT BENEFIT PLANS

For the three months ended June 30, 2023 and 2022, the pension (gain) expenses of defined benefit plans were NT\$(7) thousand and NT\$59 thousand, respectively, and for the six months ended June 30, 2023 and 2022, the pension (gain) expenses of defined benefit plans were NT\$(14) thousand and NT\$117 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

| | June 30, 2023 | December 31, 2022 | June 30, 2022 |
|---|---------------------|----------------------|---------------------|
| Number of shares authorized (in thousands) | <u>400,000</u> | <u>400,000</u> | <u>400,000</u> |
| Amount of shares authorized | <u>\$ 4,000,000</u> | <u>\$ 4,000,000</u> | <u>\$ 4,000,000</u> |
| Number of shares issued and fully paid (in thousands) | <u>269,830</u> | <u>269,830</u> | <u>269,830</u> |
| Amount of shares issued | <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 has 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

| | June 30, 2023 | December 31, 2022 | June 30, 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 of acquisition | 2,081 | 2,081 | 2,081 |
| | | | (Continued) |

| | June 30, 2023 | December 31, 2022 | June 30, 2022 |
|--|-------------------|----------------------|----------------------------------|
| <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>\$ 736,939</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 and 2021 were resolved by the shareholders in their meeting on June 7, 2023 and May 26, 2022, respectively, were as follows:

| | Appropriation of Earnings | | Dividends Per Share (NT\$) | |
|----------------------------------|----------------------------------|-------------|-----------------------------------|-------------|
| | For the Year Ended | | For the Year Ended | |
| | December 31 | | December 31 | |
| | 2022 | 2021 | 2022 | 2021 |
| Legal reserve | \$ 83,346 | \$ 114,786 | | |
| Appropriation of special reserve | - | 130,622 | | |
| Reversal of special reserve | (391,623) | - | | |
| Cash dividends | 539,659 | 917,421 | \$ 2.0 | \$ 3.4 |

d. Other equity items

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

| | For the Six Months Ended | |
|---|---------------------------------|--------------|
| | June 30 | |
| | 2023 | 2022 |
| Balance at January 1 | \$ (32,042) | \$ (468,888) |
| Recognized for the period | | |
| Exchange differences on the translation of the financial statements of foreign operations | 66,396 | 389,642 |
| Share from associates accounted for using the equity method | 1,283 | (322) |
| Income tax related to exchange differences on the translation of the financial statements of foreign operations | (12,777) | (74,671) |
| Income tax related to share from associates accounted for using the equity method | (256) | 64 |
| Other comprehensive income recognized for the period | 54,646 | 314,713 |
| Balance at June 30 | \$ 22,604 | \$ (154,175) |

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

| | For the Six Months Ended | |
|---|---------------------------------|-------------|
| | June 30 | |
| | 2023 | 2022 |
| Balance at January 1 | \$ 72,843 | \$ 77,265 |
| Recognized for the period | | |
| Unrealized gain (loss) - equity instruments | 6,335 | (427) |
| Net remeasurement of loss allowance | (7,148) | 3,139 |
| Other comprehensive income (loss) recognized for the period | (813) | 2,712 |
| Acquisitions of interest in subsidiaries | - | 42 |
| Balance at June 30 | \$ 72,030 | \$ 80,019 |

e. Non-controlling interests

| | For the Six Months Ended June 30 | |
|---|---|----------------|
| | 2023 | 2022 |
| Balance at January 1 | \$ - | \$ 3,836 |
| Share of profit for the period | - | 319 |
| Non-controlling interests arising from acquisition of Goldenflash Electronics Co., Ltd. (Note 26) | <u>-</u> | <u>(4,155)</u> |
| Balance at June 30 | <u>\$ -</u> | <u>\$ -</u> |

23. NET PROFIT (LOSS)

a. Interest income

| | For the Three Months Ended June 30 | | For the Six Months Ended June 30 | |
|---------------|---|-----------------|---|-----------------|
| | 2023 | 2022 | 2023 | 2022 |
| Bank deposits | <u>\$ 9,784</u> | <u>\$ 1,436</u> | <u>\$ 12,887</u> | <u>\$ 1,900</u> |

b. Other income

| | For the Three Months Ended June 30 | | For the Six Months Ended June 30 | |
|-----------------|---|------------------|---|------------------|
| | 2023 | 2022 | 2023 | 2022 |
| Rental income | \$ 1,350 | \$ 3,269 | \$ 2,671 | \$ 6,803 |
| Dividend income | - | 318 | 889 | 1,106 |
| Others | <u>16,319</u> | <u>9,500</u> | <u>29,786</u> | <u>20,984</u> |
| | <u>\$ 17,669</u> | <u>\$ 13,087</u> | <u>\$ 33,346</u> | <u>\$ 28,893</u> |

c. Other gains and losses

| | For the Three Months Ended June 30 | | For the Six Months Ended June 30 | |
|--|---|------------------|---|------------------|
| | 2023 | 2022 | 2023 | 2022 |
| Fair value changes of financial assets | | | | |
| Financial assets mandatorily classified as at FVTPL | \$ 455 | \$ 18,007 | \$ 12,296 | \$ 46,086 |
| (Loss) gain on disposal of property, plant and equipment | (39) | 982 | (82) | 1,000 |
| Gain on lease modification | 13 | - | 13 | - |
| Others | <u>(19)</u> | <u>(551)</u> | <u>(265)</u> | <u>(883)</u> |
| | <u>\$ 410</u> | <u>\$ 18,438</u> | <u>\$ 11,962</u> | <u>\$ 46,203</u> |

d. Finance costs

| | For the Three Months Ended June 30 | | For the Six Months Ended June 30 | |
|-------------------------------|---------------------------------------|-------------------|-------------------------------------|-------------------|
| | 2023 | 2022 | 2023 | 2022 |
| Interest on bank loans | \$ 382,791 | \$ 149,902 | \$ 788,876 | \$ 245,538 |
| Interest on lease liabilities | <u>910</u> | <u>836</u> | <u>1,790</u> | <u>1,448</u> |
| | <u>\$ 383,701</u> | <u>\$ 150,738</u> | <u>\$ 790,666</u> | <u>\$ 246,986</u> |

e. Impairment losses recognized (reversed)

| | For the Three Months Ended June 30 | | For the Six Months Ended June 30 | |
|--|---------------------------------------|-------------------|-------------------------------------|-------------------|
| | 2023 | 2022 | 2023 | 2022 |
| Notes receivable and trade receivables | <u>\$ 12</u> | <u>\$ (1,012)</u> | <u>\$ 95</u> | <u>\$ (7,289)</u> |
| Inventories (included in operating costs) | <u>\$ 20,241</u> | <u>\$ 8,631</u> | <u>\$ 23,011</u> | <u>\$ 41,631</u> |

f. Depreciation and amortization

| | For the Three Months Ended June 30 | | For the Six Months Ended June 30 | |
|--|---------------------------------------|------------------|-------------------------------------|------------------|
| | 2023 | 2022 | 2023 | 2022 |
| Property, plant and equipment | \$ 10,486 | \$ 10,584 | \$ 21,663 | \$ 20,803 |
| Right-of-use assets | 14,665 | 14,418 | 29,489 | 27,771 |
| Investment properties | 247 | 248 | 494 | 495 |
| Intangible assets | <u>10,102</u> | <u>8,143</u> | <u>19,488</u> | <u>16,410</u> |
| | <u>\$ 35,500</u> | <u>\$ 33,393</u> | <u>\$ 71,134</u> | <u>\$ 65,479</u> |
| An analysis of depreciation by function | | | | |
| Operating expenses | \$ 25,151 | \$ 25,002 | \$ 51,152 | \$ 48,574 |
| Non-operating expenses | <u>247</u> | <u>248</u> | <u>494</u> | <u>495</u> |
| | <u>\$ 25,398</u> | <u>\$ 25,250</u> | <u>\$ 51,646</u> | <u>\$ 49,069</u> |
| An analysis of amortization by function | | | | |
| Operating expenses | <u>\$ 10,102</u> | <u>\$ 8,143</u> | <u>\$ 19,488</u> | <u>\$ 16,410</u> |

g. Employee benefits expense

| | For the Three Months Ended June 30 | | For the Six Months Ended June 30 | |
|--|---|-------------------|---|-------------------|
| | 2023 | 2022 | 2023 | 2022 |
| Post-employment benefits (refer to Note 21) | | | | |
| Defined contribution plans | \$ 16,460 | \$ 15,670 | \$ 34,252 | \$ 31,135 |
| Defined benefit plans | <u>(7)</u> | <u>59</u> | <u>(14)</u> | <u>117</u> |
| | 16,453 | 15,729 | 34,238 | 31,252 |
| Other employee benefits | <u>183,853</u> | <u>354,536</u> | <u>440,493</u> | <u>679,930</u> |
| Total employee benefits expense | <u>\$ 200,306</u> | <u>\$ 370,265</u> | <u>\$ 474,731</u> | <u>\$ 711,182</u> |
| An analysis of employee benefits expense by function | | | | |
| Operating expenses | <u>\$ 200,306</u> | <u>\$ 370,265</u> | <u>\$ 474,731</u> | <u>\$ 711,182</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 June 30, 2022 and for the six months ended June 30, 2022 is as follows:

Accrual rate

| | For the Six Months Ended June 30, 2022 |
|---------------------------|---|
| Compensation of employees | 5.0% |
| Remuneration of directors | 2.5% |

Amount

| | For the Three Months Ended June 30, 2022 | For the Six Months Ended June 30, 2022 |
|---------------------------|---|---|
| Compensation of employees | <u>\$ 18,139</u> | <u>\$ 38,985</u> |
| Remuneration of directors | <u>\$ 9,069</u> | <u>\$ 19,492</u> |

The Group did not accrue the compensation of employees and the remuneration of directors because of the losses for the three months ended June 30, 2023 and for the six months ended June 30, 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

| | For the Year Ended December 31 | |
|---------------------------|---------------------------------------|-------------|
| | 2022 | 2021 |
| | Cash | Cash |
| 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:

| | For the Three Months Ended | | For the Six Months Ended | |
|---|-----------------------------------|------------------|---------------------------------|-------------------|
| | June 30 | | June 30 | |
| | 2023 | 2022 | 2023 | 2022 |
| Current tax | | | | |
| In respect of the current period | \$ 4,764 | \$ 49,662 | \$ 20,902 | \$ 130,536 |
| Income tax on unappropriated earnings | 25,594 | - | 25,594 | - |
| Adjustments for prior year | <u>(1,668)</u> | <u>1,001</u> | <u>(1,668)</u> | <u>1,001</u> |
| | <u>28,690</u> | <u>50,663</u> | <u>44,828</u> | <u>131,537</u> |
| Deferred tax | | | | |
| In respect of current period | <u>(3,819)</u> | <u>23,589</u> | <u>(17,301)</u> | <u>22,363</u> |
| Income tax expense recognized in profit or loss | <u>\$ 24,871</u> | <u>\$ 74,252</u> | <u>\$ 27,527</u> | <u>\$ 153,900</u> |

b. Income tax recognized in other comprehensive income

| | For the Three Months Ended June 30 | | For the Six Months Ended June 30 | |
|--|---------------------------------------|--------------------|-------------------------------------|--------------------|
| | 2023 | 2022 | 2023 | 2022 |
| <u>Deferred tax</u> | | | | |
| In respect of current period | | | | |
| Exchange differences arising on translating the financial statements of foreign operations | \$ (25,998) | \$ (36,846) | \$ (12,777) | \$ (74,671) |
| Shares of other comprehensive (loss) income of subsidiaries and associates accounted for using the equity method | <u>(36)</u> | <u>112</u> | <u>(256)</u> | <u>64</u> |
| Total income tax recognized in other comprehensive loss | <u>\$ (26,034)</u> | <u>\$ (36,734)</u> | <u>\$ (13,033)</u> | <u>\$ (74,607)</u> |

c. Income tax assessments

The tax returns of the Company, Sunjet Components Corp., Goldenflash Electronics 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

| | For the Three Months Ended June 30 | | For the Six Months Ended June 30 | |
|-----------------------------------|---------------------------------------|----------------|-------------------------------------|----------------|
| | 2023 | 2022 | 2023 | 2022 |
| Basic (loss) earnings per share | <u>\$ (0.16)</u> | <u>\$ 0.99</u> | <u>\$ (0.17)</u> | <u>\$ 2.21</u> |
| Diluted (loss) earnings per share | <u>\$ (0.16)</u> | <u>\$ 0.99</u> | <u>\$ (0.17)</u> | <u>\$ 2.20</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 Year

| | For the Three Months Ended June 30 | | For the Six Months Ended June 30 | |
|--|---------------------------------------|-------------------|-------------------------------------|-------------------|
| | 2023 | 2022 | 2023 | 2022 |
| (Loss) profit for the period attributable to owners of the Company | <u>\$ (42,764)</u> | <u>\$ 268,135</u> | <u>\$ (46,272)</u> | <u>\$ 574,972</u> |

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

| | For the Three Months Ended June 30 | | For the Six Months Ended June 30 | |
|---|---------------------------------------|----------------|-------------------------------------|----------------|
| | 2023 | 2022 | 2023 | 2022 |
| Weighted average number of ordinary shares used in the computation of basic earnings (loss) per share | 269,830 | 269,830 | 269,830 | 259,747 |
| Effect of potentially dilutive ordinary shares | | | | |
| Compensation of employees | _____ - | _____ 1,207 | _____ - | _____ 1,930 |
| Weighted average number of ordinary shares used in the computation of diluted earnings (loss) per share | <u>269,830</u> | <u>271,037</u> | <u>269,830</u> | <u>261,677</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 June 30, 2023 and for the six months ended June 30, 2023 due to the anti-dilutive effect.

26. EQUITY TRANSACTIONS WITH NON-CONTROLLING INTERESTS

In May 2022, the Group acquired the remaining interest of Goldenflash Electronics Co., Ltd. thereby increasing its interest from 97.00% to 100.00%.

The above transaction was accounted for as an equity transaction since the Group did not cease to have control over the subsidiary.

| | Goldenflash Electronics Co., Ltd |
|---|---|
| Cash consideration paid | \$ (4,350) |
| The proportionate share of the carrying amount of the net assets of the subsidiary transferred from non-controlling interests | 4,155 |
| Reattribution of other equity from non-controlling interests | |
| Unrealized loss on financial assets at FVTOCI | _____ (42) |
| Differences recognized from equity transactions | <u>\$ (237)</u> |
| <u>Line items adjusted for equity transactions</u> | |
| Capital surplus - difference between consideration received or paid and the carrying amount of the subsidiaries' net assets during actual acquisition | <u>\$ (237)</u> |

27. CASH FLOW INFORMATION

Changes in Liabilities Arising from Financing Activities

For the six months ended June 30, 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 | \$ (1,457,329) | \$ - | \$ - | \$ 158,138 | \$ - | \$ 8,941,344 |
| Short-term bills payable | 858,939 | (100,065) | - | - | - | - | 758,874 |
| Long-term borrowings | 893,350 | (13,268) | - | - | - | - | 880,082 |
| Guarantee deposits received | 52,406 | 18,341 | - | - | 661 | - | 71,408 |
| Lease liabilities | 129,150 | (29,022) | - | (640) | 81 | (338) | 99,231 |
| | <u>\$ 12,174,380</u> | <u>\$ (1,581,343)</u> | <u>\$ -</u> | <u>\$ (640)</u> | <u>\$ 158,880</u> | <u>\$ (338)</u> | <u>\$ 10,750,939</u> |

For the six months ended June 30, 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 | \$ (787,076) | \$ - | \$ - | \$ 23,263 | \$ - | \$ 5,581,854 |
| Short-term bills payable | 819,432 | (70,086) | - | - | - | - | 749,346 |
| Long-term borrowings | 919,934 | (13,304) | - | - | - | - | 906,630 |
| Guarantee deposits received | 39,386 | (1,947) | - | 2,061 | - | - | 39,500 |
| Lease liabilities | 84,600 | (27,255) | 81,976 | 2,995 | 49 | (5,025) | 137,340 |
| | <u>\$ 8,209,019</u> | <u>\$ (899,668)</u> | <u>\$ 81,976</u> | <u>\$ 5,056</u> | <u>\$ 23,312</u> | <u>\$ (5,025)</u> | <u>\$ 7,414,670</u> |

28. 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 Group (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.

29. 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

June 30, 2023

| | Level 1 | Level 2 | Level 3 | Total |
|---|-------------|------------------|-------------------|-------------------|
| Financial assets at FVTPL | | | | |
| Investments in equity instruments | | | | |
| Domestic unlisted shares | \$ - | \$ - | \$ 9,406 | \$ 9,406 |
| Foreign unlisted shares | - | - | 33,372 | 33,372 |
| Domestic private emerging market shares | - | - | 8,008 | 8,008 |
| Other instruments | | | | |
| Domestic limited partnership | - | - | 9,332 | 9,332 |
| Foreign private fund | - | - | <u>420,586</u> | <u>420,586</u> |
| | <u>\$ -</u> | <u>\$ 18,684</u> | <u>\$ 480,704</u> | <u>\$ 480,704</u> |

Financial assets at FVTOCI

| | | | | |
|-----------------------------------|------------------|-------------|---------------------|---------------------|
| Investments in equity instruments | | | | |
| Domestic listed shares | \$ 16,995 | \$ - | \$ - | \$ 16,995 |
| Investments in debt instruments | | | | |
| Trade receivables | - | - | 743,702 | 743,702 |
| Other receivables | - | - | <u>5,609,125</u> | <u>5,609,125</u> |
| | <u>\$ 16,995</u> | <u>\$ -</u> | <u>\$ 6,352,827</u> | <u>\$ 6,369,822</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 | | | | |
| Accounts receivable | - | - | 4,038,574 | 4,038,574 |
| Other receivables | <u>-</u> | <u>-</u> | <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) |

June 30, 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 | - | - | 31,127 | 31,127 |
| Overseas listed shares | - | 121,385 | - | 121,385 |
| Domestic private emerging market shares | - | - | 11,024 | 11,024 |
| Other instruments | | | | |
| Mutual funds | 5,000 | - | - | 5,000 |
| Domestic limited partnership | - | - | 9,118 | 9,118 |
| Foreign private fund | <u>-</u> | <u>-</u> | <u>323,370</u> | <u>323,370</u> |
| | <u>\$ 5,000</u> | <u>\$ 121,385</u> | <u>\$ 389,795</u> | <u>\$ 516,180</u> |
| Financial assets at FVTOCI | | | | |
| Investments in equity instruments | | | | |
| Domestic listed shares | \$ 10,429 | \$ - | \$ - | \$ 10,429 |
| Investments in debt instruments | | | | |
| Trade receivables | - | - | 3,333,194 | 3,333,194 |
| Other receivables | <u>-</u> | <u>-</u> | <u>4,117,626</u> | <u>4,117,626</u> |
| | <u>\$ 10,429</u> | <u>\$ -</u> | <u>\$ 7,450,820</u> | <u>\$ 7,461,249</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 six months ended June 30, 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) | (15,642) | 27,926 | - | 12,284 |
| Recognized in profit or loss (included in expected credit gain) | - | - | 7,922 | 7,922 |
| Recognized in other comprehensive income (included in unrealized loss on financial assets at FVTOCI) | - | - | (7,148) | (7,148) |
| Purchases | - | 46,176 | - | 46,176 |
| Net change in trade receivables (included exchange differences on foreign currency) | - | - | (1,930,766) | (1,930,766) |
| Balance at June 30, 2023 | <u>\$ 50,786</u> | <u>\$ 429,918</u> | <u>\$ 6,352,827</u> | <u>\$ 6,833,531</u> |
| Unrealized gain (loss) for the current year included in profit or loss relating to assets held at the end of the period | <u>\$ (15,642)</u> | <u>\$ 27,926</u> | | <u>\$ 12,284</u> |

For the six months ended June 30, 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) | (2,023) | 41,670 | - | 39,647 |
| Recognized in profit or loss (included in expected credit gain) | - | - | 1,713 | 1,713 |
| Recognized in other comprehensive income (included in unrealized gain on financial assets at FVTOCI) | - | - | 3,139 | 3,139 |
| Purchases | 28,318 | 13,562 | - | 41,880 |
| Transfers out of Level 3 | (114,989) | - | - | (114,989) |
| Sales/settlements | - | (5,458) | - | (5,458) |
| Net change in trade receivables (included exchange differences on foreign currency) | - | - | (506,027) | (506,027) |
| Balance at June 30, 2022 | <u>\$ 57,307</u> | <u>\$ 332,488</u> | <u>\$ 7,450,820</u> | <u>\$ 7,840,615</u> |
| Unrealized gain (loss) for the current year included in profit or loss relating to assets held at the end of the period | <u>\$ (2,023)</u> | <u>\$ 41,670</u> | | <u>\$ 39,647</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

| | June 30, 2023 | December 31, 2022 | June 30, 2022 |
|---|---------------|----------------------|---------------|
| <u>Financial assets</u> | | | |
| FVTPL | | | |
| Mandatorily classified as at FVTPL | \$ 480,704 | \$ 427,223 | \$ 516,180 |
| Financial assets at amortized cost (1) | 2,504,215 | 2,661,254 | 3,416,841 |
| Financial assets at FVTOCI | | | |
| Equity instruments | 16,995 | 10,660 | 10,429 |
| Debt instruments | 6,352,827 | 8,282,819 | 7,450,820 |
| <u>Financial liabilities</u> | | | |
| Financial liabilities at amortized cost (2) | 21,136,024 | 25,046,853 | 22,283,859 |

- 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 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 has 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 34.

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 pre-tax profit or loss and other equity associated with the 5% weakening of the New Taiwan dollar against the relevant currency. For a 5% strengthening of New Taiwan dollar against the relevant currency, there would be an equal and opposite impact on pre-tax profit or loss and other equity and the balances below would be negative.

| | USD Impact | |
|----------------|---------------------------------|-------------|
| | For the Six Months Ended | |
| | June 30 | |
| | 2023 | 2022 |
| Profit or loss | \$ (77,354) | \$ 44,271 |

* 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 increased during the current period mainly due to the increase 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 year were as follows:

| | June 30, 2023 | December 31, 2022 | June 30, 2022 |
|-------------------------------|---------------|----------------------|---------------|
| Fair value interest rate risk | | | |
| Financial assets | \$ 307,251 | \$ 254,296 | \$ 203,106 |
| Financial liabilities | 99,231 | 129,150 | 137,340 |
| Cash flow interest rate risk | | | |
| Financial assets | 1,553,715 | 1,674,836 | 1,937,786 |
| Financial liabilities* | 29,812,295 | 37,832,237 | 28,697,334 |

* 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), TAIFX3 and Secured Overnight Financing Rate (SOFR) 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 reporting 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 100 basis points higher/lower and all other variables were held constant, the Group's pre-tax profits or loss for the six months ended June 30, 2023 and 2022 would have decreased/increased by NT\$141,293 thousand and NT\$133,798 thousand, respectively, which was mainly because of the Group's exposure to interest rates on its floating-rate bank borrowings.

The increase in the Group's sensitivity to interest rates during the current period was mainly due to the increasing 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 June 30, 2023, December 31, 2022 and June 30, 2022, the exposure amounts were NT\$659,717 thousand, NT\$3,412,931 thousand and NT\$1,293,337 thousand, respectively. During for the six months ended June 30, 2023 and 2022, the concentration of credit risk did not exceed 6.80% and 10.95% 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 June 30, 2023, December 31, 2022 and June 30, 2022, the Group's unused short-term bank loan facilities are set out in (b) below.

a) Liquidity and interest risk rate tables for non-derivative financial liabilities

The following table details the Group's remaining contractual maturity for its nonderivative financial liabilities with agreed upon repayment periods. The tables have 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 non-derivative 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.

June 30, 2023

| | On Demand or Less than 1 Month | 1-3 Months | 3 Months to 1 Year | 1-5 Years | Over 5 Years |
|---|---|-----------------------|-------------------------------|-------------------|---------------------|
| <u>Non-derivative financial liabilities</u> | | | | | |
| Non-interest bearing Lease liabilities | \$ 9,452,257 5,259 | \$ 1,091,863 8,425 | \$ 793,312 36,032 | \$ - 50,760 | \$ - - |
| Floating interest rate liabilities | <u>1,827,120</u> | <u>4,470,211</u> | <u>3,472,290</u> | <u>874,340</u> | <u>33,987</u> |
| | <u>\$ 11,284,636</u> | <u>\$ 5,570,499</u> | <u>\$ 4,301,634</u> | <u>\$ 925,100</u> | <u>\$ 33,987</u> |

December 31, 2022

| | On Demand or Less than 1 Month | 1-3 Months | 3 Months to 1 Year | 1-5 Years | Over 5 Years |
|---|---|-----------------------|-------------------------------|-------------------|---------------------|
| <u>Non-derivative financial liabilities</u> | | | | | |
| Non-interest bearing Lease liabilities | \$ 11,636,600 5,483 | \$ 1,590,275 9,478 | \$ 352,115 40,478 | \$ 80 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> |

June 30, 2022

| | On Demand or Less than 1 Month | 1-3 Months | 3 Months to 1 Year | 1-5 Years | Over 5 Years |
|---|---|-----------------------|-------------------------------|-------------------|---------------------|
| <u>Non-derivative financial liabilities</u> | | | | | |
| Non-interest bearing Lease liabilities | \$ 13,333,089 4,950 | \$ 2,664,336 9,513 | \$ 380,502 42,000 | \$ - 85,274 | \$ - - |
| Floating interest rate liabilities | <u>3,212,408</u> | <u>1,285,082</u> | <u>2,204,720</u> | <u>530,960</u> | <u>41,143</u> |
| | <u>\$ 16,550,447</u> | <u>\$ 3,958,931</u> | <u>\$ 2,627,222</u> | <u>\$ 616,234</u> | <u>\$ 41,143</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 June 30, 2023, December 31, 2022 and June 30, 2022, the aggregate undiscounted principal amounts of these bank loans were NT\$1,824,513 thousand, NT\$915,689 thousand and NT\$3,207,967 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\$10,677,948 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

| | June 30, 2023 | December 31, 2022 | June 30, 2022 |
|---|----------------------|------------------------------|----------------------|
| Unsecured bank overdraft facilities, reviewed annually and payable on demand: | | | |
| Amount used | \$ 26,046,322 | \$ 34,275,031 | \$ 26,412,494 |
| Amount unused | <u>31,674,097</u> | <u>24,149,133</u> | <u>26,948,998</u> |
| | <u>\$ 57,720,419</u> | <u>\$ 58,424,164</u> | <u>\$ 53,361,492</u> |

(Continued)

| | June 30, 2023 | December 31, 2022 | June 30, 2022 |
|---|----------------------|------------------------------|----------------------|
| Secured bank overdraft facilities: | | | |
| Amount used | \$ 2,887,017 | \$ 2,664,917 | \$ 1,378,864 |
| Amount unused | <u>2,600,005</u> | <u>2,731,487</u> | <u>3,220,511</u> |
| | <u>\$ 5,487,022</u> | <u>\$ 5,396,404</u> | <u>\$ 4,599,375</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> |
| Secured bank loan facilities which may be extended by mutual agreement: | | | |
| Amount used | \$ 80,082 | \$ 93,350 | \$ 106,630 |
| Amount unused | <u>-</u> | <u>-</u> | <u>28,413</u> |
| | <u>\$ 80,082</u> | <u>\$ 93,350</u> | <u>\$ 135,043</u> |

(Concluded)

e. Transfers of financial assets

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

June 30, 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 | \$ 7,859,175 | \$ 1,223,796 | \$ 830,849 | \$ 6,635,368 | 6.25-7.06 | \$ 9,497,700 |
| Taishin International Bank | 288,513 | 63,924 | 35,080 | 224,582 | 6.10-6.59 | 795,000 |
| Chang Hwa Bank | 3,053,839 | 1,531,450 | 1,439,029 | 1,519,609 | 6.48-6.64 | 3,114,000 |
| Taipei Fubon Bank | 324,348 | 105,798 | 106,195 | 218,152 | 6.37-6.62 | 1,557,000 |
| CitiBank | 372,619 | 180,853 | 180,853 | 191,766 | 6.66 | 3,114,000 |
| DBS Bank | 5,348,304 | 208,327 | 223,236 | 5,125,068 | 6.41 | 11,988,900 |
| KGI Bank | 1,435,830 | 258,027 | 121,358 | 1,177,104 | 6.42-6.71 | 4,297,320 |
| Bank SinoPac | 4,730,027 | 1,774,918 | 1,302,171 | 2,954,854 | 6.22-6.59 | 4,966,830 |
| Mizuho Bank | - | - | - | - | - | 825,210 |
| HSBC Bank | 1,137,039 | 212,016 | 99,564 | 923,771 | 6.28-6.60 | 2,351,070 |
| DBS Bank (Hong Kong) | 193,083 | 15,850 | 15,850 | 177,233 | 6.10-6.25 | 622,800 |
| Cathay United Bank | 56,494 | 14,678 | 9,029 | 41,816 | 5.99-6.09 | 127,674 |
| Far Eastern International Bank | <u>62,160</u> | <u>19,488</u> | <u>13,272</u> | <u>42,672</u> | 6.28-6.69 | <u>90,000</u> |
| | <u>\$ 24,861,431</u> | <u>\$ 5,609,125</u> | <u>\$ 4,376,486</u> | <u>\$ 19,231,995</u> | | <u>\$ 43,347,504</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> |

June 30, 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 | \$ 8,169,300 | \$ 1,229,680 | \$ 821,215 | \$ 6,939,620 | 1.96-3.44 | \$ 8,173,000 |
| Taishin International Bank | 468,614 | 110,120 | 56,485 | 365,266 | 1.08-3.24 | 1,695,000 |
| Chang Hwa Bank | 1,190,461 | 231,649 | 135,461 | 957,550 | 2.11-3.41 | 2,972,000 |
| Taipei Fubon Bank | 301,059 | 118,559 | 118,574 | 182,485 | 1.96 | 1,486,000 |
| CitiBank | 579,473 | 361,552 | 361,552 | 217,921 | 2.29 | 2,972,000 |
| DBS Bank | 5,975,284 | 266,398 | 277,723 | 5,697,561 | 2.39 | 11,442,200 |
| KGI Bank | 1,905,138 | 264,805 | 85,331 | 1,640,333 | 2.25-2.98 | 3,566,400 |
| Bank SinoPac | 4,082,089 | 1,138,832 | 730,623 | 2,943,258 | 1.81-3.73 | 4,353,980 |
| Mizuho Bank | 344,868 | 60,192 | 60,192 | 284,676 | 2.75 | 787,580 |
| HSBC Bank | 1,966,682 | 300,429 | 106,260 | 1,663,754 | 2.53-2.74 | 2,481,620 |
| DBS Bank (Hong Kong) | 509,197 | 4,789 | 4,789 | 504,408 | 2.08-3.76 | 594,400 |
| Cathay United Bank | 68,665 | 14,119 | 6,160 | 55,639 | 1.61-2.99 | 121,852 |
| Far Eastern International Bank | 79,011 | 16,502 | 64,077 | 7,033 | 2.20 | 82,497 |
| | <u>\$ 25,639,841</u> | <u>\$ 4,117,626</u> | <u>\$ 2,828,442</u> | <u>\$ 21,459,504</u> | | <u>\$ 40,728,529</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\$700 thousand, US\$690 thousand and US\$735 thousand on June 30, 2023, December 31, 2022 and June 30, 2022, respectively. Management had set up sufficient allowance to cover possible losses.

30. 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 as follows.

a. Related party name and category

| <u>Related Party Name</u> | <u>Related Party Category</u> |
|---------------------------|-------------------------------|
| KingHold Technology | Associate |
| Prowine Co., Ltd | Associate |
| Vxis Technology Corp. | Associate |

b. Sales of goods

| Line Item | Related Party Category/Name | <u>For the Three Months Ended June 30</u> | | <u>For the Six Months Ended June 30</u> | |
|-----------|-----------------------------|---|------------|---|---------------------|
| | | 2023 | 2022 | 2023 | 2022 |
| | | Sales | Associates | \$ <u> -</u> | \$ <u> 686</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. Purchase

| Related Party Category/Name | <u>For the Three Months Ended June 30</u> | | <u>For the Six Months Ended June 30</u> | |
|-----------------------------|---|-----------------------|---|-----------------------|
| | 2023 | 2022 | 2023 | 2022 |
| | Associates | \$ <u> -</u> | \$ <u> 67</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.

d. Receivables from related parties

| Line Item | Related Party Category/Name | June 30, 2023 | December 31, 2022 | June 30, 2022 |
|-----------|-----------------------------|-------------------|-------------------|-----------------------|
| | | Other receivables | Associates | \$ <u> 9</u> |

The outstanding other receivables from related parties are unsecured. For the six months ended June 30, 2023 and 2022, no impairment losses were recognized for receivables from related parties.

e. Payables to related parties

| Line Item | Related Party Category/Name | June 30, 2023 | December 31, 2022 | June 30, 2022 |
|------------------|------------------------------------|----------------------|--------------------------|----------------------|
| Trade payables | Associates | \$ - | \$ 77 | \$ - |
| Other payables | Associates | <u>153</u> | <u>292</u> | <u>81</u> |
| | | <u>\$ 153</u> | <u>\$ 369</u> | <u>\$ 81</u> |

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

f. Prepayments

| Related Party Category/Name | June 30, 2023 | December 31, 2022 | June 30, 2022 |
|------------------------------------|----------------------|--------------------------|----------------------|
| Associates | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 164</u> |

g. Others

| Line Item | Related Party Category/Name | For the Three Months Ended June 30 | | For the Six Months Ended June 30 | |
|--------------------|------------------------------------|---|---------------|---|-----------------|
| | | 2023 | 2022 | 2023 | 2022 |
| Operating expenses | Associates | <u>\$ 154</u> | <u>\$ 874</u> | <u>\$ 607</u> | <u>\$ 1,657</u> |
| Rent income | Associates | <u>\$ 34</u> | <u>\$ 57</u> | <u>\$ 77</u> | <u>\$ 100</u> |
| Other income | Associates | <u>\$ 6</u> | <u>\$ -</u> | <u>\$ 6</u> | <u>\$ 127</u> |

The Group leases out office and plant to its associate 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.

The Group's transactions with related parties were conducted under contract terms.

h. Remuneration of key management personnel

| | For the Three Months Ended June 30 | | For the Six Months Ended June 30 | |
|------------------------------|---|------------------|---|------------------|
| | 2023 | 2022 | 2023 | 2022 |
| Short-term employee benefits | \$ 11,887 | \$ 22,974 | \$ 24,314 | \$ 45,770 |
| Post-employment benefits | <u>360</u> | <u>386</u> | <u>773</u> | <u>772</u> |
| | <u>\$ 12,247</u> | <u>\$ 23,360</u> | <u>\$ 25,087</u> | <u>\$ 46,542</u> |

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

31. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

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

| | June 30, 2023 | December 31, 2022 | June 30, 2022 |
|--------------------------------------|-------------------|----------------------|-------------------|
| Properties, plant and equipment, net | \$ 414,578 | \$ 416,317 | \$ 417,990 |
| Financial assets at amortized cost | <u>302,351</u> | <u>279,232</u> | <u>271,350</u> |
| | <u>\$ 716,929</u> | <u>\$ 695,549</u> | <u>\$ 689,340</u> |

32. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

The significant commitments of the Group as of June 30, 2023, December 31, 2022 and June 30, 2022 were as follows:

a. Significant commitments

- 1) Unused letters of credit amounting to approximately NT\$608,875 thousand, NT\$675,438 thousand and NT\$844,678 thousand, respectively.
- 2) Checks that were issued as guarantees for the Group's loans and purchases amounted to NT\$65,781,576 thousand, NT\$74,239,269 thousand and NT\$70,282,146 thousand, respectively.
- 3) The ceiling amounts of guarantees were NT\$320,000 thousand, NT\$320,000 thousand and NT\$297,200 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\$59,440 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\$1,188,800 thousand, respectively. Guarantees amounting to NT\$310,490 thousand, NT\$169,949 thousand and NT\$301,702 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\$1,486,000 thousand, respectively. Guarantees amounting to NT\$896,849 thousand, NT\$1,188,964 thousand and NT\$561,487 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\$59,440 thousand, respectively. Guarantees amounting to all NT\$0 thousand was provided for the loans obtained 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 were NT\$384,000 thousand, NT\$384,000 thousand and NT\$445,800 thousand, respectively. Guarantees amounting to NT\$0 thousand, NT\$0 thousand and NT\$16,542 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 June 30, 2023, the actual impact cannot be estimated as the respondents have not yet been clarified.

33. 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.

34. 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:

June 30, 2023

| | Foreign Currency (In Thousands) | Exchange Rate | Carrying Amount |
|---|--|----------------------|----------------------------|
| <u>Financial assets</u> | | | |
| Monetary items | | | |
| USD | \$ 106,139 | 31.1400 (USD:NTD) | \$ 3,305,180 |
| USD | 4,073 | 7.2258 (USD:RMB) | 126,843 |
| USD | 4,497 | 1.3563 (USD:SGD) | 140,028 |
| USD | 175 | 144.8372 (USD:JPY) | 5,452 |
| Nonmonetary items | | | |
| Investments accounted for using the equity method | | | |
| KRW | 922,689 | 0.0238 (KRW:NTD) | 21,960 |
| <u>Financial liabilities</u> | | | |
| Monetary items | | | |
| USD | 145,765 | 31.1400 (USD:NTD) | 4,539,111 |
| USD | 9,501 | 7.2258 (USD:RMB) | 295,864 |
| USD | 9,162 | 1.3563 (USD:SGD) | 285,311 |
| USD | 138 | 144.8372 (USD:JPY) | 4,292 |

December 31, 2022

| | Foreign Currency (In Thousands) | Exchange Rate | Carrying Amount |
|---|--|----------------------|----------------------------|
| <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 |
| Nonmonetary 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 |

June 30, 2022

| | Foreign Currency (In Thousands) | Exchange Rate | Carrying Amount |
|---|--|----------------------|----------------------------|
| <u>Financial assets</u> | | | |
| Monetary items | | | |
| USD | \$ 163,963 | 29.7200 (USD:NTD) | \$ 4,872,980 |
| USD | 6,346 | 6.7114 (USD:RMB) | 188,603 |
| USD | 6,749 | 1.3907 (USD:SGD) | 200,580 |
| Nonmonetary items | | | |
| Investments accounted for using the equity method | | | |
| KRW | 810,600 | 0.0231 (KRW:NTD) | 18,725 |

Financial liabilities

| | | | |
|----------------|---------|-------------------|-----------|
| Monetary items | | | |
| USD | 130,660 | 29.7200 (USD:NTD) | 3,883,215 |
| USD | 11,577 | 6.7114 (USD:RMB) | 344,068 |
| USD | 5,029 | 1.3907 (USD:SGD) | 149,462 |

The Group is mainly exposed to the fluctuations in currencies other than 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:

| For the Three Months Ended June 30 | | | | |
|---|----------------------|--|----------------------|--|
| 2023 | | | 2022 | |
| Foreign Currency | Exchange Rate | Net Foreign Exchange Gains (Losses) | Exchange Rate | Net Foreign Exchange Gains (Losses) |
| NTD | 1 (NTD:NTD) | \$ 27,404 | 1 (NTD:NTD) | \$ 36,828 |
| USD | 30.7053 (USD:NTD) | 736 | 29.4553 (USD:NTD) | 771 |
| RMB | 4.3737 (RMB:NTD) | (6,105) | 4.4463 (RMB:NTD) | (10,541) |
| SGD | 22.9333 (SGD:NTD) | (20,896) | 21.3867 (SGD:NTD) | (4,210) |
| JPY | 0.2238 (JPY:NTD) | <u>146</u> | 0.2270 (JPY:NTD) | <u>-</u> |
| | | <u>\$ 1,285</u> | | <u>\$ 22,848</u> |

| For the Six Months Ended June 30 | | | | |
|---|----------------------|--|----------------------|--|
| 2023 | | | 2022 | |
| Foreign Currency | Exchange Rate | Net Foreign Exchange Gains (Losses) | Exchange Rate | Net Foreign Exchange Gains (Losses) |
| NTD | 1 (NTD:NTD) | \$ 24,098 | 1 (NTD:NTD) | \$ 69,332 |
| USD | 30.5500 (USD:NTD) | (2,225) | 28.7247 (USD:NTD) | 1,988 |
| RMB | 4.4075 (RMB:NTD) | (6,005) | 4.4263 (RMB:NTD) | (8,656) |
| SGD | 22.8733 (SGD:NTD) | (16,872) | 21.0517 (SGD:NTD) | (5,107) |
| JPY | 0.2269 (JPY:NTD) | <u>(474)</u> | 0.2340 (JPY:NTD) | <u>-</u> |
| | | <u>\$ (1,478)</u> | | <u>\$ 57,557</u> |

35. 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: Table 4

- 8) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital: Table 5
 - 9) Trading in derivative instruments: None
 - 10) Intercompany relationships and significant intercompany transactions: Table 6
- b. Information on investees: Table 7
- c. Information on investments in mainland China
- 1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of 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 8
 - 2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses:
 - 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 6
- 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 9

36. 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 six months ended June 30, 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 SIX MONTHS ENDED JUNE 30, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

| No. | Lender | Borrower | Financial Statement Account | Related Parties | Highest Balance for the Period | Ending Balance | Actual Borrowing Amount | 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) | Note |
|-----|---------------------------|------------------------------------|-----------------------------|-----------------|--------------------------------|----------------|-------------------------|---------------|------------------------|------------------------------|----------------------------------|-------------------------------|------------|-------|--|-------------------------------------|------|
| | | | | | | | | | | | | | Item | Value | | | |
| 0 | EDOM Technology Co., Ltd. | Sunjet Components Corp. | Other receivables | Yes | \$ 64,000 | \$ 64,000 | \$ - | - | For business operation | \$ - | For business operation | \$ - | - | - | \$ 498,153 | \$ 996,305 | - |
| | | iPro Technology, Inc. | Other receivables | Yes | 64,000 | 64,000 | - | - | For business operation | - | For business operation | - | - | - | 498,153 | 996,305 | - |
| | | Goldenflash Electronics Co., Ltd. | Other receivables | Yes | 320,000 | 320,000 | - | - | For business operation | - | For business operation | - | - | - | 498,153 | 996,305 | - |
| | | Promaster Technology Corp. | Other receivables | Yes | 320,000 | 320,000 | - | - | For business operation | - | For business operation | - | - | - | 498,153 | 996,305 | - |
| 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 SIX MONTHS ENDED JUNE 30, 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 | Outstanding Endorsement/ Guarantee at the End of the Period | 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 | \$ 4,981,526 | \$ 320,000 | \$ 320,000 | \$ - | \$ - | 6.42 | \$ 9,963,052 | Y | N | N |
| | | iPro Technology, Inc. | Subsidiary | 4,981,526 | 64,000 | 64,000 | - | - | 1.28 | 9,963,052 | Y | N | N |
| | | Goldenflash Electronics Co., Ltd. | Subsidiary | 4,981,526 | 2,240,000 | 2,240,000 | 310,490 | - | 44.97 | 9,963,052 | Y | N | N |
| | | Promaster Technology Corp. | Subsidiary | 4,981,526 | 3,200,000 | 3,200,000 | 896,849 | - | 64.24 | 9,963,052 | 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

JUNE 30, 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 | June 30, 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 | \$ 16,995 | 0.60 | \$ 16,995 | Note 1 |
| | Largan Health AI-Tech Co., Ltd. | - | Financial assets at fair value through profit or loss - noncurrent | 120,000 | 188 | 4.00 | 188 | Note 2 |
| | Upbeat Technology Co., Ltd. | - | Financial assets at fair value through profit or loss - noncurrent | 1,250,000 | 4,213 | 2.74 | 4,213 | 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 Labs, Inc | - | Financial assets at fair value through profit or loss - noncurrent | 501,505 | 7,010 | 0.42 | 7,010 | Note 2 |
| | GOMORE INC. | - | Financial assets at fair value through profit or loss - noncurrent | 14,285,714 | 7,308 | 1.86 | 7,308 | 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 | 8,008 | 2.72 | 8,008 | Note 3 |
| | <u>Private funds</u> BRV Lotus Growth Fund | - | Financial assets at fair value through profit or loss - noncurrent | - | 199,716 | 1.32 | 199,716 | Note 2 |
| | PHI Fund, L.P. | - | Financial assets at fair value through profit or loss - noncurrent | - | 199,721 | 6.90 | 199,721 | Note 2 |
| | AMED Ventures II Limited Parthership | - | Financial assets at fair value through profit or loss - noncurrent | - | 21,149 | 1.33 | 21,149 | Note 2 |
| | <u>Limited partnership</u> Mesh Cooperative Ventures Fund LP | - | Financial assets at fair value through profit or loss - noncurrent | - | 9,332 | - | 9,332 | 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 | - | 18,684 | - | 18,684 |
| ACCU Technologies Ltd. | <u>Preference shares</u> Largan Health Technology, Inc. | - | Financial assets at fair value through profit or loss - noncurrent | 205,410 | 2,946 | 1.67 | 2,946 | 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 7 and 8 for information on investments in subsidiaries and associates.

EDOM TECHNOLOGY CO., LTD. AND SUBSIDIARIES

TOTAL PURCHASE FROM OR SALE TO RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE SIX MONTHS ENDED JUNE 30, 2023

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

| Buyer/Saler | Related Party | Relationship | Transaction Details (Note) | | | | Abnormal Transaction | | Notes/Accounts Payable or Receivable | | Note |
|---|---|--|----------------------------|--------------|------------|--------------------------------|-----------------------------------|------------------|--------------------------------------|------------|------|
| | | | Purchase/Sale | Amount | % to Total | Payment Terms | Unit Price | Payment Terms | Ending Balance | % to Total | |
| Promaster Technology Corp. | Yanyang Technology International Trade (Shanghai) Co., Ltd. | Investee of indirect subsidiary of the Company | Sale | \$ (150,604) | (5.87) | Depending on capital situation | Conducted as per the agreed terms | Monthly 180 days | \$ 158,169 | 21.33 | - |
| Yanyang Technology International Trade (Shanghai) Co., Ltd. | Promaster Technology Corp. | Parent company | Purchase | 150,604 | 100.00 | Depending on capital situation | Conducted as per the agreed terms | Monthly 180 days | (158,169) | (100.00) | - |

EDOM TECHNOLOGY CO., LTD. AND SUBSIDIARIES

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

JUNE 30, 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. Yanyang Technology International Trade (Shanghai) Co., Ltd | Investee of indirect subsidiary of the Company | \$ 221,319 | 0.7 | \$ 145,975 | - | \$ 5,923 | \$ - |
| | | Investee of indirect subsidiary of the Company | 158,169 | 2.3 | 8,652 | - | 5,378 | - |
| Promaster (Brunei) Technology Corp. | Promaster Technology Corp. | Parent company | 352,253 | 0.1 | 314,284 | - | - | - |

EDOM TECHNOLOGY CO., LTD. AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT TRANSACTIONS
FOR THE SIX MONTHS ENDED JUNE 30, 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 | Sale | \$ 41,954 | Transaction terms are not significantly different from those of third parties | - |
| | | EDOM Trading (Shenzhen) Ltd. | a | Operating expenses - service charge | 117,055 | Transaction terms are not significantly different from those of third parties | - |
| | | EDOM Trading (Shenzhen) Ltd. | a | Trade receivables | 63,253 | Monthly 180 days | - |
| | | EDOM Trading (Shenzhen) Ltd. | a | Trade payables | 16,753 | Monthly 90 days | - |
| | | EDOM Electronic Technology (Shanghai) Co., Ltd. | a | Sale | 48,162 | Transaction terms are not significantly different from those of third parties | - |
| | | EDOM Electronic Technology (Shanghai) Co., Ltd. | a | Operating expenses - service charge | 90,702 | Transaction terms are not significantly different from those of third parties | - |
| | | EDOM Electronic Technology (Shanghai) Co., Ltd. | a | Trade receivables | 32,117 | Monthly 180 days | - |
| | | EDOM Electronic Technology (Shanghai) Co., Ltd. | a | Trade payables | 13,452 | 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 | 4,308 | Transaction terms are not significantly different from those of third parties | - |
| | | EDOM Technology Japan Co., Ltd. | a | Trade receivables | 245 | Monthly 30 days | - |
| | | EDOM Technology Japan Co., Ltd. | a | Trade payables | 1,279 | Monthly 30 days | - |
| | | Sunjet Components Corp. | a | Sale | 10,445 | Transaction terms are not significantly different from those of third parties | - |
| | | Sunjet Components Corp. | a | Purchase | 15,075 | Transaction terms are not significantly different from those of third parties | - |
| | | Sunjet Components Corp. | a | Other income | 3,894 | Transaction terms are not significantly different from those of third parties | - |
| | | Sunjet Components Corp. | a | Rental income | 1,500 | Transaction terms are not significantly different from those of third parties | - |
| | | Sunjet Components Corp. | a | Operating expenses - service charge | 1,913 | Transaction terms are not significantly different from those of third parties | - |
| | | Sunjet Components Corp. | a | Trade receivables | 8,367 | Monthly 30 days | - |
| | | Sunjet Components Corp. | a | Other receivables | 263 | Monthly 30 days | - |
| | | Sunjet Components Corp. | a | Trade payables | 3,485 | Monthly 30 days | - |
| | | Sunjet Components Corp. | a | Other payables | 416 | Monthly 30 days | - |
| | | iPro Technology, Inc. | a | Sale | 86,660 | Transaction terms are not significantly different from those of third parties | - |
| | | iPro Technology, Inc. | a | Purchase | 62 | Transaction terms are not significantly different from those of third parties | - |
| | | iPro Technology, Inc. | a | Other income | 3,602 | Transaction terms are not significantly different from those of third parties | - |
| | | iPro Technology, Inc. | a | Rental income | 471 | Transaction terms are not significantly different from those of third parties | - |
| | | iPro Technology, Inc. | a | Rental expenses | 300 | Transaction terms are not significantly different from those of third parties | - |
| | | iPro Technology, Inc. | a | Operating expenses - service charge | 2,453 | Transaction terms are not significantly different from those of third parties | - |
| | | iPro Technology, Inc. | a | Trade receivables | 25,727 | Monthly 30 days | - |
| | | iPro Technology, Inc. | a | Other receivables | 140 | Monthly 30 days | - |
| | | iPro Technology, Inc. | a | Trade payables | 96 | Monthly 30 days | - |
| iPro Technology, Inc. | a | Other payables | 409 | 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 | Purchase | \$ 10,215 | Transaction terms are not significantly different from those of third parties | - |
| | | Goldenflash Electronics Co., Ltd. | a | Other income | 5,245 | 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 income | 5,245 | Transaction terms are not significantly different from those of third parties | - |
| | | Goldenflash Electronics Co., Ltd. | a | Other receivables | 429 | Monthly 30 days | - |
| | | Goldenflash Electronics Co., Ltd. | a | Other advance | 1,799 | Monthly 30 days | - |
| | | Goldenflash Electronics Co., Ltd. | a | Trade payables | 101 | Monthly 30 days | - |
| | | Promaster Technology Corp. | a | Sale | 16 | Transaction terms are not significantly different from those of third parties | - |
| | | Promaster Technology Corp. | a | Purchase | 5,160 | Transaction terms are not significantly different from those of third parties | - |
| | | Promaster Technology Corp. | a | Other income | 5,743 | Transaction terms are not significantly different from those of third parties | - |
| | | Promaster Technology Corp. | a | Trade receivables | 199 | Monthly 180 days | - |
| | | Promaster Technology Corp. | a | Other receivables | 1,775 | Monthly 30 days | - |
| | | Promaster Technology Corp. | a | Other advance | 1,956 | TT advance | - |
| | | Promaster Technology Corp. | a | Trade payables | 5,284 | Monthly 180 days | - |
| | | Promaster (Brunei) Technology Corp. | a | Other income | 83 | Transaction terms are not significantly different from those of third parties | - |
| | | Promaster (Brunei) Technology Corp. | a | Other advance | 23 | TT advance | - |
| | | Sunjet Components Corp. (Dongguan) | a | Trade receivables | 31 | Monthly 180 days | - |
| | | Yanyang Technology International Trade (Shanghai) Co., Ltd. | a | Sale | 864 | Transaction terms are not significantly different from those of third parties | - |
| | | Yanyang Technology International Trade (Shanghai) Co., Ltd. | a | Trade receivables | 881 | Monthly 180 days | - |
| 1 | Sunjet Components Corp. | Sunjet Components Corp. (Dongguan) | b | Sale | 3,911 | 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 | 38,598 | Monthly 180 days | - |
| | | Sunjet (HK) Components Ltd. | b | Sale | 11,179 | Transaction terms are not significantly different from those of third parties | - |
| | | Sunjet (HK) Components Ltd. | b | Trade receivables | 20,397 | Monthly 120 days | - |
| | | Goldenflash Electronics Co., Ltd. | b | Purchase | 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 | - |
| | | EDOM Technology Japan Co., Ltd. | b | Sale | 30,932 | Transaction terms are not significantly different from those of third parties | - |
| | | EDOM Technology Japan Co., Ltd. | b | Trade receivables | 3,623 | Monthly 30 days | - |
| 2 | EDOM Electronic Technology (Shanghai) Co., Ltd. | EDOM Trading (Shenzhen) Ltd. | b | Sale | 887 | Transaction terms are not significantly different from those of third parties | - |
| | | EDOM Trading (Shenzhen) Ltd. | b | Purchase | 1,725 | Transaction terms are not significantly different from those of third parties | - |
| | | EDOM Trading (Shenzhen) Ltd. | b | Trade receivables | 272 | Monthly 30 days | - |
| | | EDOM Trading (Shenzhen) Ltd. | b | Trade payables | 705 | Monthly 30 days | - |
| | | Yanyang Technology International Trade (Shanghai) Co., Ltd. | b | Purchase | 38 | Transaction terms are not significantly different from those of third parties | - |
| | | Yanyang Technology International Trade (Shanghai) Co., Ltd. | b | Rental income | 1,009 | Transaction terms are not significantly different from those of third parties | - |
| 3 | EDOM Trading (Shenzhen) Ltd. | Yanyang Technology International Trade (Shanghai) Co., Ltd. | b | Sale | 17 | Transaction terms are not significantly different from those of third parties | - |
| | | Yanyang Technology International Trade (Shanghai) Co., Ltd. | b | Rental income | 788 | Transaction terms are not significantly different from those of third parties | - |
| | | Yanyang Technology International Trade (Shanghai) Co., Ltd. | b | Guarantee deposits received | 278 | Note 5 | - |

(Continued)

| No. (Note 1) | Investee Company | Counterparty | Flow of Transactions (Note 2) | Transaction Details | | | |
|-----------------|----------------------------|---|-------------------------------------|-------------------------------------|----------|---|---|
| | | | | Financial Statement Account | Amount | Payment Terms | % to Total Sales or Assets (Note 3) |
| 4 | Promaster Technology Corp. | iPro Technology, Inc. | b | Sale | \$ 2,797 | Transaction terms are not significantly different from those of third parties | - |
| | | iPro Technology, Inc. | b | Trade receivables | 2,968 | Monthly 180 days | - |
| | | Promaster (Brunei) Technology Corp. | b | Sale | 70,989 | Transaction terms are not significantly different from those of third parties | - |
| | | Promaster (Brunei) Technology Corp. | b | Purchase | 18,587 | Transaction terms are not significantly different from those of third parties | - |
| | | Promaster (Brunei) Technology Corp. | b | Trade receivables | 221,319 | Monthly 180 days | 1 |
| | | Promaster (Brunei) Technology Corp. | b | Other receivables | 4,228 | Monthly 30 days | - |
| | | Promaster (Brunei) Technology Corp. | b | Trade payables | 352,253 | Monthly 180 days | 1 |
| | | Promaster (Brunei) Technology Corp. | b | Other payables | 3,133 | Monthly 30 days | - |
| | | Yanyang Technology International Trade (Shanghai) Co., Ltd | b | Sale | 150,604 | Transaction terms are not significantly different from those of third parties | - |
| | | Yanyang Technology International Trade (Shanghai) Co., Ltd. | b | Purchase | 110 | Transaction terms are not significantly different from those of third parties | - |
| | | Yanyang Technology International Trade (Shanghai) Co., Ltd. | b | Interest income | 7 | Transaction terms are not significantly different from those of third parties | - |
| | | Yanyang Technology International Trade (Shanghai) Co., Ltd. | b | Operating expenses - service charge | 39,664 | Transaction terms are not significantly different from those of third parties | - |
| | | Yanyang Technology International Trade (Shanghai) Co., Ltd. | b | Trade receivables | 158,169 | Monthly 180 days | 1 |
| | | Yanyang Technology International Trade (Shanghai) Co., Ltd. | b | Trade payables | 6,166 | 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 June 30, 2023, while income statement items are shown as a percentage to consolidated total operating revenue for the six months ended June 30, 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 SIX MONTHS ENDED JUNE 30, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

| Investor Company | Investee Company | Location | Main Businesses and Products | Investment Amount | | As of June 30, 2023 | | | Net Income (Loss) of the Investee (Note 2) | Share of Profit (Loss) | Note |
|---|-------------------------------------|---------------|--|--------------------------------------|--------------------------------------|---------------------|-------------------------|--------------------------------|--|---------------------------|----------------------------|
| | | | | June 30, 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 | \$ 490,393 (US\$ 15,748 thousand) | \$ 490,393 (US\$ 15,748 thousand) | 15,748,179 | 100.00 | \$ 407,866 | \$ 11,518 | \$ 11,518 | Subsidiary (Notes 3 and 4) |
| | ILDO Korea Co., Ltd. | Korea | Trade of computer peripherals | 14,733 (₩ 619,012 thousand) | 14,733 (₩ 619,012 thousand) | 74,083 | 25.00 | 21,960 (₩ 922,689 thousand) | 623 (₩ 26,271 thousand) | 156 (₩ 6,568 thousand) | Note 3 |
| | Sunjet Components Corp. | Taipei | General trade of electronic components | 299,108 | 299,108 | 34,767,559 | 100.00 | 400,328 | (6,223) | (6,223) | Subsidiary (Notes 3 and 4) |
| | KingHold Technology | New Taipei | General trade of electronic components | 43,771 | 43,771 | 2,716,000 | 33.95 | 1,149 | (17,354) | (5,675) | Note 3 |
| | iPro Technology, Inc. | Hsinchu City | General trade of electronic components | 159,890 | 159,890 | 7,000,000 | 100.00 | 172,625 | (221) | (221) | Subsidiary (Notes 3 and 4) |
| | Goldenflash Electronics Co., Ltd. | Taipei | General trade of electronic components | 104,500 | 104,500 | 12,394,126 | 100.00 | 148,052 | 2,383 | 2,383 | Subsidiary (Notes 3 and 4) |
| | Promaster Technology Corp. | Taipei | General trade of electronic components | 816,646 | 816,646 | 46,401,534 | 100.00 | 854,442 | (15,275) | (24,635) | Subsidiary (Notes 3 and 4) |
| | EDOM Technology Japan | Japan | General trade of electronic components | 4,300 (¥ 20,000 thousand) | 4,300 (¥ 20,000 thousand) | 2,000 | 100.00 | 4,988 (¥ 23,201 thousand) | 397 (¥ 1,739 thousand) | 397 (¥ 1,739 thousand) | Subsidiary (Notes 3 and 4) |
| ACCU Technologies Ltd. (ACCU) | Sunshine Global International Ltd. | Western Samoa | General trade and investment in manufacturing and service industries | 61,502 (US\$ 1,975 thousand) | 61,502 (US\$ 1,975 thousand) | 1,975,000 | 100.00 | 32,846 | 482 | 482 | Subsidiary (Notes 3 and 4) |
| | Honest Rich Trading Ltd. | Western Samoa | General trade and investment in manufacturing and service industries | 171,301 (US\$ 5,501 thousand) | 171,301 (US\$ 5,501 thousand) | 5,501,000 | 100.00 | 114,177 | 8,952 | 8,952 | Subsidiary (Notes 3 and 4) |
| | Massive Strong Investment Ltd. | Western Samoa | General trade and investment in manufacturing and service industries | 311,400 (US\$ 10,000 thousand) | 311,400 (US\$ 10,000 thousand) | 11,000,000 | 100.00 | 264,658 | 2,757 | 2,757 | Subsidiary (Notes 3 and 4) |
| Sunjet Components Corp. | Sunjet (HK) Components Ltd. | Hong Kong | General trade and investment in manufacturing and service industries | 99,803 (HK\$ 25,114 thousand) | 99,803 (HK\$ 25,114 thousand) | 25,113,810 | 100.00 | (20,735) | (5,048) | (5,048) | 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 | 280,772 | 6,535 | 6,535 | Subsidiary (Notes 3 and 4) |
| | Vxis Technology Corp. | Hsinchu City | Electronic parts and components manufacturing | 16,197 | 16,197 | 3,230,000 | 27.26 | 19,677 | (4,726) | (1,288) | Note 3 |
| | Prowine Co., Ltd. | Taipei | Wholesale of tobacco products and alcoholic beverages | 5,000 | 5,000 | 500,000 | 22.22 | 5,201 | (326) | (73) | 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 six months ended June 30, 2023.

Note 3: The amounts are based on the financial statements which has not been reviewed for the six months ended June 30, 2023.

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

Note 5: Refer to Table 8 for information on investment in mainland China.

EDOM TECHNOLOGY CO., LTD. AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE SIX MONTHS ENDED JUNE 30, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

| Investment 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 June 30, 2023 | Net Income (Losses) of the Investee | % Ownership of Direct or Indirect Investment | Investment Gain (Loss) (Note 2) | Carrying Amount as of June 30, 2023 | Accumulated Repatriation of Investment Income as of June 30, 2023 |
|----------------------------|--|--|-------------------------------------|-------------------------------|---|---------------------|--------|---|-------------------------------------|--|---------------------------------|-------------------------------------|---|
| | | | | | | Outward | Inward | | | | | | |
| EDOM Technology Co., Ltd. | EDOM Trading (Shenzhen) Ltd. | Trade of computer peripherals | \$ 171,270 (US\$ 5,500 thousand) | b (Note 3) | \$ 171,270 (US\$ 5,500 thousand) | \$ - | \$ - | \$ 171,270 (US\$ 5,500 thousand) | \$ 8,953 | 100 | \$ 8,953 | \$ 114,147 | \$ - |
| | EDOM Electronic Technology (Shanghai) Co., Ltd. | Trade, research and development of computer peripherals | 311,400 (US\$ 10,000 thousand) | b (Note 4) | 311,400 (US\$ 10,000 thousand) | - | - | 311,400 (US\$ 10,000 thousand) | 2,757 | 100 | 2,757 | 264,658 | - |
| Sunjet Components Corp. | Sunjet Components Corp. (Dongguan) | Trade of electric power equipment and computer peripherals | 97,998 (US\$ 3,147 thousand) | b (Note 5) | 97,998 (US\$ 3,147 thousand) | - | - | 97,998 (US\$ 3,147 thousand) | (3,981) | 100 | (3,981) | (25,611) | - |
| Promaster Technology Corp. | Yanyang Technology International Trade (Shanghai) Co., Ltd | Trade of electric power equipment and computer peripherals | 192,445 (US\$ 6,180 thousand) | b (Note 6) | 71,241 | - | - | 71,241 | 5,641 | 100 | 5,641 | 47,020 | - |

| Investment Company | Accumulated Outward Remittance for Investment in Mainland China as of June 30, 2023 | Investment Amounts Authorized by Investment Commission, MOEA | Limit on the Amount of Investment Stipulated by Investment Commission, MOEA |
|----------------------------|---|--|---|
| EDOM Technology Co., Ltd. | \$ 482,670 (US\$ 15,500 thousand) | \$ 513,810 (US\$ 16,500 thousand) | \$4,981,526 × 60% = \$2,988,916 |
| Sunjet Components Corp. | 97,998 (US\$ 3,147 thousand) | 111,481 (US\$ 3,580 thousand) | \$373,169 × 60% = \$223,901 |
| Promaster Technology Corp. | 71,241 | 193,228 | \$614,037 × 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 six months ended June 30, 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
JUNE 30, 2023**

| Name of Major Shareholders | 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 registration because of different preparation basis.