

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

**Consolidated Financial Statements for the
Six Months Ended June 30, 2022 and 2021 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, 2022 and 2021, and the related consolidated statements of comprehensive income for the three months ended June 30, 2022 and 2021 and for the six months ended June 30, 2022 and 2021, 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 Statement of Auditing Standards No. 65 "Review of 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

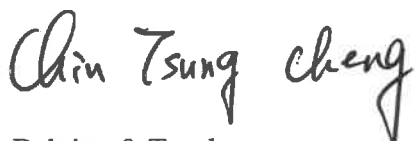
As disclosed in Note 12 to the consolidated financial statements, the financial statements of some non-significant subsidiaries included in the consolidated financial statements referred to in the first paragraph were not reviewed. As of June 30, 2022 and 2021, combined total assets of these non-significant subsidiaries were NT\$3,913,378 thousand and NT\$1,674,020 thousand, respectively, representing 13.28% and 7.87%, respectively, of the consolidated total assets, and combined total liabilities of these subsidiaries were NT\$2,259,152 thousand and NT\$731,090 thousand, respectively, representing 9.29% and 4.26%, respectively, of the consolidated total liabilities; for the three months ended June 30, 2022 and 2021, the amounts of combined comprehensive income of these subsidiaries were NT\$48,316 thousand and NT\$19,988 thousand, respectively, representing 11.18% and 16.73%, respectively, of the consolidated total comprehensive income; for the six months ended June 30, 2022 and 2021, the amounts of combined comprehensive income of these subsidiaries were NT\$101,465 thousand and NT\$36,427 thousand, respectively, representing 11.25% and 9.30%, respectively, of the consolidated total

comprehensive income. In addition, 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 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, 2022 and 2021, its consolidated financial performance for the three months ended June 30, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for the six months ended June 30, 2022 and 2021 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 "Interim Financial Reporting".

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



Deloitte & Touche
Taipei, Taiwan
Republic of China



August 12, 2022

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)

	June 30, 2022 (Reviewed)		December 31, 2021 (Audited)		June 30, 2021 (Reviewed)	
	Amount	%	Amount	%	Amount	%
ASSETS						
CURRENT ASSETS						
Cash and cash equivalents (Note 6)	\$ 1,934,619	7	\$ 2,115,396	8	\$ 1,453,630	7
Financial assets at fair value through profit or loss - current (Note 7)	5,000	-	-	-	2,937	-
Financial assets at amortized cost - current (Notes 9 and 31)	271,350	1	326,885	1	105,380	1
Notes receivable (Note 10)	105,920	-	96,439	-	162,722	1
Trade receivables (Note 10)	4,419,529	15	5,758,219	22	4,336,048	20
Other receivables (Notes 10 and 30)	4,136,313	14	3,403,050	13	4,031,667	19
Current tax assets (Notes 4 and 24)	2,246	-	2,565	-	83	-
Inventories (Note 11)	15,760,465	53	12,416,836	46	8,996,180	42
Other current assets (Notes 17 and 30)	758,918	3	622,466	2	621,545	3
Total current assets	27,394,360	93	24,741,856	92	19,710,192	93
NON-CURRENT ASSETS						
Financial assets at fair value through profit or loss - non-current (Note 7)	511,180	2	428,715	2	413,280	2
Financial assets at fair value through other comprehensive income - non-current (Note 8)	10,429	-	10,856	-	32,433	-
Investments accounted for using the equity method (Note 13)	56,173	-	61,756	-	19,345	-
Property, plant and equipment (Notes 14 and 31)	694,246	2	700,125	3	653,311	3
Right-of-use assets (Note 15)	135,148	1	82,880	-	73,006	-
Investment properties (Note 16)	28,779	-	29,274	-	29,769	-
Goodwill	198,547	1	198,547	1	41,495	-
Other intangible assets	132,602	-	133,329	-	17,872	-
Deferred tax assets (Notes 4 and 24)	102,646	-	183,040	1	172,880	1
Net defined benefit assets - non-current (Notes 4 and 21)	11,405	-	11,072	-	-	-
Other non-current assets (Note 17)	187,630	1	174,131	1	109,858	1
Total non-current assets	2,068,785	7	2,013,725	8	1,563,249	7
TOTAL	\$ 29,463,145	100	\$ 26,755,581	100	\$ 21,273,441	100
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term borrowings (Notes 18 and 31)	\$ 5,581,854	19	\$ 6,345,667	24	\$ 4,796,452	23
Short-term bills payable (Note 18)	749,346	3	819,432	3	809,103	4
Notes and trade payables (Note 19)	14,606,850	50	12,128,943	45	9,416,457	44
Other payables (Notes 20 and 30)	1,771,077	6	1,618,575	6	620,126	3
Current tax liabilities (Notes 4 and 24)	127,256	-	179,576	1	115,149	-
Lease liabilities - current (Note 15)	54,317	-	38,659	-	34,867	-
Current portion of long-term borrowings (Notes 18 and 31)	346,646	1	186,664	1	6,858	-
Other current liabilities (Note 20)	293,601	1	231,428	1	225,584	1
Total current liabilities	23,530,947	80	21,548,944	81	16,024,596	75
NON-CURRENT LIABILITIES						
Long-term borrowings, net of current portion (Notes 18 and 31)	559,984	2	733,270	3	875,027	4
Deferred tax liabilities (Notes 4 and 24)	94,851	1	75,935	-	2,523	-
Lease liabilities - non-current (Note 15)	83,023	-	45,941	-	39,088	1
Net defined benefit liabilities - non-current (Notes 4 and 21)	5,300	-	5,370	-	4,379	-
Guarantee deposits received	39,500	-	39,386	-	225,761	1
Total non-current liabilities	782,658	3	899,902	3	1,146,778	6
Total liabilities	24,313,605	83	22,448,846	84	17,171,374	81
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY						
Share capital	2,698,298	9	2,448,298	9	2,225,726	10
Capital surplus	736,939	2	124,676	-	124,634	1
Retained earnings						
Legal reserve	796,739	3	681,953	3	611,905	3
Special reserve	391,623	1	261,001	1	49,878	-
Unappropriated earnings	600,097	2	1,178,594	4	1,461,725	7
Total retained earnings	1,788,459	6	2,121,548	8	2,123,508	10
Other equity	(74,156)	-	(391,623)	(1)	(375,194)	(2)
Total equity attributable to owners of the Company	5,149,540	17	4,302,899	16	4,098,674	19
NON-CONTROLLING INTERESTS						
	-	-	3,836	-	3,393	-
Total equity	5,149,540	17	4,306,735	16	4,102,067	19
TOTAL	\$ 29,463,145	100	\$ 26,755,581	100	\$ 21,273,441	100

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

(With Deloitte & Touche auditors' review report dated August 12, 2022)

EDOM TECHNOLOGY CO., LTD. AND SUBSIDIARIES

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

	For the Three Months Ended June 30				For the Six Months Ended June 30			
	2022		2021		2022		2021	
	Amount	%	Amount	%	Amount	%	Amount	%
OPERATING REVENUE								
(Note 30)								
Sales	\$ 27,448,125	100	\$ 23,395,085	100	\$ 56,510,477	100	\$ 47,948,756	100
Service revenue	<u>166</u>	-	<u>32</u>	-	<u>309</u>	-	<u>838</u>	-
Total operating revenue	27,448,291	100	23,395,117	100	56,510,786	100	47,949,594	100
OPERATING COSTS (Notes 11 and 23)								
	<u>26,434,579</u>	<u>97</u>	<u>22,592,461</u>	<u>97</u>	<u>54,543,045</u>	<u>97</u>	<u>46,346,105</u>	<u>97</u>
GROSS PROFIT	<u>1,013,712</u>	<u>3</u>	<u>802,656</u>	<u>3</u>	<u>1,967,741</u>	<u>3</u>	<u>1,603,489</u>	<u>3</u>
OPERATING EXPENSES								
(Notes 23 and 30)								
Selling and marketing expenses	402,850	1	306,243	1	775,600	1	611,380	1
General and administrative expenses	168,592	1	131,332	1	341,140	1	263,645	1
Expected credit loss (gain)	<u>(1,012)</u>	<u>-</u>	<u>770</u>	<u>-</u>	<u>(7,289)</u>	<u>-</u>	<u>132</u>	<u>-</u>
Total operating expenses	<u>570,430</u>	<u>2</u>	<u>438,345</u>	<u>2</u>	<u>1,109,451</u>	<u>2</u>	<u>875,157</u>	<u>2</u>
PROFIT FROM OPERATIONS	<u>443,282</u>	<u>1</u>	<u>364,311</u>	<u>1</u>	<u>858,290</u>	<u>1</u>	<u>728,332</u>	<u>1</u>
NONOPERATING INCOME AND EXPENSES (Notes 13, 23, 30 and 34)								
Interest income	1,436	-	651	-	1,900	-	1,402	-
Other income	13,087	-	13,014	-	28,893	-	18,414	-
Other gains and losses	18,438	-	4,799	-	46,203	-	37,711	-
Foreign exchange gain (loss)	22,848	-	(21,263)	-	57,557	-	(22,792)	-
Finance costs	(150,738)	-	(62,158)	-	(246,986)	-	(133,562)	-
Share of profit or loss of associates	<u>184</u>	<u>-</u>	<u>(1,431)</u>	<u>-</u>	<u>(4,966)</u>	<u>-</u>	<u>(1,750)</u>	<u>-</u>
Total nonoperating income and expenses	<u>(94,745)</u>	<u>-</u>	<u>(66,388)</u>	<u>-</u>	<u>(117,399)</u>	<u>-</u>	<u>(100,577)</u>	<u>-</u>
PROFIT BEFORE INCOME TAX	348,537	1	297,923	1	740,891	1	627,755	1
INCOME TAX EXPENSE (Notes 4 and 24)	<u>75,422</u>	<u>-</u>	<u>60,671</u>	<u>-</u>	<u>156,240</u>	<u>-</u>	<u>122,023</u>	<u>-</u>
NET PROFIT FOR THE PERIOD	<u>273,115</u>	<u>1</u>	<u>237,252</u>	<u>1</u>	<u>584,651</u>	<u>1</u>	<u>505,732</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>1,139</u>	<u>-</u>	<u>(7,315)</u>	<u>-</u>	<u>(427)</u>	<u>-</u>	<u>(6,593)</u>	<u>-</u>

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EDOM TECHNOLOGY CO., LTD. AND SUBSIDIARIES

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

	For the Three Months Ended June 30				For the Six Months Ended June 30			
	2022		2021		2022		2021	
	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)	\$ 191,311	1	\$ (137,717)	-	\$ 389,642	1	\$ (130,061)	-
Unrealized gain (loss) on investments in debt instruments at fair value through other comprehensive income (Note 22)	3,712	-	800	-	3,139	-	(2,623)	-
Share of other comprehensive loss of associates accounted for using the equity method (Note 22)	(564)	-	(1,363)	-	(322)	-	(1,170)	-
Income tax relating to items that may be reclassified subsequently to profit or loss (Notes 4 and 24)	<u>(36,734)</u>	<u>-</u>	<u>27,814</u>	<u>-</u>	<u>(74,607)</u>	<u>-</u>	<u>26,259</u>	<u>-</u>
	<u>157,725</u>	<u>1</u>	<u>(110,466)</u>	<u>-</u>	<u>317,852</u>	<u>1</u>	<u>(107,595)</u>	<u>-</u>
Other comprehensive income (loss) for the period, net of income tax	<u>158,864</u>	<u>1</u>	<u>(117,781)</u>	<u>-</u>	<u>317,425</u>	<u>1</u>	<u>(114,188)</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>\$ 431,979</u>	<u>2</u>	<u>\$ 119,471</u>	<u>1</u>	<u>\$ 902,076</u>	<u>2</u>	<u>\$ 391,544</u>	<u>1</u>
NET PROFIT ATTRIBUTABLE TO:								
Owners of the Company	\$ 272,815	1	\$ 236,855	1	\$ 584,332	1	\$ 504,358	1
Non-controlling interests	<u>300</u>	<u>-</u>	<u>397</u>	<u>-</u>	<u>319</u>	<u>-</u>	<u>1,374</u>	<u>-</u>
	<u>\$ 273,115</u>	<u>1</u>	<u>\$ 237,252</u>	<u>1</u>	<u>\$ 584,651</u>	<u>1</u>	<u>\$ 505,732</u>	<u>1</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:								
Owners of the Company	\$ 431,681	2	\$ 119,069	1	\$ 901,757	2	\$ 390,165	1
Non-controlling interests	<u>298</u>	<u>-</u>	<u>402</u>	<u>-</u>	<u>319</u>	<u>-</u>	<u>1,379</u>	<u>-</u>
	<u>\$ 431,979</u>	<u>2</u>	<u>\$ 119,471</u>	<u>1</u>	<u>\$ 902,076</u>	<u>2</u>	<u>\$ 391,544</u>	<u>1</u>
EARNINGS PER SHARE (Note 25)								
Basic	<u>\$ 1.01</u>		<u>\$ 0.97</u>		<u>\$ 2.25</u>		<u>\$ 2.06</u>	
Diluted	<u>\$ 1.01</u>		<u>\$ 0.96</u>		<u>\$ 2.23</u>		<u>\$ 2.05</u>	

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

(With Deloitte & Touche auditors' review report dated August 12, 2022)

(Concluded)

EDOM TECHNOLOGY CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (In Thousands of New Taiwan Dollars) (Reviewed, Not Audited)

	Equity Attributable to Owners of the Company						Other Equity (Note 22)		Total	Non-controlling Interests (Note 22)	Total Equity
	Share Capital (Note 22)		Capital Surplus (Note 22)	Retained Earnings (Note 22)			Exchange Differences on Translation of the Financial 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 AT JANUARY 1, 2021	222,573	\$ 2,225,726	\$ 127,400	\$ 611,905	\$ 49,878	\$ 957,367	\$ (332,184)	\$ 71,183	\$ 3,711,275	\$ 9,398	\$ 3,720,673
Net profit for the six months ended June 30, 2021	-	-	-	-	-	504,358	-	-	504,358	1,374	505,732
Other comprehensive income (loss) for the six months ended June 30, 2021, net of income tax	-	-	-	-	-	-	(104,972)	(9,221)	(114,193)	5	(114,188)
Total comprehensive loss for the six months ended June 30, 2021	-	-	-	-	-	504,358	(104,972)	(9,221)	390,165	1,379	391,544
Actual acquisitions of interests in subsidiaries (Note 26)	-	-	(2,766)	-	-	-	-	-	(2,766)	(7,384)	(10,150)
BALANCE AT JUNE 30, 2021	222,573	\$ 2,225,726	\$ 124,634	\$ 611,905	\$ 49,878	\$ 1,461,725	\$ (437,156)	\$ 61,962	\$ 4,098,674	\$ 3,393	\$ 4,102,067
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	-	-	-	-	-	584,332	-	-	584,332	319	584,651
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	-	-	-	-	-	584,332	314,713	2,712	901,757	319	902,076
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	\$ 600,097	\$ (154,175)	\$ 80,019	\$ 5,149,540	\$ -	\$ 5,149,540

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

(With Deloitte & Touche auditors' review report dated August 12, 2022)

EDOM TECHNOLOGY CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	For the Six Months Ended	
	June 30	
	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 740,891	\$ 627,755
Adjustments for:		
Depreciation expenses	49,069	39,566
Amortization expenses	4,710	4,132
Expected credit (reversed) loss on trade receivables	(7,289)	132
Net gain on fair value changes of financial assets at fair value through profit or loss	(46,086)	(37,795)
Finance costs	246,986	133,562
Interest income	(1,900)	(1,402)
Dividends income	(1,106)	-
Share of loss of associates	4,966	1,750
(Gain) loss on disposal of property, plant and equipment	(1,000)	82
Write-down of inventories and loss on disposal of scrap inventories	41,689	50,995
Net (gain) loss on foreign currency exchange	(39,780)	4,987
Other items	(403)	(397)
Changes in operating assets and liabilities		
Increase in notes receivable	(6,123)	(50,800)
Decrease in trade receivables	1,772,725	3,341,575
(Increase) decrease in other receivables	(731,009)	215,333
Increase in inventories	(2,580,473)	(1,340,576)
Increase in other current assets	(128,879)	(341,329)
Increase (decrease) in contract liabilities	25,017	(5,675)
Increase (decrease) in notes and trade payables	2,112,588	(3,326,264)
(Decrease) increase in other payables	(22,476)	45,836
Increase in other current liabilities	24,132	17,805
Cash generated from (used in) operations	1,456,249	(620,728)
Interest paid	(223,827)	(139,471)
Income tax paid	(183,538)	(156,401)
Net cash generated from (used in) operating activities	<u>1,048,884</u>	<u>(916,600)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	-	(30,306)
Purchase of financial assets at amortized cost	-	(87,628)
Proceeds from sale of financial assets at amortized cost	55,535	-
Purchase of financial assets at fair value through profit or loss	(51,880)	(75,139)
Proceeds from sale of financial assets at fair value through profit or loss	10,501	3,647
Increase in prepayments for interests in subsidiaries	-	(4,350)
Net cash outflow on acquisition of subsidiaries	(786,340)	-

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EDOM TECHNOLOGY CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	For the Six Months Ended June 30	
	2022	2021
Payments for property, plant and equipment	\$ (13,522)	\$ (15,676)
Proceeds from disposal of property, plant and equipment	3,733	1,350
Increase in refundable deposits	(8,674)	(62,149)
Payments for intangible assets	(3,008)	(4,617)
Decrease in other non-current assets	146	4,829
Interest received	1,900	1,402
Dividend received	1,106	-
Dividend received from associates	295	-
Net cash used in investing activities	<u>(790,208)</u>	<u>(268,637)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	-	1,031,507
Repayment of short-term borrowings	(787,076)	-
Proceeds from short-term bills payable	-	159,708
Repayments of short-term bills payable	(70,086)	-
Repayments of long-term borrowings	(13,304)	(3,396)
Refund of guarantee deposits received	(1,947)	(86,111)
Acquisition of additional interests in subsidiaries	-	(10,150)
Repayment of the principal portion of lease liabilities	(27,255)	(20,571)
Issuance of ordinary shares (Note 22)	862,500	-
Net cash (used in) generated from financing activities	<u>(37,168)</u>	<u>1,070,987</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES		
	<u>(402,285)</u>	<u>(21,522)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(180,777)	(135,772)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	<u>2,115,396</u>	<u>1,589,402</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>\$ 1,934,619</u>	<u>\$ 1,453,630</u>

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

(With Deloitte & Touche auditors' review report dated August 12, 2022)

(Concluded)

EDOM TECHNOLOGY CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED JUNE 30, 2022 AND 2021 (In Thousands of New Taiwan Dollars Unless Stated Otherwise) (Reviewed, Not Audited)

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 12, 2022.

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

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

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

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

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

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

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

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

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

The amendments specify that the Group should refer 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. The amendments also clarify that:

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

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

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

The amendments define that accounting estimates are 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.

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 that the application of other standards and interpretations will have on the Group’s financial position and financial performance and will disclose the relevant impact when the assessment is completed.

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

New IFRSs	Effective Date Announced by IASB (Note)
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
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, 2023

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

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- a. Statement of compliance

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 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.

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

See Note 12, Tables 7 and 8 for detailed information on subsidiaries (including percentages of ownership and main businesses).

d. Other significant accounting policies

Except for the following, refer to the consolidated financial statements for the year ended December 31, 2021.

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) Taxation

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. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The estimates and underlying assumptions are reviewed on an ongoing basis. Refer to the consolidated financial statements for the year ended December 31, 2021.

6. CASH AND CASH EQUIVALENTS

	June 30, 2022	December 31, 2021	June 30, 2021
Cash on hand	\$ 589	\$ 430	\$ 505
Checking accounts and demand deposits	1,772,338	1,917,318	1,245,955
Cash equivalents (investments with original maturities of less than 3 months)			
Time deposits	51,695	36,500	36,500
Repurchase agreements collateralized by bonds	<u>109,997</u>	<u>161,148</u>	<u>170,670</u>
	<u>\$ 1,934,619</u>	<u>\$ 2,115,396</u>	<u>\$ 1,453,630</u>

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	June 30, 2022	December 31, 2021	June 30, 2021
<u>Financial assets at FVTPL - current</u>			
Financial assets mandatorily classified as at FVTPL			
Non-derivative financial assets			
Mutual funds	\$ 5,000	\$ -	\$ 2,937
<u>Financial assets at FVTPL - non-current</u>			
Financial assets mandatorily classified as at FVTPL			
Non-derivative financial assets			
Domestic unlisted ordinary shares	\$ 15,156	\$ 15,798	\$ 82
Foreign listed ordinary shares	121,385	-	-
Foreign unlisted ordinary shares	-	-	2,988
Foreign unlisted preference shares	31,127	117,603	101,932
Domestic emerging market private ordinary shares	11,024	12,600	8,328
Domestic limited partnership	9,118	6,000	-
Foreign private funds	323,370	271,166	294,402
Foreign convertible bonds	-	5,548	5,548
	<u>\$ 511,180</u>	<u>\$ 428,715</u>	<u>\$ 413,280</u>

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	June 30, 2022	December 31, 2021	June 30, 2021
<u>Non-current</u>			
Investments in equity instruments at FVTOCI			
Listed shares and emerging market shares			
Ordinary shares - Aewin Technologies Co., Ltd	\$ 10,429	\$ 10,856	\$ 8,329
Ordinary shares - Promaster Technology Corp. (Note 12)	-	-	24,104
	<u>\$ 10,429</u>	<u>\$ 10,856</u>	<u>\$ 32,433</u>

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

9. FINANCIAL ASSETS AT AMORTIZED COST

	June 30, 2022	December 31, 2021	June 30, 2021
<u>Current</u>			
Domestic investments			
Reverse and restricted deposits	\$ <u>271,350</u>	\$ <u>326,885</u>	\$ <u>105,380</u>

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, 2022	December 31, 2021	June 30, 2021
<u>Notes receivable</u>			
At amortized cost			
Gross carrying amount	\$ 106,264	\$ 96,439	\$ 162,896
Less: Allowance for impairment loss	<u>(344)</u>	<u>-</u>	<u>(174)</u>
	<u>\$ 105,920</u>	<u>\$ 96,439</u>	<u>\$ 162,722</u>
<u>Trade receivables</u>			
At amortized cost			
Gross carrying amount	\$ 1,103,904	\$ 1,195,373	\$ 1,514,910
Less: Allowance for impairment loss	<u>(17,569)</u>	<u>(22,811)</u>	<u>(30,246)</u>
	1,086,335	1,172,562	1,484,664
At FVTOCI	<u>3,333,194</u>	<u>4,585,657</u>	<u>2,851,384</u>
	<u>\$ 4,419,529</u>	<u>\$ 5,758,219</u>	<u>\$ 4,336,048</u>
<u>Other receivables</u>			
At amortized cost			
Tax refund receivables	\$ 70	\$ 25,671	\$ 11,773
Others	<u>18,617</u>	<u>11,041</u>	<u>529</u>
	18,687	36,712	12,302
At FVTOCI	<u>4,117,626</u>	<u>3,366,338</u>	<u>4,019,365</u>
	<u>\$ 4,136,313</u>	<u>\$ 3,403,050</u>	<u>\$ 4,031,667</u>

a. Notes receivable and trade receivables

1) At amortized cost

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

The Group measures the loss allowance for notes receivable and trade receivables at an amount equal to lifetime expected credit losses. The expected credit losses on notes receivable and trade receivables are estimated using a provision matrix prepared by reference to past default experience of the customer, the customers current financial position, general economic conditions of industry in which the customer operates, as well as 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, 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>

December 31, 2021

	Normal Credit Quality	Abnormal Credit Quality	Total
Expected credit loss rate	0-10%	100%	
Gross carrying amount	\$ 1,288,926	\$ 2,886	\$ 1,291,812
Loss allowance (lifetime ECLs)	<u>(19,925)</u>	<u>(2,886)</u>	<u>(22,811)</u>
Amortized cost	<u>\$ 1,269,001</u>	<u>\$ -</u>	<u>\$ 1,269,001</u>

June 30, 2021

	Normal Credit Quality	Abnormal Credit Quality	Total
Expected credit loss rate	0-10%	100%	
Gross carrying amount	\$ 1,667,880	\$ 9,926	\$ 1,677,806
Loss allowance (lifetime ECLs)	<u>(20,494)</u>	<u>(9,926)</u>	<u>(30,420)</u>
Amortized cost	<u>\$ 1,647,386</u>	<u>\$ -</u>	<u>\$ 1,647,386</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	
	2022	2021
Balance at January 1	\$ 22,811	\$ 29,298
Add: Net remeasurement of loss allowance	-	1,353
Less: Reverse of loss allowance	(5,576)	-
Foreign exchange gains and losses	<u>678</u>	<u>(231)</u>
Balance at June 30	<u>\$ 17,913</u>	<u>\$ 30,420</u>

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

	June 30, 2022	December 31, 2021	June 30, 2021
Up to 60 days	\$ 785,994	\$ 930,674	\$ 1,190,429
61-90 days	207,332	178,185	216,122
91-120 days	136,642	122,872	160,727
Over 120 days	<u>80,200</u>	<u>60,081</u>	<u>110,528</u>
	<u>\$ 1,210,168</u>	<u>\$ 1,291,812</u>	<u>\$ 1,677,806</u>

The above aging schedule was based on the number of past due days from 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, 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>

December 31, 2021

	Normal Credit Quality	Abnormal Credit Quality	Total
Expected credit loss rate	0-10%	100%	
Gross carrying amount	\$ 4,585,657	\$ -	\$ 4,585,657
Loss allowance (lifetime ECLs)	<u>(54,023)</u>	<u>-</u>	<u>(54,023)</u>
FVTOCI	<u>\$ 4,531,634</u>	<u>\$ -</u>	<u>\$ 4,531,634</u>

June 30, 2021

	Normal Credit Quality	Abnormal Credit Quality	Total
Expected credit loss rate	0-10%	100%	
Gross carrying amount	\$ 2,851,384	\$ -	\$ 2,851,384
Loss allowance (lifetime ECLs)	<u>(46,609)</u>	<u>-</u>	<u>(46,609)</u>
FVTOCI	<u>\$ 2,804,775</u>	<u>\$ -</u>	<u>\$ 2,804,775</u>

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

	For the Six Months Ended June 30	
	2022	2021
Balance at January 1	\$ 54,023	\$ 44,555
Add: Net remeasurement of loss allowance	-	3,055
Less: Reverse of loss allowance	(22,078)	-
Foreign exchange gains and losses	<u>2,598</u>	<u>(1,001)</u>
Balance at June 30	<u>\$ 34,543</u>	<u>\$ 46,609</u>

The aging of trade receivables was as follows:

	June 30, 2022	December 31, 2021	June 30, 2021
Up to 60 days	\$ 1,951,027	\$ 2,709,815	\$ 1,668,442
61-90 days	728,569	1,043,858	692,381
91-120 days	485,826	598,528	415,866
Over 120 days	<u>167,772</u>	<u>233,456</u>	<u>74,695</u>
	<u>\$ 3,333,194</u>	<u>\$ 4,585,657</u>	<u>\$ 2,851,384</u>

The above aging schedule was based on the number of past due days from the invoice date.

b. Other receivables

As of June 30, 2022, December 31, 2021 and June 30, 2021, 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 according to the agreement were as follows:

	For the Six Months Ended June 30	
	2022	2021
Balance at January 1	\$ 19,458	\$ 24,942
Add: Net remeasurement of loss allowance	20,365	-
Less: Reverse of loss allowance	-	(4,276)
Foreign exchange gains and losses	<u>2,254</u>	<u>(401)</u>
Balance at June 30	<u>\$ 42,077</u>	<u>\$ 20,265</u>

11. INVENTORIES

	June 30, 2022	December 31, 2021	June 30, 2021
Merchandise	<u>\$ 15,760,465</u>	<u>\$ 12,416,836</u>	<u>\$ 8,996,180</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	
	2022	2021	2022	2021
Cost of inventories sold	\$ 26,425,938	\$ 22,569,136	\$ 54,501,356	\$ 46,295,110
Inventory write-downs and loss on disposal of scrap inventories	<u>8,641</u>	<u>23,325</u>	<u>41,689</u>	<u>50,995</u>
	<u>\$ 26,434,579</u>	<u>\$ 22,592,461</u>	<u>\$ 54,543,045</u>	<u>\$ 46,346,105</u>

12. SUBSIDIARIES

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

Investor	Investee	Nature of Activities	Proportion of Ownership (%)			Remark
			December 31, June 30, 2022	2021	June 30, 2021	
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	97.00	97.00	a, b
The Company	Promaster Technology Corp.	General trade of electronic components	100.00	100.00	-	a, c
The Company	EDOM Technology Japan	General trade of electronic components	100.00	-	-	a, d
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	-	a, c
Promaster (Brunei) Technology Corp.	Yanyang Technology International Trade (Shanghai) Co., Ltd.	General trade of electronic components	100.00	100.00	-	a, c

Remarks:

- a. It is not a major subsidiary; its financial statements have not been reviewed.
- b. The Group acquired 700,000 shares and 300,000 shares of Goldenflash Electronics Co., Ltd. in April 2021 and May 2022. Subsequently, the Group's ownership in Goldenflash Electronics Co., Ltd. had increased from 90.00% to 97.00% and 97.00% to 100.00%.

- c. For the purpose of enhancing market competitiveness, completeness of product lines, customer segmentation and back-office integration, the Group acquired 5.85% and 94.15% equity of Promaster Technology Corp. by cash in March and December 2021, respectively.
- d. The Group registered EDOM Technology Japan in May 2022.

13. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	June 30, 2022	December 31, 2021	June 30, 2021
Associates that are not individually material	<u>\$ 56,173</u>	<u>\$ 61,756</u>	<u>\$ 19,345</u>

For the six months ended June 30, 2022 and 2021, investments accounted for using the equity method and the share of profit or loss and other comprehensive loss of those investments were calculated based on the financial statements that have not been reviewed. Management believes that there is no material impact on the equity method of accounting or the calculation of the share of 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, 2022	December 31, 2021	June 30, 2021
<u>Assets used by the Group</u>			
Land	\$ 374,281	\$ 374,281	\$ 330,719
Buildings	232,523	234,022	233,595
Transportation equipment	31,288	31,043	29,564
Office equipment	49,563	52,842	50,201
Leasehold improvements	<u>6,591</u>	<u>7,937</u>	<u>9,232</u>
	<u>\$ 694,246</u>	<u>\$ 700,125</u>	<u>\$ 653,311</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, 2022 and 2021. 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 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, 2022	December 31, 2021	June 30, 2021	
<u>Carrying amounts</u>				
Buildings	\$ 128,119	\$73,275	\$ 73,006	
Transportation equipment	<u>7,029</u>	<u>9,605</u>	<u>-</u>	
	<u>\$ 135,148</u>	<u>\$ 82,880</u>	<u>\$ 73,006</u>	
	<u>For the Three Months Ended June 30</u>		<u>For the Six Months Ended June 30</u>	
	2022	2021	2022	2021
Additions to right-of-use assets	<u>\$ 77,573</u>	<u>\$ 611</u>	<u>\$ 81,976</u>	<u>\$ 34,038</u>
Depreciation charge for right-of-use assets				
Buildings	\$ 13,231	\$ 10,437	\$ 25,289	\$ 21,106
Transportation equipment	<u>1,187</u>	<u>-</u>	<u>2,482</u>	<u>-</u>
	<u>\$ 14,418</u>	<u>\$ 10,437</u>	<u>\$ 27,771</u>	<u>\$ 21,106</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, 2022 and 2021.

b. Lease liabilities

	June 30, 2022	December 31, 2021	June 30, 2021
<u>Carrying amount</u>			
Current	<u>\$ 54,317</u>	<u>\$ 38,659</u>	<u>\$ 34,867</u>
Non-current	<u>\$ 83,023</u>	<u>\$ 45,941</u>	<u>\$ 39,088</u>

Range of discount rate for lease liabilities was as follows:

	June 30, 2022	December 31, 2021	June 30, 2021
Buildings	0.95%-6.00%	0.95%-4.96%	1.40%-4.96%
Transportation equipment	2.91%	2.91%	-

c. Material lease-in 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		For the Six Months Ended	
	June 30		June 30	
	2022	2021	2022	2021
Expenses relating to short-term leases	\$ <u>706</u>	\$ <u>1,821</u>	\$ <u>2,727</u>	\$ <u>3,783</u>
Expenses relating to variable lease payments not included in the measurement of lease liabilities	\$ <u>5,178</u>	\$ <u>1,809</u>	\$ <u>8,935</u>	\$ <u>4,363</u>
Total cash (outflow) for leases			\$ <u>(40,365)</u>	\$ <u>(29,965)</u>

16. INVESTMENT PROPERTIES

	June 30, 2022	December 31, 2021	June 30, 2021
Investment properties	\$ <u>28,779</u>	\$ <u>29,274</u>	\$ <u>29,769</u>

Except for depreciation recognized, the Group had no significant addition, disposal, or impairment of investment properties during the six months ended June 30, 2022 and 2021. 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, 2021 and 2020 was NT\$162,155 thousand and NT\$163,387 thousand, respectively. Management of the Company had assessed and determined that there were no significant changes in the fair value as of June 30, 2022 and 2021, as compared to that of December 31, 2021 and 2020.

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, 2022	December 31, 2021	June 30, 2021
Year 1	\$ 3,060	\$ 4,668	\$ 3,669
Year 2	3,060	3,001	-
Year 3	3,136	3,001	-
Year 4	2,435	2,379	-
Year 5	<u>614</u>	<u>1,809</u>	<u>-</u>
	\$ <u>12,305</u>	\$ <u>14,858</u>	\$ <u>3,669</u>

17. OTHER ASSETS

	June 30, 2022	December 31, 2021	June 30, 2021
<u>Current</u>			
Excess VAT paid	\$ 179,524	\$ 159,497	\$ 71,087
Prepayments	481,515	415,024	483,937
Prepayments for investments	39,759	4,350	4,350
Others	<u>58,120</u>	<u>43,595</u>	<u>62,171</u>
	<u>\$ 758,918</u>	<u>\$ 622,466</u>	<u>\$ 621,545</u>
<u>Non-current</u>			
Refundable deposits	\$ 176,373	\$ 162,728	\$ 97,735
Others	<u>11,257</u>	<u>11,403</u>	<u>12,123</u>
	<u>\$ 187,630</u>	<u>\$ 174,131</u>	<u>\$ 109,858</u>

18. BORROWINGS

a. Short-term borrowings

	June 30, 2022	December 31, 2021	June 30, 2021
<u>Secured borrowings (Note 31)</u>			
Bank loans (1)	\$ 1,378,864	\$ 1,704,329	\$ 724,925
<u>Unsecured borrowings</u>			
Line of credit borrowings (2)	<u>4,202,990</u>	<u>4,641,338</u>	<u>4,071,527</u>
	<u>\$ 5,581,854</u>	<u>\$ 6,345,667</u>	<u>\$ 4,796,452</u>

1) The effective weighted average interest rates for bank loans were 1.25%-3.76%, 0.98%-2.48% and 0.86%-1.08% per annum at June 30, 2022, December 31, 2021 and June 30, 2021, respectively.

2) The effective weighted average interest rates for credit loans were 1.04%-3.36%, 0.52%- 1.80% and 0.77%-1.80% per annum at June 30, 2022, December 31, 2021 and June 30, 2021, respectively.

b. Short-term bills payable

	June 30, 2022	December 31, 2021	June 30, 2021
Commercial paper	\$ 750,000	\$ 820,000	\$ 810,000
Less: Unamortized discount on bills payable	<u>654</u>	<u>568</u>	<u>897</u>
	<u>\$ 749,346</u>	<u>\$ 819,432</u>	<u>\$ 809,103</u>

Interest rates of the outstanding short-term bills payable were 0.58%-1.39%, 0.31%-1.12% and 0.22%-1.15% per annum as of June 30, 2022, December 31, 2021 and June 30, 2021 respectively.

c. Long-term borrowings

	June 30, 2022	December 31, 2021	June 30, 2021
<u>Secured borrowings</u> (Note 31)			
Loans from bank (1)	\$ 106,630	\$ 119,934	\$ 81,885
<u>Unsecured borrowings</u>			
Line of credit borrowings from bank (2) (3)	<u>800,000</u>	<u>800,000</u>	<u>800,000</u>
	906,630	919,934	881,885
Less: Current portion	<u>346,646</u>	<u>186,664</u>	<u>6,858</u>
Long-term borrowings	<u>\$ 559,984</u>	<u>\$ 733,270</u>	<u>\$ 875,027</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, 2022, December 31, 2021 and June 30, 2021, the weighted average effective interest rates of the bank borrowings secured by the Group's freehold land and buildings (refer to Note 31) was 1.30% per annum, 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 June 30, 2022, December 31, 2021 and June 30, 2021, the interest rate was 1.7970% per annum.
- 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, 2022 and December 31, 2021, the weighted average effective interest rates was 1.50%-2.25% per annum, and the principal and interests will be repayable monthly until August 20, 2024.

19. NOTES AND TRADE PAYABLES

	June 30, 2022	December 31, 2021	June 30, 2021
<u>Notes and trade payables</u>			
Operating	<u>\$ 14,606,850</u>	<u>\$ 12,128,943</u>	<u>\$ 9,416,457</u>

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

20. OTHER LIABILITIES

	June 30, 2022	December 31, 2021	June 30, 2021
<u>Current</u>			
Other payables			
Salaries and bonuses	\$ 380,982	\$ 421,843	\$ 292,154
Accrued commissions	19,742	16,242	15,414
Accrued freights	132,553	91,710	84,942
Payables for annual leave	33,495	37,696	27,501
Payables for dividends	917,421	-	-
Payables for investment	-	786,340	-
Others	<u>286,884</u>	<u>264,744</u>	<u>200,115</u>
	<u>\$ 1,771,077</u>	<u>\$ 1,618,575</u>	<u>\$ 620,126</u>
Other liabilities			
Refund liabilities	\$ 224,459	\$ 195,756	\$ 212,775
Contract liabilities	50,160	25,144	6,063
Others	<u>18,982</u>	<u>10,528</u>	<u>6,746</u>
	<u>\$ 293,601</u>	<u>\$ 231,428</u>	<u>\$ 225,584</u>

21. RETIREMENT BENEFIT PLANS

For the three months ended and the six months ended June 30, 2022 and 2021, the pension expenses of defined benefit plans were NT\$59 thousand, NT\$90 thousand, NT\$117 thousand and NT\$165 thousand, respectively, and these were calculated based on the pension cost rate determined by the actuarial calculation on December 31, 2021 and 2020, respectively.

22. EQUITY

a. Share capital - ordinary shares

	June 30, 2022	December 31, 2021	June 30, 2021
Number of shares authorized (in thousands)	<u>400,000</u>	<u>400,000</u>	<u>350,000</u>
Amount of shares authorized	<u>\$ 4,000,000</u>	<u>\$ 4,000,000</u>	<u>\$ 3,500,000</u>
Number of shares issued and fully paid (in thousands)	<u>269,830</u>	<u>244,830</u>	<u>222,573</u>
Amount of shares issued	<u>\$ 2,698,298</u>	<u>\$ 2,448,298</u>	<u>\$ 2,225,726</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 July 15, 2021, the Company's shareholders resolved to issue shares through a capitalization of earnings of NT\$222,572 thousand. This share issuance was approved and the subscription base date was determined to be on September 13, 2021 by the board of directors; the change registration of the Company's issued shares had been completed.

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 July 15, 2021, and requested approval from the board of directors 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 8, 2022, the Company's board of directors resolved to issue 25,000 thousand ordinary shares through private placement with a par value of NT\$10 for a total amount of NT\$862,500 thousand. The subscription base date was determined to be March 14, 2022 by the board of directors; the change registration of the Company's issued shares had been completed.

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

To enrich working capital, improve financial structure and support funding requirements for long-term development, the Company's shareholders' meeting resolved to increase cash capital by issuing ordinary shares and domestic convertible bonds through private placement on March 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.

b. Capital surplus

	June 30, 2022	December 31, 2021	June 30, 2021
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (1)			
Issuance of ordinary shares	\$ 723,652	\$ 111,152	\$ 111,152
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	2,318	2,318
<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)	44	44	2
	<u>\$ 736,939</u>	<u>\$ 124,676</u>	<u>\$ 124,634</u>

1) Such capital surplus may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Company'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 (g).

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 2021 and 2020 were resolved by the shareholders in their meeting on May 26, 2022 and July 15, 2021, respectively, were as follows:

	Appropriation of Earnings		Dividends Per Share (NT\$)	
	For the Year Ended		For the Year Ended	
	December 31		December 31	
	2021	2020	2021	2020
Legal reserve	\$ 114,786	\$ 70,048		
Special reserve	130,622	211,123		
Cash dividends	917,421	422,888	\$ 3.4	\$ 1.9
Share dividends	-	222,572	-	1.0

d. Other equity items

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

	For the Six Months Ended	
	2022	2021
Balance at January 1	\$ (468,888)	\$ (332,184)
Recognized for the period		
Exchange differences on the translation of the financial statements of foreign operations	389,642	(130,061)
Share from associates accounted for using the equity method	(322)	(1,170)

(Continued)

	For the Six Months Ended June 30	
	2022	2021
Income tax related to exchange differences on the translation of the financial statements of foreign operations	\$ (74,671)	\$ 26,025
Income tax related to share from associates accounted for using the equity method	<u>64</u>	<u>234</u>
Other comprehensive income (loss) recognized for the period	<u>314,713</u>	<u>(104,972)</u>
Balance at June 30	<u>\$ (154,175)</u>	<u>\$ (437,156)</u> (Concluded)

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

	For the Six Months Ended June 30	
	2022	2021
Balance at January 1	\$ <u>77,265</u>	\$ <u>71,183</u>
Recognized for the period		
Unrealized loss - equity instruments	(427)	(6,593)
Net remeasurement of loss allowance	<u>3,139</u>	<u>(2,628)</u>
Other comprehensive income (loss) recognized for the period	<u>2,712</u>	<u>(9,221)</u>
Acquisitions of interest in subsidiaries	<u>42</u>	<u>-</u>
Balance at June 30	<u>\$ 80,019</u>	<u>\$ 61,962</u>

e. Non-controlling interests

	For the Six Months Ended June 30	
	2022	2021
Balance at January 1	\$ 3,836	\$ 9,398
Share of profit for the period	319	1,374
Non-controlling interests arising from acquisition of Goldenflash Electronics Co., Ltd. (Note 26)	(4,155)	(7,384)
Net remeasurement of loss allowance	<u>-</u>	<u>5</u>
Balance at June 30	<u>\$ -</u>	<u>\$ 3,393</u>

23. NET PROFIT

a. Other income

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2022	2021	2022	2021
Rental income	\$ 3,269	\$ 1,488	\$ 6,803	\$ 2,879
Dividend income	318	-	1,106	-
Others	<u>9,500</u>	<u>11,526</u>	<u>20,984</u>	<u>15,535</u>
	<u>\$ 13,087</u>	<u>\$ 13,014</u>	<u>\$ 28,893</u>	<u>\$ 18,414</u>

b. Other gains and losses

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2022	2021	2022	2021
Gain on disposal of financial assets Financial assets at FVTPL	\$ 18,007	\$ 4,963	\$ 46,086	\$ 37,795
Gain (loss) on disposal of property, plant and equipment	982	(161)	1,000	(82)
Others	<u>(551)</u>	<u>(3)</u>	<u>(883)</u>	<u>(2)</u>
	<u>\$ 18,438</u>	<u>\$ 4,799</u>	<u>\$ 46,203</u>	<u>\$ 37,711</u>

c. Finance costs

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2022	2021	2022	2021
Interest on bank loans	\$ 149,902	\$ 61,506	\$ 245,538	\$ 132,314
Interest on lease liabilities	<u>836</u>	<u>652</u>	<u>1,448</u>	<u>1,248</u>
	<u>\$ 150,738</u>	<u>\$ 62,158</u>	<u>\$ 246,986</u>	<u>\$ 133,562</u>

d. Impairment losses recognized (reversed)

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2022	2021	2022	2021
Notes receivable and trade receivables	\$ (1,012)	\$ 770	\$ (7,289)	\$ 132
Inventories (included in operating costs)	<u>\$ 8,631</u>	<u>\$ 23,325</u>	<u>\$ 41,631</u>	<u>\$ 50,995</u>

e. Depreciation and amortization

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2022	2021	2022	2021
Property, plant and equipment	\$ 10,584	\$ 9,379	\$ 20,803	\$ 17,965
Right-of-use assets	14,418	10,437	27,771	21,106
Investment properties	248	248	495	495
Intangible assets	<u>2,293</u>	<u>2,154</u>	<u>4,710</u>	<u>4,132</u>
	<u>\$ 27,543</u>	<u>\$ 22,218</u>	<u>\$ 53,779</u>	<u>\$ 43,698</u>
An analysis of depreciation by function				
Operating expenses	\$ 25,002	\$ 19,816	\$ 48,574	\$ 39,071
Non-operating expenses	<u>248</u>	<u>248</u>	<u>495</u>	<u>495</u>
	<u>\$ 25,250</u>	<u>\$ 20,064</u>	<u>\$ 49,069</u>	<u>\$ 39,566</u>
An analysis of amortization by function				
Operating expenses	<u>\$ 2,293</u>	<u>\$ 2,154</u>	<u>\$ 4,710</u>	<u>\$ 4,132</u>

f. Employee benefits expense

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2022	2021	2022	2021
Post-employment benefits (refer to Note 21)				
Defined contribution plans	\$ 15,670	\$ 11,482	\$ 31,135	\$ 23,923
Defined benefit plans	<u>59</u>	<u>90</u>	<u>117</u>	<u>165</u>
	15,729	11,572	31,252	24,088
Other employee benefits	<u>354,536</u>	<u>271,140</u>	<u>679,930</u>	<u>533,588</u>
Total employee benefits expense	<u>\$ 370,265</u>	<u>\$ 282,712</u>	<u>\$ 711,182</u>	<u>\$ 557,676</u>
An analysis of employee benefits expense by function				
Operating expenses	<u>\$ 370,265</u>	<u>\$ 282,712</u>	<u>\$ 711,182</u>	<u>\$ 557,676</u>

g. 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 and the six months ended June 30, 2022 and 2021 are as follows:

Accrual rate

	For the Six Months Ended June 30	
	2022	2021
Compensation of employees	5.0%	5.0%
Remuneration of directors	2.5%	2.5%

Amount

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2022	2021	2022	2021
Compensation of employees	<u>\$ 18,139</u>	<u>\$ 15,767</u>	<u>\$ 38,985</u>	<u>\$ 33,262</u>
Remuneration of directors	<u>\$ 9,069</u>	<u>\$ 8,058</u>	<u>\$ 19,492</u>	<u>\$ 16,631</u>

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 2021 and 2020 that were resolved by the Company's board of directors on March 8, 2022 and March 10, 2021, respectively, were as follows:

Amount

	For the Year Ended December 31	
	2021	2020
	Cash	Cash
Compensation of employees	\$ 75,246	\$ 48,259
Remuneration of directors	37,623	24,129

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, 2021 and 2020.

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 June 30		For the Six Months Ended June 30	
	2022	2021	2022	2021
Current tax				
In respect of the current period	\$ 49,662	\$ 59,433	\$ 130,536	\$ 119,780
Adjustments for prior year	<u>1,001</u>	<u>(889)</u>	<u>1,001</u>	<u>(889)</u>
	<u>50,663</u>	<u>58,544</u>	<u>131,537</u>	<u>118,891</u>
Deferred tax				
In respect of current period	<u>24,759</u>	<u>2,127</u>	<u>24,703</u>	<u>3,132</u>
Income tax expense recognized in profit or loss	<u>\$ 75,422</u>	<u>\$ 60,671</u>	<u>\$ 156,240</u>	<u>\$ 122,023</u>

b. Income tax recognized in other comprehensive income

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2022	2021	2022	2021
<u>Deferred tax</u>				
In respect of current period				
Exchange differences arising on translating the financial statements of foreign operations	\$ (36,846)	\$ 27,541	\$ (74,671)	\$ 26,025
Shares of other comprehensive income of subsidiaries and associates accounted for using the equity method	<u>112</u>	<u>273</u>	<u>64</u>	<u>234</u>
Total income tax recognized in other comprehensive income (loss)	<u>\$ (36,734)</u>	<u>\$ 27,814</u>	<u>\$ (74,607)</u>	<u>\$ 26,259</u>

c. Income tax assessments

The tax returns of the Company, Goldenflash Electronics Co., Ltd. and Promaster Technology Corp. through 2019 have been assessed and cleared by the tax authorities. The tax returns of Sunjet Components Corp., and iPro Technology Inc. through 2020 have been assessed and cleared by the tax authorities.

25. EARNINGS PER SHARE

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2022	2021	2022	2021
Basic earnings per share	<u>\$ 1.01</u>	<u>\$ 0.97</u>	<u>\$ 2.25</u>	<u>\$ 2.06</u>
Diluted earnings per share	<u>\$ 1.01</u>	<u>\$ 0.96</u>	<u>\$ 2.23</u>	<u>\$ 2.05</u>

The weighted average number of shares outstanding used for the earnings per share computation was adjusted retroactively for distribution of share dividends on September 13, 2021. The basic and diluted earnings per share adjusted retrospectively for the three months and six months ended June 30, 2021 were as follows:

	<u>Before Retrospective Adjustment</u>		<u>After Retrospective Adjustment</u>	
	<u>For the Three Months Ended June 30, 2021</u>	<u>For the Six Months Ended June 30, 2021</u>	<u>For the Three Months Ended June 30, 2021</u>	<u>For the Six Months Ended June 30, 2021</u>
Basic earnings per share	<u>\$ 1.06</u>	<u>\$ 2.27</u>	<u>\$ 0.97</u>	<u>\$ 2.06</u>
Diluted earnings per share	<u>\$ 1.06</u>	<u>\$ 2.25</u>	<u>\$ 0.96</u>	<u>\$ 2.05</u>

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

Net Profit for the Year

	<u>For the Three Months Ended June 30</u>		<u>For the Six Months Ended June 30</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Profit for the period attributable to owners of the Company	<u>\$ 272,815</u>	<u>\$ 236,855</u>	<u>\$ 584,332</u>	<u>\$ 504,358</u>

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

	<u>For the Three Months Ended June 30</u>		<u>For the Six Months Ended June 30</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Weighted average number of ordinary shares used in the computation of basic earnings per share	269,830	244,830	259,747	244,830
Effect of potentially dilutive ordinary shares				
Compensation of employees	<u>1,207</u>	<u>975</u>	<u>1,930</u>	<u>1,661</u>
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>271,037</u>	<u>245,805</u>	<u>261,677</u>	<u>246,491</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 are 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.

26. EQUITY TRANSACTIONS WITH NON-CONTROLLING INTERESTS

- a. 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	<u>(42)</u>
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>

- b. In April 2021, the Group acquired 7.00% interest of Goldenflash Electronics Co., Ltd. thereby increasing its interest from 90.00% to 97.00%.

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	\$ (10,150)
The proportionate share of the carrying amount of the net assets of the subsidiary transferred from non-controlling interests	7,384
Differences recognized from equity transactions	<u>\$ (2,766)</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>\$ (2,766)</u>

27. CASH FLOW INFORMATION

Changes in Liabilities Arising from Financing Activities

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 payables	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	<u>84,600</u>	<u>(27,255)</u>	<u>81,976</u>	<u>2,995</u>	<u>49</u>	<u>(5,025)</u>	<u>137,340</u>
	<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>

For the six months ended June 30, 2021

	Opening Balance	Cash Flows	Non-cash Changes				Closing Balance
			New Leases	Exchange Rate Change	Unrealized Exchange Gains and Losses	Others	
Short-term borrowings	\$ 3,753,036	\$ 1,031,507	\$ -	\$ -	\$ 11,909	\$ -	\$ 4,796,452
Short-term bills payables	649,395	159,708	-	-	-	-	809,103
Long-term borrowings	885,281	(3,396)	-	-	-	-	881,885
Guarantee deposits received	319,334	(86,111)	-	(7,462)	-	-	225,761
Lease liabilities	<u>62,226</u>	<u>(20,571)</u>	<u>34,038</u>	<u>(1,424)</u>	<u>(314)</u>	<u>-</u>	<u>73,955</u>
	<u>\$ 5,669,272</u>	<u>\$ 1,081,137</u>	<u>\$ 34,038</u>	<u>\$ (8,886)</u>	<u>\$ 11,595</u>	<u>\$ -</u>	<u>\$ 6,787,156</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 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

- 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

<u>June 30, 2022</u>	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Investments in equity				
Domestic unlisted shares	\$ -	\$ -	\$ 15,156	\$ 15,156
Overseas 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
Overseas private fund	-	-	<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				
Domestic listed shares	\$ 10,429	\$ -	\$ -	\$ 10,429
Investments in debt				
Trade receivables	-	-	3,333,194	3,333,194
Other receivables	-	-	<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>
<u>December 31, 2021</u>				
	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Investments in equity				
Domestic unlisted shares	\$ -	\$ -	\$ 15,798	\$ 15,798
Overseas unlisted shares	-	-	117,603	117,603
Domestic private emerging market shares	-	-	12,600	12,600
Other instruments				
Domestic limited partnership	-	-	6,000	6,000
Overseas private funds	-	-	271,166	271,166
Overseas convertible bonds	-	-	<u>5,548</u>	<u>5,548</u>
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 428,715</u>	<u>\$ 428,715</u>

(Continued)

	Level 1	Level 2	Level 3	Total
Financial assets at FVTOCI				
Investments in equity				
Domestic listed shares	\$ 10,856	\$ -	\$ -	\$ 10,856
Investments in debt				
Accounts receivable	-	-	4,585,657	4,585,657
Other receivables	<u>-</u>	<u>-</u>	<u>3,366,338</u>	<u>3,366,338</u>
	<u>\$ 10,856</u>	<u>\$ -</u>	<u>\$ 7,951,995</u>	<u>\$ 7,962,851</u> (Concluded)

June 30, 2021

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Investments in equity				
Domestic unlisted shares	\$ -	\$ -	\$ 82	\$ 82
Overseas unlisted shares	-	-	104,920	104,920
Domestic private emerging market shares	-	-	8,328	8,328
Other instruments				
Mutual funds	2,937	-	-	2,937
Overseas private funds	-	-	294,402	294,402
Overseas convertible bonds	<u>-</u>	<u>-</u>	<u>5,548</u>	<u>5,548</u>
	<u>\$ 2,937</u>	<u>\$ -</u>	<u>\$ 413,280</u>	<u>\$ 416,217</u>
Financial assets at FVTOCI				
Investments in equity				
Domestic listed shares	\$ 32,433	\$ -	\$ -	\$ 32,433
Investments in debt				
Accounts receivable	-	-	2,851,384	2,851,384
Other receivables	<u>-</u>	<u>-</u>	<u>4,019,365</u>	<u>4,019,365</u>
	<u>\$ 32,433</u>	<u>\$ -</u>	<u>\$ 6,870,749</u>	<u>\$ 6,903,182</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, 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 losses)	-	-	1,713	1,713
Recognized in other comprehensive income (included in unrealized gain (loss) 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 accounts receivable (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>

For the six months ended June 30, 2021

Financial Assets	Financial Assets at FVTPL		Financial Assets at FVTOCI	Total
	Equity Instruments	Other Instruments	Debt Instruments	
Balance at January 1, 2021	\$ 134,314	\$ 172,616	\$11,369,002	\$11,675,932
Recognized in profit or loss (included in other gains and losses)	(17,337)	55,007	-	37,670
Recognized in profit or loss (included in expected credit losses)	-	-	1,221	1,221
Recognized in other comprehensive income (included in unrealized gain (loss) on financial assets at FVTOCI)	-	-	(2,623)	(2,623)
Purchases	-	72,327	-	72,327
Sales/settlements	(3,647)	-	-	(3,647)
Net change in accounts receivable (included exchange differences on foreign currency)	-	-	(4,496,851)	(4,496,851)
Balance at June 30, 2021	<u>\$ 113,330</u>	<u>\$ 299,950</u>	<u>\$ 6,870,749</u>	<u>\$ 7,284,029</u>
Unrealized gain (loss) for the current year included in profit or loss relating to assets held at the end of the period	<u>\$ (17,337)</u>	<u>\$ 55,007</u>		<u>\$ 37,670</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, 2022	December 31, 2021	June 30, 2021
<u>Financial assets</u>			
FVTPL			
Mandatorily classified as at FVTPL	\$ 516,180	\$ 428,715	\$ 416,217
Financial assets at amortized cost (1)	3,416,841	3,747,994	3,218,698
Financial assets at FVTOCI			
Equity instruments	10,429	10,856	32,443
Debt instruments	7,450,820	7,951,995	6,870,749
<u>Financial liabilities</u>			
Financial liabilities at amortized cost (2)	22,283,859	21,373,012	16,204,368

- 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 payable and other payables.

d. Financial risk management objectives and policies

The Group's major financial instruments include equity and debt investments, trade receivables, trade payables, borrowings, lease liabilities and short-term bills payable. The Group's corporate treasury function provides services to the business, coordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Group through internal risk reports that analyze exposures by degree and magnitude of risks. These risks include market risk (including foreign currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

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

1) Market risk

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

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

a) Foreign currency risk

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities (including those eliminated on consolidation) at the end of the year are set out in Note 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 pretax profit and other equity associated with the 5% strengthening of the New Taiwan dollar against the relevant currency. For a 5% weakening of New Taiwan dollar against the relevant currency, there would be an equal and opposite impact on pre-tax profit and other equity and the balances below would be negative.

	USD Impact	
	For the Six Months Ended	
	June 30	
	2022	2021
Profit or loss	\$ 44,271	\$ 12,844

* The above sensitivity analysis mainly referred to the outstanding USD receivables, payables and borrowings which 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 decrease of loan 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, 2022	December 31, 2021	June 30, 2021
Fair value interest rate risk			
Financial assets	\$ 203,106	\$ 197,648	\$ 207,170
Financial liabilities	137,340	84,600	73,955
Cash flow interest rate risk			
Financial assets	1,937,786	2,221,938	1,328,438
Financial liabilities*	28,697,334	33,520,320	22,199,234

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

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

Sensitivity analysis

The sensitivity analysis below was determined based on the Group's exposure to interest rates for non-derivative instruments at the end of the 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 for the six months ended June 30, 2022 and 2021 would have decreased/increased by NT\$133,798 thousand and NT\$104,354 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 transacts only with entities which rating equals to investment grade, or above. This information is supplied by independent credit rating agencies. If the information is not available, 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 periodically.

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, 2022, December 31, 2021 and June 30, 2021, the exposure amounts were NT\$1,293,337 thousand, NT\$2,284,860 thousand and NT\$0 thousand, respectively. During for the six months ended June 30, 2022, the concentration of credit risk did not exceed 10.95% of the total monetary assets of the period.

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, 2022, December 31, 2021 and June 30, 2021, 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 had been drawn up on the basis of the undiscounted cash flows of financial liabilities from the earliest date on which the Group can be required to pay. The tables included both interest and principal cash flows. Specifically, bank loans with a repayment on demand clause were included in the earliest time bonds regardless of the probability of the banks choosing to exercise their rights immediately. The maturity dates for other 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, 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	\$ 13,333,089	\$ 2,664,336	\$ 380,502	\$ -	\$ -
Lease liabilities	4,950	9,513	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>

December 31, 2021

	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	\$ 11,445,862 4,625	\$ 1,845,211 9,299	\$ 383,618 25,720	\$ 72,827 47,431	\$ - -
Floating interest rate liabilities	<u>1,908,938</u>	<u>4,039,044</u>	<u>1,301,243</u>	<u>879,841</u>	<u>52,547</u>
	<u>\$ 13,359,425</u>	<u>\$ 5,893,554</u>	<u>\$ 1,710,581</u>	<u>\$ 1,000,099</u>	<u>\$ 52,547</u>

June 30, 2021

	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	\$ 9,057,755 3,369	\$ 563,230 6,850	\$ 365,744 25,051	\$ 49,854 41,056	\$ - -
Floating interest rate liabilities	<u>367,474</u>	<u>3,221,182</u>	<u>2,050,833</u>	<u>850,696</u>	<u>48,606</u>
	<u>\$ 9,428,598</u>	<u>\$ 3,791,262</u>	<u>\$ 2,441,628</u>	<u>\$ 941,606</u>	<u>\$ 48,606</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, 2022, December 31, 2021 and June 30, 2021, the aggregate undiscounted principal amounts of these bank loans were NT\$3,207,967 thousand, NT\$1,700,572 thousand and NT\$366,111 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\$7,274,313 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, 2022	December 31, 2021	June 30, 2021
Unsecured bank overdraft facilities, reviewed annually and payable on demand:			
Amount used	\$ 26,412,494	\$ 30,896,625	\$ 20,553,321
Amount unused	<u>26,948,998</u>	<u>17,614,692</u>	<u>19,817,956</u>
	<u>\$ 53,361,492</u>	<u>\$ 48,511,317</u>	<u>\$ 40,371,277</u>

(Continued)

	June 30, 2022	December 31, 2021	June 30, 2021
Secured bank overdraft facilities:			
Amount used	\$ 1,378,864	\$ 1,704,329	\$ 764,925
Amount unused	<u>3,220,511</u>	<u>2,439,112</u>	<u>3,046,363</u>
	<u>\$ 4,599,375</u>	<u>\$ 4,143,441</u>	<u>\$ 3,811,288</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	\$ 106,630	\$ 119,934	\$ 81,885
Amount unused	<u>28,413</u>	<u>18,533</u>	<u>-</u>
	<u>\$ 135,043</u>	<u>\$ 138,467</u>	<u>\$ 81,885</u>

(Concluded)

e. Transfers of financial assets

Factored trade receivables were as follows:

Counterparties	Receivables Factoring Proceeds	Amount Reclassified to Other Receivables	Advances Received - Unused	Advances Received - Used	Annual Interest Rates on Advances Received (Used) (%)	Credit Lines
<u>June 30, 2022</u>						
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	<u>79,011</u>	<u>16,502</u>	<u>64,077</u>	<u>7,033</u>	2.20	<u>82,497</u>
	<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>

(Continued)

Counterparties	Receivables Factoring Proceeds	Amount Reclassified to Other Receivables	Advances Received - Unused	Advances Received - Used	Annual Interest Rates on Advances Received (Used) (%)	Credit Lines
<u>December 31, 2021</u>						
Mega International Commercial Bank	\$ 7,560,212	\$ 1,138,175	\$ 760,165	\$ 6,422,037	0.89-1.06	\$ 7,612,000
Taishin International Bank	329,356	46,002	13,066	283,355	1.05-1.58	1,580,000
Chang Hwa Bank	1,025,995	125,084	125,202	900,793	0.92-0.96	2,768,000
Taipei Fubon Bank	228,515	103,404	105,972	122,543	0.88-0.96	692,000
CitiBank	409,267	47,888	47,888	361,379	1.27	2,768,000
DBS Bank	10,572,384	257,821	275,061	10,297,323	0.85	12,234,560
KGI Bank	2,053,815	245,146	46,535	1,808,585	1.09-1.11	2,768,000
Bank SinoPac	2,713,841	766,479	506,018	1,947,371	0.87-1.05	2,795,680
Mizuho Bank	597,977	84,895	84,895	513,082	1.20	733,520
HSBC Bank	2,914,600	536,559	257,965	2,365,174	0.99-1.21	2,975,600
DBS Bank (Hong Kong)	341,805	6,212	6,212	335,593	1.06-1.25	553,600
Cathay United Bank	43,510	4,351	-	39,159	0.85	85,808
Far Eastern International Bank	43,215	4,322	-	38,893	1.45	76,652
	<u>\$ 28,834,492</u>	<u>\$ 3,366,338</u>	<u>\$ 2,228,979</u>	<u>\$ 25,435,287</u>		<u>\$ 37,643,420</u>
<u>June 30, 2021</u>						
Mega International Commercial Bank	\$ 7,659,647	\$ 2,246,171	\$ 1,863,188	\$ 5,413,477	0.90-0.93	\$ 7,661,500
Taishin International Bank	5,653	5,653	5,088	-	-	1,100,000
Chang Hwa Bank	2,786,000	200,957	200,957	2,585,043	0.91-0.99	2,786,000
Taipei Fubon Bank	264,757	70,631	71,962	192,795	0.93-1.01	696,500
CitiBank	920,022	299,288	299,288	620,734	1.18-1.30	2,786,000
DBS Bank	6,163,219	655,984	663,831	5,499,388	0.80	10,726,100
KGI Bank	1,128,979	319,591	236,136	786,382	1.07-1.10	2,786,000
Bank SinoPac	293,340	111,655	82,916	181,090	0.94-1.02	1,866,620
Mizuho Bank	370,261	43,184	50,732	319,529	1.26	640,780
HSBC Bank	179,607	66,251	48,290	113,356	1.01-1.05	707,644
	<u>\$ 19,771,485</u>	<u>\$ 4,019,365</u>	<u>\$ 3,522,388</u>	<u>\$ 15,711,794</u>		<u>\$ 31,757,144</u>

(Concluded)

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

The Group signed accounts receivable factoring contracts with several banks. That is, the Group sold accounts receivable on non-letter of credit transactions to banks without recourse. In these transactions, the credit risk on accounts receivable was transferred to the banks, and the Group paid the banks a specific percentage of accounts receivable as a handling charge. The Group asked for the advances of 90% to 100% of the accounts receivable by paying interest. Because the accounts receivable 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\$735 thousand on June 30, 2022, December 31, 2021 and June 30, 2021. 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	For the Three Months Ended June 30		For the Six Months Ended June 30	
		2022	2021	2022	2021
Sales	Associates	\$ 686	\$ -	\$ 686	\$ -

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	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2022	2021	2022	2021
Associates	\$ 67	\$ -	\$ 67	\$ -

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, 2022	December 31, 2021	June 30, 2021
		Other receivables	Associates	\$ 33

The outstanding other receivables from related parties are unsecured. No impairment losses were recognized from accounts receivable from related parties as of June 30, 2022, December 31, 2021 and June 30, 2021.

e. Payables to related parties

Line Item	Related Party Category/Name	June 30, 2022	December 31, 2021	June 30, 2021
		Other payables	Associates	\$ 81

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

f. Prepayments

Related Party Category/Name	June 30, 2022	December 31, 2021	June 30, 2021
	Associates	\$ 164	\$ -

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.

g. Others

Line Item	Related Party Category/Name	For the Three Months Ended June 30		For the Six Months Ended June 30	
		2022	2021	2022	2021
Rent revenues	Associates	\$ 57	\$ -	\$ 100	\$ -
Other income	Associates	\$ -	\$ -	\$ 127	\$ -
Operating expenses	Associates	\$ 874	\$ -	\$ 1,657	\$ -

The Group leases out office and plant to its associate under operating leases for one year, all the terms and conditions of above rental contracts conformed to normal business practice.

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

h. Compensation of key management personnel

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2022	2021	2022	2021
Short-term employee benefits	\$ 22,974	\$ 30,710	\$ 45,770	\$ 61,424
Post-employment benefits	386	409	772	817
	<u>\$ 23,360</u>	<u>\$ 31,119</u>	<u>\$ 46,542</u>	<u>\$ 62,241</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 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, 2022	December 31, 2021	June 30, 2021
Properties, plant and equipment, net	\$ 417,990	\$ 419,696	\$ 401,687
Financial assets at amortized cost	<u>271,350</u>	<u>326,885</u>	<u>99,814</u>
	<u>\$ 689,340</u>	<u>\$ 746,581</u>	<u>\$ 501,501</u>

32. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

The significant commitments of the Group as of June 30, 2022, December 31, 2021 and June 30, 2021 were as follows:

- Unused letters of credit amounting to approximately NT\$844,678 thousand, NT\$617,499 thousand and NT\$640,357 thousand, respectively.
- Checks that had been issued as guarantees for the Company's loans and purchases amounted to NT\$70,282,146 thousand, NT\$55,149,512 thousand and NT\$45,720,506 thousand, respectively.

- c. The ceiling amounts of guarantees were NT\$297,200 thousand, NT\$276,800 thousand and NT\$417,900 thousand, respectively. Guarantees amounting to NT\$0 thousand, NT\$0 thousand and NT\$40,000 thousand, respectively, were 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.
- d. The ceiling amounts of guarantees were NT\$59,440 thousand, NT\$55,360 thousand and NT\$55,720 thousand, respectively. Guarantees amounting to 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.
- e. The ceiling amounts of guarantees were NT\$1,188,800 thousand, NT\$553,600 thousand and NT\$417,900 thousand, respectively. Guarantees amounting to NT\$301,702 thousand, NT\$182,552 thousand and NT\$13,930 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.
- f. The ceiling amounts of guarantees were NT\$1,486,000 thousand, NT\$0 thousand and NT\$0 thousand, respectively. Guarantees amounting to NT\$561,487 thousand, NT\$0 thousand and NT\$0 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.
- g. The ceiling amounts of guarantees were NT\$59,440 thousand, NT\$55,360 thousand and NT\$55,720 thousand, respectively. Guarantees amounting to NT\$0 thousand was provided for the loans obtained by Sunject Components Corp. (Hong Kong). Sunjet Components Corp. did not recognize any loss and offer any cash or other assets for the guarantees.
- h. The ceiling amounts of guarantees was NT\$445,800 thousand, NT\$235,886 thousand and NT\$0 thousand. Guarantees amounting to NT\$16,542 thousand, NT\$106,978 thousand and NT\$0 thousand, 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.

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, 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
<u>Financial liabilities</u>			
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

December 31, 2021

	Foreign Currency (In Thousands)	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 144,646	27.6800 (USD:NTD)	\$ 4,003,802
USD	4,822	6.3757 (USD:RMB)	133,476
USD	3,614	1.3529 (USD:SGD)	100,033
Nonmonetary items			
Investments accounted for using the equity method			
KRW	762,733	0.0235 (KRW:NTD)	17,924
<u>Financial liabilities</u>			
Monetary items			
USD	157,731	27.6800 (USD:NTD)	4,365,995
USD	7,327	6.3757 (USD:RMB)	202,803
USD	1,144	1.3529 (USD:SGD)	31,655

June 30, 2021

	Foreign Currency (In Thousands)	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 113,001	27.8600 (USD:NTD)	\$ 3,148,195
USD	4,143	6.4601 (USD:RMB)	115,424
Nonmonetary items			
Investments accounted for using the equity method			
KRW	776,908	0.0249 (KRW:NTD)	19,345
<u>Financial liabilities</u>			
Monetary items			
USD	99,931	27.8600 (USD:NTD)	2,784,078
USD	7,992	6.4601 (USD:RMB)	222,657

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				
2022			2021	
Foreign Currencies	Exchange Rate	Net Foreign Exchange Gains (Losses)	Exchange Rate	Net Foreign Exchange Gains (Losses)
NTD	1 (NTD:NTD)	\$ 36,828	1 (NTD:NTD)	\$ (23,842)
USD	29.4553 (USD:NTD)	771	27.9768 (USD:NTD)	(740)
RMB	4.4463 (RMB:NTD)	(10,541)	4.3535 (RMB:NTD)	3,406
SGD	21.3867 (SGD:NTD)	(4,210)	21.0000 (SGD:NTD)	(87)
		<u>\$ 22,848</u>		<u>\$ (21,263)</u>

For the Six Months Ended June 30				
2022			2021	
Foreign Currencies	Exchange Rate	Net Foreign Exchange Gains (Losses)	Exchange Rate	Net Foreign Exchange Gains (Losses)
NTD	1 (NTD:NTD)	\$ 69,332	1 (NTD:NTD)	\$ (25,049)
USD	28.7247 (USD:NTD)	1,988	28.1715 (USD:NTD)	760
RMB	4.4263 (RMB:NTD)	(8,656)	4.3535 (RMB:NTD)	1,584
SGD	21.0517 (SGD:NTD)	(5,107)	21.1480 (SGD:NTD)	(87)
		<u>\$ 57,557</u>		<u>\$ (22,792)</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: Table 4
 - 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, 2022 and 2021 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, 2022
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Lender	Borrower	Financial Statement Account	Related Parties	Highest Balance for the Period (Note 3)	Ending Balance (Note 3)	Actual Borrowing Amount (Note 3)	Interest Rate	Nature of Financing	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Note 1)	Aggregate Financing Limits (Note 2)	Note
													Item	Value			
0	EDOM Technology Co., Ltd.	Sunjet Components Corp.	Other receivables	Yes	\$ 59,440 (US\$ 2,000 thousand)	\$ 59,440 (US\$ 2,000 thousand)	\$ -	-	For business operation	\$ -	For business operation	\$ -	-	-	\$ 514,954	\$ 1,029,908	-
		iPro Technology, Inc.	Other receivables	Yes	59,440 (US\$ 2,000 thousand)	59,440 (US\$ 2,000 thousand)	-	-	For business operation	-	For business operation	-	-	-	514,954	1,029,908	-
		Goldenflash Electronics Co., Ltd.	Other receivables	Yes	297,200 (US\$ 10,000 thousand)	297,200 (US\$ 10,000 thousand)	104,020 (US\$ 3,500 thousand)	1.86%	For business operation	-	For business operation	-	-	-	514,954	1,029,908	-
		Promaster Technology Corp.	Other receivables	Yes	297,200 (US\$ 10,000 thousand)	297,200 (US\$ 10,000 thousand)	-	-	For business operation	-	For business operation	-	-	-	514,954	1,029,908	-
1	Promaster Technology Corp.	Promaster (Brunei) Technology Corp.	Other receivables	Yes	150,000	100,000	58,075	3.00%	For business operation	-	For business operation	-	-	-	218,646	218,646	-

- Notes: 1. The maximum amount of financing to an individual borrower is 10% of the Company's net asset value. Promaster Technology Corp. on the maximum amount of financing to an individual borrower is 40% of Promaster Technology Corp.'s net asset value.
2. The maximum financing amount is 20% of the Company's net asset value. Promaster Technology Corp. loans of funds between overseas companies in which the public company holds, directly or indirectly, 100% of the voting shares, the maximum financing amount is 40% of Promaster Technology 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, 2022
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Endorser/Guarantor	Endorsee/Guarantee		Limits on Endorsement/ Guarantee Given on Behalf of Each Party (Note 1)	Maximum Amount Endorsed/ Guaranteed During the Period (Note 3)	Outstanding Endorsement/ Guarantee at the End of the Period (Note 3)	Actual Borrowing Amount	Amount Endorsed/ Guaranteed by Collaterals	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit (Note 2)	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China
		Name	Relationship										
0	EDOM Technology Co., Ltd.	Sunjet Components Corp.	Subsidiary	\$ 5,149,540	\$ 297,200 (US\$ 10,000 thousand)	\$ 297,200 (US\$ 10,000 thousand)	\$ -	\$ -	5.77	\$ 10,299,080	Y	N	N
		iPro Technology, Inc.	Subsidiary	5,149,540	59,440 (US\$ 2,000 thousand)	59,440 (US\$ 2,000 thousand)	-	-	1.15	10,299,080	Y	N	N
		Goldenflash Electronics Co., Ltd.	Subsidiary	5,149,540	1,188,800 (US\$ 40,000 thousand)	1,188,800 (US\$ 40,000 thousand)	301,702 (US\$ 10,151 thousand)	-	23.09	10,299,080	Y	N	N
		Promaster Technology Corp.	Subsidiary	5,149,540	1,486,000 (US\$ 50,000 thousand)	1,486,000 (US\$ 50,000 thousand)	561,487 (US\$ 18,893 thousand)	-	28.86	10,299,080	Y	N	N
1	Sunjet Components Corp.	Sunjet (HK) Components Ltd.	Subsidiary	136,272	59,440 (US\$ 2,000 thousand)	59,440 (US\$ 2,000 thousand)	-	-	17.45	272,545	N	N	N
2	Promaster Technology Corp.	Promaster (Brunei) Technology Corp.	Subsidiary	437,291	445,800 (US\$ 15,000 thousand)	445,800 (US\$ 15,000 thousand)	16,542 (US\$ 557 thousand)	-	81.56	546,614	N	N	N

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

EDOM TECHNOLOGY CO., LTD. AND SUBSIDIARIES

MARKETABLE SECURITIES HELD

JUNE 30, 2022

(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, 2022				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	\$ 10,429	0.60	\$ 10,429	Note 1
	Largan Health AI-Tech Co., Ltd.	-	Financial assets at fair value through profit or loss - noncurrent	120,000	156	4.00	156	Note 2
	Upbeat Technology Co., Ltd.	-	Financial assets at fair value through profit or loss - noncurrent	1,250,000	15,000	2.93	15,000	Note 2
	Credo Technology Group	-	Financial assets at fair value through profit or loss - noncurrent	466,243	121,385	0.43	121,385	Note 5
	<u>Private ordinary shares</u> AcSip Technology Co., Ltd.	-	Financial assets at fair value through profit or loss - noncurrent	1,000,000	11,024	2.72	11,024	Note 3
	<u>Preference shares</u> xMEMS Labs, Inc	-	Financial assets at fair value through profit or loss - noncurrent	501,505	14,010	0.50	14,010	Note 2
	GOMORE INC.	-	Financial assets at fair value through profit or loss - noncurrent	14,285,714	14,308	2.03	14,308	Note 2
	<u>Private funds</u> BRV Lotus Growth Fund	-	Financial assets at fair value through profit or loss - noncurrent	-	188,907	1.32	188,907	Note 2
	PHI Fund, L.P.	-	Financial assets at fair value through profit or loss - noncurrent	-	134,463	4.64	134,463	Note 2
	<u>Limited partnership</u> Mesh Cooperative Ventures Fund LP	-	Financial assets at fair value through profit or loss - noncurrent	-	9,118	-	9,118	Note 2
Sunjet Components Corp.	<u>Mutual funds</u> TCB Global Core Infrastructure, Inc.	-	Financial assets at fair value through profit or loss - current	500,000	5,000	-	5,000	Note 4
ACCU Technologies Ltd.	<u>Preference shares</u> Largan Health Technology, Inc.	-	Financial assets at fair value through profit or loss - noncurrent	205,410	2,809	1.67	2,809	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: The amounts are based on the net asset value at the end of period.

Note 5: The amounts are based on the closing price at the end of period and taking into account the liquidity during the lock-up period.

Note 6: 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, 2022

(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	
EDOM Technology Co., Ltd.	iPro Technology, Inc.	Investee of indirect subsidiary of the Company	Sale	\$ (115,780)	(0.22)	Depending on capital situation	Conducted as per the agreed terms	Depending on capital situation	\$ 23,238	0.62	-
	EDOM Electronic Technology (Shanghai) Co., Ltd.	Investee of indirect subsidiary of the Company	Sale	(107,522)	(0.20)	Depending on capital situation	Conducted as per the agreed terms	Depending on capital situation	92,213	2.44	-
iPro Technology, Inc.	EDOM Technology Co., Ltd.	Ultimate parent company	Purchase	115,780	80.30	Depending on capital situation	Conducted as per the agreed terms	Depending on capital situation	(23,238)	(57.59)	-
EDOM Electronic Technology (Shanghai) Co., Ltd	EDOM Technology Co., Ltd.	Ultimate parent company	Purchase	107,522	75.00	Depending on capital situation	Conducted as per the agreed terms	Depending on capital situation	(92,213)	(92.96)	-
Promaster Technology Corp.	Yanyang Technology International Trade (Shanghai) Co., Ltd.	Investee of indirect subsidiary of the Company	Sale	(158,087)	(7.90)	Depending on capital situation	Conducted as per the agreed terms	Depending on capital situation	152,183	22.31	-
	Promaster (Brunei) Technology Corp.	Investee of indirect subsidiary of the Company	Purchase	361,150	17.58	Depending on capital situation	Conducted as per the agreed terms	Depending on capital situation	(296,593)	(55.21)	-
Yanyang Technology International Trade (Shanghai) Co., Ltd.	Promaster Technology Corp.	Parent company	Purchase	158,087	17.58	Depending on capital situation	Conducted as per the agreed terms	Depending on capital situation	(152,183)	(95.18)	-
Promaster (Brunei) Technology Corp.	Promaster Technology Corp.	Parent company	Sale	(361,150)	(57.27)	Depending on capital situation	Conducted as per the agreed terms	Depending on capital situation	296,593	67.11	-

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, 2022

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

Company Name	Related Party	Relationship	Ending Balance (Note 1)	Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Actions Taken		
EDOM Technology Co., Ltd.	Goldenflash Electronics Co., Ltd.	Investee of indirect subsidiary of the Company	\$ 104,817	- (Note)	\$ -	-	\$ -	\$ -
Promaster Technology Corp.	Yanyang Technology International Trade (Shanghai) Co., Ltd	Investee of indirect subsidiary of the Company	152,183	2.8	-	-	148,691	-
Promaster (Brunei) Technology Corp.	Promaster Technology Corp.	Parent company	296,593	2.4	-	-	260,462	-

Note: Interest receivables and financing provided.

EDOM TECHNOLOGY CO., LTD. AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT TRANSACTIONS
FOR THE SIX MONTHS ENDED JUNE 30, 2022
(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	\$ 67,045	Transaction terms are not significantly different from those of third parties	-
		EDOM Trading (Shenzhen) Ltd.	a	Trade receivables from related parties	65,241	Transaction terms are determined by financial condition	-
		EDOM Trading (Shenzhen) Ltd.	a	Other payables	17,386	Transaction terms are determined by financial condition	-
		EDOM Trading (Shenzhen) Ltd.	a	Operating expense - service charge	118,032	Transaction terms are in accordance with mutual agreements	-
		EDOM Electronic Technology (Shanghai) Co., Ltd.	a	Sale	107,522	Transaction terms are not significantly different from those of third parties	-
		EDOM Electronic Technology (Shanghai) Co., Ltd.	a	Trade receivables from related parties	92,213	Transaction terms are determined by financial condition	-
		EDOM Electronic Technology (Shanghai) Co., Ltd.	a	Other payables	11,680	Transaction terms are determined by financial condition	-
		EDOM Electronic Technology (Shanghai) Co., Ltd.	a	Operating expense - service charge	80,530	Transaction terms are in accordance with mutual agreements	-
		Sunjet Components Corp.	a	Sale	6,334	Transaction terms are not significantly different from those of third parties	-
		Sunjet Components Corp.	a	Purchase	6,696	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	Trade receivables from related parties	318	Transaction terms are determined by financial condition	-
		Sunjet Components Corp.	a	Other receivables	321	Transaction terms are determined by financial condition	-
		Sunjet Components Corp.	a	Trade payables from related parties	442	Transaction terms are determined by financial condition	-
		Sunjet Components Corp.	a	Prepayment	35	Transaction terms are determined by financial condition	-
		iPro Technology, Inc.	a	Sale	115,780	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	Other income	3,602	Transaction terms are not significantly different from those of third parties	-
		iPro Technology, Inc.	a	Purchase	274	Transaction terms are not significantly different from those of third parties	-
		iPro Technology, Inc.	a	Service cost	5,035	Transaction terms are not significantly different from those of third parties	-
		iPro Technology, Inc.	a	Trade receivables from related parties	23,295	Transaction terms are determined by financial condition	-
		iPro Technology, Inc.	a	Trade payables from related parties	21	Transaction terms are determined by financial condition	-
		iPro Technology, Inc.	a	Prepayment	34	Transaction terms are determined by financial condition	-
		iPro Technology, Inc.	a	Other receivables	747	Transaction terms are determined by financial condition	-
		iPro Technology, Inc.	a	Other payables	996	Transaction terms are determined by financial condition	-
		Sunjet Components Corp. (Dongguan)	a	Trade receivables from related parties	30	Transaction terms are determined by financial condition	-
		Goldenflash Electronics Co., Ltd.	a	Other receivables	104,817	Transaction terms are determined by financial condition	-
		Goldenflash Electronics Co., Ltd.	a	Purchase	854	Transaction terms are not significantly different from those of third parties	-
		Goldenflash Electronics Co., Ltd.	a	Prepayment	42	Transaction terms are determined by financial condition	-
		Goldenflash Electronics Co., Ltd.	a	Trade payables from related parties	31	Transaction terms are determined by financial condition	-
		Goldenflash Electronics Co., Ltd.	a	Other income	6,414	Transaction terms are not significantly different from those of third parties	-
		Promaster Technology Corp.	a	Sale	10	Transaction terms are not significantly different from those of third parties	-

(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	
		Promaster Technology Corp. Promaster Technology Corp.	a a	Other receivables Purchase	\$ 2,207 147	Transaction terms are determined by financial condition Transaction terms are not significantly different from those of third parties	- -
1	EDOM Electronic Technology (Shanghai) Co., Ltd.	EDOM Trading (Shenzhen) Ltd. EDOM Trading (Shenzhen) Ltd. EDOM Trading (Shenzhen) Ltd. EDOM Trading (Shenzhen) Ltd.	b b b b	Sale Purchase Trade receivables from related parties Trade payables from related parties	76 3,595 45 708	Transaction terms are not significantly different from those of third parties Transaction terms are not significantly different from those of third parties Transaction terms are determined by financial condition Transaction terms are determined by financial condition	- - - -
2	Sunjet Components Corp.	Sunjet (HK) Components Ltd. Sunjet (HK) Components Ltd. Sunjet Components Corp. (Dongguan) Sunjet Components Corp. (Dongguan)	b b b b	Sale Trade receivables from related parties Sale Trade receivables from related parties	39,949 34,099 615 32,912	Transaction terms are not significantly different from those of third parties Transaction terms are determined by financial condition Transaction terms are not significantly different from those of third parties Transaction terms are determined by financial condition	- - - -
3	Goldenflash Electronics Co., Ltd.	Sunjet Components Corp. Sunjet Components Corp.	b b	Sale Operating expense - service charge	2,297 10	Transaction terms are not significantly different from those of third parties Transaction terms are not significantly different from those of third parties	- -
4	Promaster Technology Corp.	Promaster (Brunei) Technology Corp. Promaster (Brunei) Technology Corp. Promaster (Brunei) Technology Corp. Promaster (Brunei) Technology Corp. Promaster (Brunei) Technology Corp. Promaster (Brunei) Technology Corp. Promaster (Brunei) Technology Corp. Promaster (Brunei) Technology Corp. Yanyang Technology International Trade (Shanghai) Co., Ltd Yanyang Technology International Trade (Shanghai) Co., Ltd	b b b b b b b b b b	Trade payables from related parties Trade receivables from related parties Other receivables Sale Interest income Other income Purchase Trade receivables from related parties Sale	296,593 60,554 59,260 9,182 7 2,026 361,150 152,183 158,087	Transaction terms are determined by financial condition Transaction terms are determined by financial condition Transaction terms are determined by financial condition Transaction terms are not significantly different from those of third parties Transaction terms are not significantly different from those of third parties Transaction terms are not significantly different from those of third parties Transaction terms are not significantly different from those of third parties Transaction terms are not significantly different from those of third parties Transaction terms are determined by financial condition Transaction terms are not significantly different from those of third parties	1 - - - - - - 1 1 -
5	Promaster (Brunei) Technology Corp.	Yanyang Technology International Trade (Shanghai) Co., Ltd Yanyang Technology International Trade (Shanghai) Co., Ltd Yanyang Technology International Trade (Shanghai) Co., Ltd (Shenzhen brunch)	b b b	Trade receivables from related parties Trade payables from related parties Purchase	394 28,688 8	Transaction terms are determined by financial condition Transaction terms are determined by financial condition Transaction terms are not significantly different from those of third parties	- - -

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, 2022, while income statement items are shown as a percentage to consolidated total operating revenue for the six months ended June 30, 2022.

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

(Concluded)

EDOM TECHNOLOGY CO., LTD. AND SUBSIDIARIES

INFORMATION ON INVESTEEES
FOR THE SIX MONTHS ENDED JUNE 30, 2022
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Investment Amount		As of June 30, 2022			Net Income (Loss) of the Investee (Note 2)	Share of Profit (Loss)	Note
				June 30, 2022 (Note 1)	December 31, 2021 (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	\$ 468,031 (US\$ 15,748 thousand)	\$ 438,311 (US\$ 14,748 thousand)	15,748,179	100.00	\$ 403,011	\$ 16,239	\$ 16,239	Subsidiary (Notes 3 and 4)
	ILDO Korea Co., Ltd.	Korea	Trade of computer peripherals	14,299 (₩ 619,012 thousand)	14,299 (₩ 619,012 thousand)	74,083	25.00	18,725 (₩ 810,600 thousand)	4,490 (₩ 191,467 thousand)	1,123 (₩ 47,867 thousand)	Note 3
	Sunjet Components Corp.	Taipei	General trade of electronic components	299,108	299,108	34,767,559	100.00	400,161	21,372	21,372	Subsidiary (Notes 3 and 4)
	KingHold Technology	New Taipei	General trade of electronic components	43,771	43,771	2,716,000	33.95	-	(22,630)	(6,925)	Note 3
	iPro Technology, Inc.	Hsinchu City	General trade of electronic components	159,890	159,890	7,000,000	100.00	172,813	684	684	Subsidiary (Notes 3 and 4)
	Goldenflash Electronics Co., Ltd.	Taipei	General trade of electronic components	104,500	100,150	10,000,000	100.00	146,330	14,569	14,251	Subsidiary (Notes 3 and 4)
	Promaster Technology Corp.	Taipei	General trade of electronic components	816,646	816,646	46,401,534	100.00	864,290	20,404	20,404	Subsidiary (Notes 3 and 4)
	EDOM Technology Japan	Japan	General trade of electronic components	2,182 (¥ 10,000 thousand)	-	1,000	100.00	2,182	-	-	Subsidiary (Notes 3 and 4)
ACCU Technologies Ltd. (ACCU)	Sunshine Global International Ltd.	Western Samoa	General trade and investment in manufacturing and service industries	58,697 (US\$ 1,975 thousand)	58,697 (US\$ 1,975 thousand)	1,975,000	100.00	31,800	1,211	1,211	Investee of indirect subsidiary of Company (Notes 3 and 4)
	Honest Rich Trading Ltd.	Western Samoa	General trade and investment in manufacturing and service industries	163,490 (US\$ 5,501 thousand)	163,490 (US\$ 5,501 thousand)	5,501,000	100.00	107,617	11,333	11,333	Investee of indirect subsidiary of Company (Notes 3 and 4)
	Massive Strong Investment Ltd.	Western Samoa	General trade and investment in manufacturing and service industries	297,200 (US\$ 10,000 thousand)	267,480 (US\$ 9,000 thousand)	10,000,000	100.00	266,913	3,282	3,282	Investee of indirect subsidiary of Company (Notes 3 and 4)
Sunjet Components Corp.	Sunjet (HK) Components Ltd.	Hong Kong	General trade and investment in manufacturing and service industries	95,132 (HK\$ 25,114 thousand)	95,132 (HK\$ 25,114 thousand)	25,113,810	100.00	(9,180)	(4,194)	(4,194)	Investee of indirect subsidiary of Company (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	301,234	7,390	7,390	Investee of indirect subsidiary of Company (Notes 3 and 4)
	Vxis Technology Corp. Prowine Co., Ltd.	Hsinchu City Taipei	Electronic parts and components manufacturing Wholesale of tobacco products and alcoholic beverages	16,197 5,000	16,197 5,000	3,230,000 500,000	27.26 22.22	32,236 5,212	2,810 314	766 70	Note 3 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, 2022.

Note 3: The amounts are based on the financial statements which has not been reviewed for the six months ended June 30, 2022.

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, 2022
(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, 2022	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of June 30, 2022	Net Income (Losses) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 2)	Carrying Amount as of June 30, 2022	Accumulated Repatriation of Investment Income as of June 30, 2022
						Outward	Inward						
EDOM Technology Co., Ltd.	EDOM Trading (Shenzhen) Ltd.	Trade of computer peripherals	\$ 163,460 (US\$ 5,500 thousand)	b (Note 3)	\$ 163,460 (US\$ 5,500 thousand)	\$ -	\$ -	\$ 163,460 (US\$ 5,500 thousand)	\$ 11,333	100	\$ 11,333	\$ 107,586	\$ -
	EDOM Electronic Technology (Shanghai) Co., Ltd.	Trade, research and development of computer peripherals	297,200 (US\$ 10,000 thousand)	b (Note 4)	267,480 (US\$ 9,000 thousand)	29,720 (US\$ 1,000 thousand)	-	297,200 (US\$ 10,000 thousand)	3,282	100	3,282	266,913	-
Sunjet Components Corp.	Sunjet Components Corp. (Dongguan)	Trade of electric power equipment and computer peripherals	93,529 (US\$ 3,147 thousand)	b (Note 5)	93,529 (US\$ 3,147 thousand)	-	-	93,529 (US\$ 3,147 thousand)	(4,115)	100	(4,115)	(13,549)	-
Promaster Technology Corp.	Yanyang Technology International Trade (Shanghai) Co., Ltd	Trade of electric power equipment and computer peripherals	183,670 (US\$ 6,180 thousand)	b (Note 6)	71,241	-	-	71,241	(5,253)	100	(5,253)	70,894	-

Investment Company	Accumulated Outward Remittance for Investment in Mainland China as of June 30, 2022	Investment Amounts Authorized by Investment Commission, MOEA	Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
EDOM Technology Co., Ltd.	\$ 460,660 (US\$ 15,500 thousand)	\$ 490,380 (US\$ 16,500 thousand)	$\$5,149,540 \times 60\% = \$3,089,724$
Sunjet Components Corp.	93,529 (US\$ 3,147 thousand)	106,398 (US\$ 3,580 thousand)	$\$340,681 \times 60\% = \$204,409$
Promaster Technology Corp.	71,241	193,228	$\$546,614 \times 60\% = \$327,968$

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, 2022.

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, 2022**

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

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 financial statements may differ from the actual number of shares that have been issued without physical registration because of different preparation basis.