

## **Info-Tek Corporation and Subsidiaries**

Consolidated Financial Statements for the Three-Month  
Period Ended March 31, 2023 and 2022 and Independent  
Auditors' Review Report

(Translation)

*This document is prepared in accordance with the Chinese version and is for reference only. In the event of any inconsistency between the English version and the Chinese version, the Chinese version shall prevail.*

# **INDEPENDENT AUDITORS' REVIEW REPORT**

The Board of Directors and Shareholders  
Info-Tek Corporation

## **Introduction**

We have reviewed the accompanying consolidated balance sheets of Info-Tek Corporation (the Company) and its subsidiaries (collectively, the "Group"), as of March 31, 2023 and 2022, the related consolidated statements of comprehensive income, the consolidated statements of changes in equity and cash flows for the three-month period 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**

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

## **Conclusion**

Base on our reviews, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not give a true and fair view of (or "do not present fairly, in all material respects,") the consolidated financial position of the Group as of March 31, 2023 and 2022, and of its consolidated financial performance and its consolidated cash flows for the three-month period then ended March 31, 2023 and 2022 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

The engagement partners on the reviews resulting in this independent auditors' report are Chun-Ming Hsueh and Sheng-Hsiung Yao.

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

**May 3, 2023**

### **Notice to Readers**

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

*For the convenience of readers, the independent auditors' review report and the accompanying consolidated financial statement 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.*

**INFO-TEK CORPORATION AND SUBSIDIARIES**
**CONSOLIDATED BALANCE SHEETS**  
(In Thousands of New Taiwan Dollars)

ASSETS	March 31, 2023 (Reviewed)		December 31, 2022 (Audited)		March 31, 2022 (Reviewed)	
	Amount	%	Amount	%	Amount	%
<b>CURRENT ASSETS</b>						
Cash and cash equivalents (Note 6)	\$ 404,249	6	\$ 488,330	8	\$ 231,605	4
Financial assets at fair value through profit or loss (Notes 7 and 29)	748	-	-	-	-	-
Financial Assets Measured at Fair Value through Other Comprehensive Income - current (Notes 8 and 29)	88,245	1	25,005	-	44,946	1
Notes receivable (Note 9)	895,743	14	722,426	11	997,465	18
Trade receivables (Note 9)	2,422,221	38	2,727,271	42	2,006,059	37
Trade receivables from related parties (Note 30)	29,731	1	34,576	1	23,105	-
Other receivables (Note 9)	23,748	-	22,558	-	997	-
Other receivables from related parties (Note 30)	5	-	198	-	1,399	-
Current Tax Assets	11,804	-	-	-	-	-
Inventories (Note 10)	857,071	13	790,382	12	786,718	15
Other current assets (Note 16)	305,259	5	254,967	4	140,354	3
Total current assets	<u>5,038,824</u>	<u>78</u>	<u>5,065,713</u>	<u>78</u>	<u>4,232,648</u>	<u>78</u>
<b>NON-CURRENT ASSETS</b>						
Property, plant and equipment (Notes 12 and 31)	1,089,916	17	1,081,196	17	902,259	17
Right-of-use assets (Note 13)	161,761	2	176,793	3	68,177	1
Investment properties (Notes 14, 30 and 31)	-	-	20,427	-	21,860	1
Intangible assets (Note 15)	5,792	-	6,106	-	5,928	-
Deferred tax assets	39,450	1	31,091	-	92,402	2
Refundable deposits	7,985	-	8,328	-	14,999	-
Other non-current assets (Note 16)	107,615	2	102,664	2	57,053	1
Total non-current assets	<u>1,412,519</u>	<u>22</u>	<u>1,426,605</u>	<u>22</u>	<u>1,162,678</u>	<u>22</u>
<b>TOTAL ASSETS</b>	<b>\$ 6,451,343</b>	<b>100</b>	<b>\$ 6,492,318</b>	<b>100</b>	<b>\$ 5,395,326</b>	<b>100</b>
<b>LIABILITIES AND EQUITY</b>						
<b>CURRENT LIABILITIES</b>						
Short-term borrowings (Notes 17 and 31)	\$ 398,620	6	\$ 516,330	8	\$ 320,000	6
Notes payable (Note 18)	832,732	13	749,611	12	390,521	7
Trade payables (Note 18)	1,066,435	17	1,170,625	18	1,299,063	24
Trade payables to related parties (Note 30)	9,634	-	8,747	-	9,349	-
Other payables (Note 19)	395,709	6	473,429	7	255,307	5
Other payables to related parties (Note 30)	5,837	-	6,515	-	5,866	-
Current tax liabilities	45,034	1	43,728	1	50,343	1
Lease liabilities – current (Note 13)	74,212	1	77,384	1	18,742	-
Current portion of long-term borrowings (Note 17)	886	-	882	-	-	-
Other current liabilities (Note 19)	119,083	2	111,297	2	84,075	2
Total current liabilities	<u>2,948,182</u>	<u>46</u>	<u>3,158,548</u>	<u>49</u>	<u>2,433,266</u>	<u>45</u>
<b>NON-CURRENT LIABILITIES</b>						
Long-term borrowings (Note 17)	87,291	1	87,278	1	-	-
Deferred tax liabilities	100,399	2	85,218	1	86,383	2
Lease liabilities – non-current (Note 13)	51,805	1	65,445	1	11,039	-
Net defined benefit liabilities	9,817	-	9,892	-	15,614	1
Guarantee deposits received	83,094	1	98,132	2	112,037	2
Other liabilities	12,726	-	12,660	-	12,942	-
Total non-current liabilities	<u>345,132</u>	<u>5</u>	<u>358,625</u>	<u>5</u>	<u>238,015</u>	<u>5</u>
Total liabilities	<u>3,293,314</u>	<u>51</u>	<u>3,517,173</u>	<u>54</u>	<u>2,671,281</u>	<u>50</u>
Share capital	<u>1,212,511</u>	<u>19</u>	<u>1,212,511</u>	<u>19</u>	<u>1,212,511</u>	<u>22</u>
Capital surplus						
Additional paid-in capital	179,924	3	179,924	3	179,924	4
Treasury share transactions	44,199	1	4,036	-	4,036	-
Employee stock option	7,646	-	7,646	-	7,646	-
Other capital reserve	85	-	85	-	85	-
Total capital surplus	<u>231,854</u>	<u>4</u>	<u>191,691</u>	<u>3</u>	<u>191,691</u>	<u>4</u>
Retained earnings						
Legal reserve	130,650	2	130,650	2	80,610	1
Special reserve	106,006	1	106,006	2	106,006	2
Unappropriated earnings	1,538,358	24	1,427,192	22	1,127,569	21
Total retained earnings	<u>1,775,014</u>	<u>27</u>	<u>1,663,848</u>	<u>26</u>	<u>1,314,185</u>	<u>24</u>
Other equity	( 27,245 )	-	( 42,909 )	( 1 )	21,549	-
Treasury shares	( 34,105 )	( 1 )	( 49,996 )	( 1 )	( 15,891 )	-
Total equity	<u>3,158,029</u>	<u>49</u>	<u>2,975,145</u>	<u>46</u>	<u>2,724,045</u>	<u>50</u>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$ 6,451,343</b>	<b>100</b>	<b>\$ 6,492,318</b>	<b>100</b>	<b>\$ 5,395,326</b>	<b>100</b>

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

## INFO-TEK CORPORATION AND SUBSIDIARIES

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

	For the Three-Month Period Ended March 31			
	2023		2022	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 22 and 30)	\$1,500,607	100	\$1,596,496	100
COST OF GOODS SOLD (Notes 9, 23 and 30)	<u>1,192,004</u>	<u>79</u>	<u>1,263,316</u>	<u>79</u>
GROSS PROFIT	<u>308,603</u>	<u>21</u>	<u>333,180</u>	<u>21</u>
OPERATING EXPENSES (Notes 23 and 30)				
Selling and marketing expenses	13,884	1	14,319	1
General and administrative expenses	89,038	6	54,272	3
Research and development expenses	54,848	4	57,285	4
Expected credit loss (reversal gain) (Note 8)	( <u>457</u> )	<u>-</u>	( <u>1,753</u> )	<u>-</u>
Total operating expenses	<u>157,313</u>	<u>11</u>	<u>124,123</u>	<u>8</u>
PROFIT FROM OPERATIONS	<u>151,290</u>	<u>10</u>	<u>209,057</u>	<u>13</u>
NON-OPERATING INCOME AND EXPENSES(Note 23 )				
Interest income	3,269	-	781	-
Other income(Note 30)	773	-	4,364	-
Other gains and losses	4,059	1	6,888	1
Finance costs	( <u>13,696</u> )	( <u>1</u> )	( <u>4,099</u> )	<u>-</u>
Total non-operating income and expenses	( <u>5,595</u> )	<u>-</u>	<u>7,934</u>	<u>1</u>
PROFIT BEFORE INCOME TAX FROM CONTINUING OPERATIONS	145,695	10	216,991	14
INCOME TAX EXPENSE (Note 24)	<u>34,529</u>	<u>3</u>	<u>41,510</u>	<u>3</u>
NET PROFIT	<u>111,166</u>	<u>7</u>	<u>175,481</u>	<u>11</u>

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## INFO-TEK CORPORATION AND SUBSIDIARIES

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

	For the Three-Month Period Ended March 31			
	2023		2022	
	Amount	%	Amount	%
<b>OTHER COMPREHENSIVE INCOME (LOSS)</b>				
Items that will not be reclassified subsequently to profit or loss:				
Unrealized loss on investments in equity instruments at fair value through other comprehensive income	\$ 5,523	-	(\$ 7,913)	-
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating the financial statements of foreign operations	<u>10,141</u>	<u>1</u>	<u>68,214</u>	<u>4</u>
Other comprehensive income(loss) for the period, net of income tax	<u>15,664</u>	<u>1</u>	<u>60,301</u>	<u>4</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<u>\$ 126,830</u>	<u>8</u>	<u>\$ 235,782</u>	<u>15</u>
<b>EARNINGS PER SHARE</b> (Note 25)				
Basic	<u>\$ 0.93</u>		<u>\$ 1.46</u>	
Diluted	<u>\$ 0.92</u>		<u>\$ 1.46</u>	

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

**INFO-TEK CORPORATION AND SUBSIDIARIES**

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

(In Thousands of New Taiwan Dollars)

(Reviewed, not Audited)

	Share Capital (Note 21)	Capital Surplus (Note 21)	Retained Earnings			Other equity (Note 21)				
			Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translating the Financial Statements of Foreign Operations	Unrealized gain(loss) on financial assets measured at fair value through other comprehensive income	Remeasurement of defined benefit obligation	Treasury shares	Total
BALANCE AT JANUARY 1, 2022	\$ 1,212,511	\$ 191,606	\$ 80,610	\$ 106,006	\$ 952,088	(\$ 92,426)	\$ 51,650	\$ 2,024	(\$ 15,891)	\$ 2,488,263
Net profit for the three-month period ended March 31, 2022	-	-	-	-	175,481	-	-	-	-	175,481
Other comprehensive income (loss) for the three-month period ended March 31, 2022	-	-	-	-	-	68,214	(7,913)	-	-	60,301
Total comprehensive income (loss) for the three-month period ended March 31, 2022	-	-	-	-	175,481	68,214	(7,913)	-	-	235,782
BALANCE AT MARCH 31, 2022	1,212,511	191,691	80,610	106,006	1,127,569	(24,212)	43,737	2,024	(15,891)	2,724,045
BALANCE AT JANUARY 1, 2023	\$ 1,212,511	\$ 191,691	\$ 130,650	\$ 106,006	\$ 1,427,192	(\$ 74,056)	\$ 23,796	\$ 7,351	(\$ 49,996)	\$ 2,975,145
Net profit for the three-month period ended March 31, 2023	-	-	-	-	111,166	-	-	-	-	111,166
Other comprehensive income (loss) for the three-month period ended March 31, 2023	-	-	-	-	-	10,141	5,523	-	-	15,664
Total comprehensive income (loss) for the three-month period ended March 31, 2023	-	-	-	-	111,166	10,141	5,523	-	-	126,830
Treasury stock transferred to employees	-	40,163	-	-	-	-	-	-	15,891	56,054
BALANCE, AT MARCH 31, 2023	\$ 1,212,511	\$ 231,854	\$ 130,650	\$ 106,006	\$ 1,538,358	(\$ 63,915)	\$ 29,319	\$ 7,351	(\$ 34,105)	\$ 3,158,029

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

## INFO-TEK CORPORATION AND SUBSIDIARIES

### CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, not Audited)

	For the Three-Month Period Ended March 31	
	2023	2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income before income tax from continuing operations	\$145,695	\$216,991
Adjustments for:		
Expected credit loss (reversal gain) of trade receivables	( 457)	( 1,753)
Depreciation expense	68,543	39,460
Amortization expense	670	942
Net (gain) loss from changes of financial assets at fair value through profit or loss	( 191)	-
Interest expense	13,696	4,099
Interest income	( 3,269)	( 781)
Treasury stock transferred to employees cost	40,201	-
Write-downs of inventories	11,355	31,785
Gain on disposal of property, plant and equipment	-	( 198)
Net gain on foreign currency exchange	( 926)	( 459)
Changes in operating assets and liabilities		
Notes receivable	( 173,317)	( 129,916)
Trade receivables	296,825	( 617,628)
Trade receivables from related parties	4,833	1,395
Other receivables	( 803)	( 863)
Other receivables from related parties	193	1,918
Inventories	( 78,284)	( 312,512)
Other current assets	( 50,292)	( 20,492)
Non-current assets	1,157	48
Notes payable	83,121	56,647
Trade payables	( 102,551)	574,649
Trade payables to related parties	913	2,629
Other payables	( 96,901)	( 12,509)
Other payables to related parties	( 678)	3,032
Other current liabilities	7,490	( 26,029)
Net defined benefit liabilities	( 75)	( 45)
Non-current liabilities	66	466

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## INFO-TEK CORPORATION AND SUBSIDIARIES

### CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, not Audited)

	For the Three-Month Period Ended March 31	
	2023	2022
Cash generated from operations	\$167,014	(\$189,124)
Interest paid	( 3,724)	( 964)
Income tax paid	( 41,241)	( 6,381)
Net cash generated from operating activities	<u>122,049</u>	<u>( 196,469)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of financial assets at fair value through other comprehensive income	( 57,717)	-
Purchase of financial assets at fair value through profit or loss	( 57,840)	-
Proceeds from sale of financial assets at fair value through profit or loss	57,291	-
Interest received	2,882	781
Purchase of property, plant and equipment	( 26,628)	( 40,906)
Proceeds from disposal of property, plant and equipment	-	230
Acquisition of intangible assets	( 329)	( 462)
(Increase) decrease in refundable deposits	343	( 757)
Net cash used in investing activities	<u>( 81,998)</u>	<u>( 41,114)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Increase (decrease) in short-term borrowings	( 117,710)	20,000
Repayments of long-term borrowings	( 443)	-
Repayment of the principal of lease liabilities	( 19,178)	( 4,900)
Employees purchase treasury stock	15,853	-
Increase in guarantee deposits received	-	1,316
(decrease) in guarantee deposits received	( 15,038)	-
Net cash flows used in financing activities	<u>( 136,516)</u>	<u>16,416</u>
<b>EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES</b>		
	<u>12,384</u>	<u>62,110</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	( 84,081)	( 159,057)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	<u>488,330</u>	<u>390,662</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>\$404,249</u>	<u>\$231,605</u>

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

## INFO-TEK CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE THREE-MONTH PERIOD MARCH 31, 2023 AND 2022  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)  
(Reviewed, not Audited)

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### 1. GENERAL INFORMATION

Info-Tek Corporation (the "Company") was incorporated in the Republic of China (ROC) in December, 1990. The Company started its business in April 1991 and is mainly engaged in the manufacture, assembly and processing, sales and distribution of information electronic products.

The company's shares were officially traded on the Taipei Exchange in March 2005.

The consolidated financial statements are presented in the Company's functional currency, the New Taiwan dollars.

### 2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Company's board of directors on May 3, 2023.

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

- (1) Initial application of the amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, "IFRSs") did not have a significant effect on the company accounting policies.

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.

- (2) New IFRSs in issue but not yet endorsed and issued into effect by the FSC

<u>New IFRSs</u>	<u>Effective Date Issued by IASB(Note 1)</u>
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between An Investor and Its Associate or Joint Venture	To be determined by IASB
Amendments to IFRS 16" Leases Liability in a Sale and Leaseback"	January 1, 2024 ( Note 2 )
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 'Initial Application of IFRS 9 and IFRS 17 -Comparative Information"	January 1, 2023
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	January 1, 2024
Amendments to IAS 1 "Non-current Liabilities with Covenants"	January 1, 2024

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

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

- a. Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”

The amendments stipulate that, when the Group sells or contributes assets that constitute a business (as defined in IFRS 3) to an associate or joint venture, the gain or loss resulting from the transaction is recognized in full. Also, when the Group loses control of a subsidiary that contains a business but retains significant influence or joint control, the gain or loss resulting from the transaction is recognized in full.

Conversely, when the Group sells or contributes assets that do not constitute a business to an associate or joint venture, the gain or loss resulting from the transaction is recognized only to the extent of the Group’s interest as an unrelated investor in the associate or joint venture, i.e., the Group’s share of the gain or loss is eliminated. Also, when the Group loses control of a subsidiary that does not contain a business but retains significant influence or joint control over an associate or a joint venture, the gain or loss resulting from the transaction is recognized only to the extent of the Group’s interest as an unrelated investor in the associate or joint venture, i.e., the Group’s share of the gain or loss is eliminated.

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

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

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

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

- c. Amendments to IFRS 16 “Leases Liability in a Sale and leaseback”

The amendments clarify that the liability that arises from a sale and leaseback transaction-that satisfies the requirements in IFRS 15 to be accounted for as a sale-is a lease liability to which IFRS 16 applies. However, if the lease in a leaseback that includes variable lease payments that do not depend on an index or rate, the seller-lessee shall measure lease liabilities arising from a leaseback in a way that it does not recognize any amount of the gain or loss that relates to the right of use it retains. Seller-lessee subsequently recognizes in profit or loss the difference between the payments made for the lease and the lease payments that reduce the carrying amount of the lease liability.

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

#### 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### (1) Statement of compliance

This 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.

##### (2) Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments that are measured 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 is grouped into Levels 1 to 3 based on the measurable and observable degree of its input:

- a. Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- b. Level 2: Other than those quoted prices of Level 1, the input of fair value at level 2 is from a price of assets or liabilities which can be observed directly or derived indirectly.
- c. Level 3: The input of fair value at level 3 is unobservable from assets or liabilities.

##### (3) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (its subsidiaries). Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statement of comprehensive income from the effective dates of acquisitions up to the effective dates of disposals, as appropriate. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the 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 the comprehensive income of 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 11 and attached Tables 3 for detailed information on subsidiaries (including percentages of ownership and main businesses).

(4) Other significant accounting policies

Except for the following description, please refer to the consolidated financial statements for the year ended December 31, 2022 for other significant accounting policies.

Retirement benefits

The pension cost for the interim period is based on the pension cost rate determined by actuarial calculation at the end of the previous year, calculated on the basis from the beginning of the year to the end of the current period, and for major market fluctuations in the current period, as well as major plan revisions, liquidations or other major One-time items are adjusted.

Taxation

Income tax expense represents the sum of the current tax expenses and deferred tax. The income taxes of an interim period are assessed using a tax rate, which is applicable for the Company's annual earnings, applied to the Company's pre-tax income of the interim period.

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

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

When the Group develops major accounting estimates, the recent development of the new coronavirus pneumonia epidemic and the possible impact on the economic environment will be taken into consideration for cash flow estimation, growth rate, discount rate, profitability and other related major estimates, management will continue to review estimates and underlying assumptions.

6. CASH AND CASH EQUIVALENTS

	March 31, 2023	December 31, 2022	March 31, 2022
Cash on hand	\$ 359	\$ 589	\$ 602
Checking accounts and demand deposits	<u>403,890</u>	<u>487,741</u>	<u>231,003</u>
	<u>\$404,249</u>	<u>\$488,330</u>	<u>\$231,605</u>

The interest rate ranges for bank deposits as of the balance sheet date were as follows :

	March 31, 2023	December 31, 2022	March 31, 2022
Time deposits	4.65%-5.2%	3.92%-5.1%	-

Some of the deposits were transferred to "Other current assets" because they were provided as margin for opening bankers' acceptances, and the amounts were as follows

	March 31, 2023	December 31, 2022	March 31, 2022
Banker's Acceptance	<u>\$180,852</u>	<u>\$164,025</u>	<u>\$ 78,151</u>

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	March 31, 2023	December 31, 2022	March 31, 2022
<u>Financial assets-current designation as at fair value through profit or loss</u>			
Mutual funds	<u>\$ 748</u>	<u>\$ -</u>	<u>\$ -</u>

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	March 31, 2023	December 31, 2022	March 31, 2022
<u>Current</u>			
Investments in equity instrument	\$ 30,608	\$ 25,005	\$ 44,946
Investments in debt instrument	<u>57,637</u>	<u>-</u>	<u>-</u>
	<u>\$ 88,245</u>	<u>\$ 25,005</u>	<u>\$ 44,496</u>

(1) Investments in equity instrument

	<u>March 31,</u> <u>2023</u>	<u>December 31,</u> <u>2022</u>	<u>March 31,</u> <u>2022</u>
<u>Current</u>			
Domestic investments			
Listed stocks	<u>\$ 30,608</u>	<u>\$ 25,005</u>	<u>\$ 44,946</u>

The Group invests for medium- and long-term strategic purposes and expects to earn profits from its long-term investments. The management of the Group believes that if the short-term fluctuations on fair value of these investments are included in profit or loss, it will be inconsistent with the Group's aforementioned medium and long-term investment strategy, and therefore, the management chooses to designate these investments as measured at fair value through other comprehensive profit or loss.

(2) Investments in debt instrument

	<u>March 31,</u> <u>2023</u>	<u>December 31,</u> <u>2022</u>	<u>March 31,</u> <u>2022</u>
<u>Current</u>			
Foreign investments			
Standard Chartered Bank Bonds	\$ 24,422	\$ -	\$ -
BPCE SA Bonds	<u>33,215</u>	<u>-</u>	<u>-</u>
	<u>\$ 57,637</u>	<u>\$ -</u>	<u>\$ -</u>

The Group purchased two-year and ten-year corporate bonds issued by Standard Chartered Bank and BPCE SA in February and March 2023. The coupon rates were 4.8% and 3.25% respectively, and the effective interest rates were 5.10-% and 5.22% respectively.

9. NOTES RECEIVABLE, TRADE RECEIVABLES AND OTHER RECEIVABLES

	<u>March 31,</u> <u>2023</u>	<u>December 31,</u> <u>2022</u>	<u>March 31,</u> <u>2022</u>
<u>Notes receivable</u>			
At amortized cost	<u>\$895,743</u>	<u>\$722,426</u>	<u>\$997,465</u>

As of March 31, 2023, December 31, 2022 and March 31, 2022, the notes receivable were assessed to be free of doubtful accounts and therefore no allowance for doubtful accounts was provided.

<u>March 31,</u>	<u>December 31,</u>	<u>March 31,</u>
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	<u>2023</u>	<u>2022</u>	<u>2022</u>
<u>Trade receivables</u>			
At amortized cost			
Gross carrying amount	\$2,422,682	\$2,728,552	\$2,029,969
Less: Allowance for impairment loss	( <u>461</u> )	( <u>1,281</u> )	( <u>23,910</u> )
	<u>\$2,422,221</u>	<u>\$2,727,271</u>	<u>\$2,006,059</u>
 <u>Other receivables</u>			
Gross carrying amount	<u>\$ 23,748</u>	<u>\$ 22,558</u>	<u>\$ 997</u>

(1) NOTES RECEIVABLE AND TRADE RECEIVABLES

The average credit period of sales was 60 to 150 days. No interest was charged on trade receivables.

The Group adopted a policy of new customers' credit rating and, when necessarily, obtained sufficient collateral to mitigate the risk of financial loss from defaults. 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 continuously monitored the credit ratings of its customers and its credit exposure. To control the credit exposure, the Group will decide a transaction limit for customers.

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

The Group measures the loss allowance for trade receivables at an amount equal to lifetime expected credit losses (ECL) in compliance with IFRS 9. The expected credit losses on trade receivables are estimated using an aging analysis by reference to the past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecasted direction of economic conditions at the reporting date. 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 past due status is not further distinguished according to the Group's different customer base. The estimated percentages of expected credit loss of receivables are based on the receivables' aging analysis.

The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. For trade receivables that have been written off, the Group continues to engage in recourse action to attempt to recover the receivables. The recoveries, if any, are recognized in profit or loss.

Aging analysis of trade receivables and allowance for impairment loss were as follows:



### March 31, 2023

	Not Past Due	1 to 30 Days	31 to 60 Days	61 to 90 Days	91 to 180 Days	181 to 360 Days	Over 360 Days	Total
Expected credit loss percentage	0%	1%	5%	10%	25%	50%	100%	
Gross carrying amount	\$2,385,918	\$ 34,433	\$ 2,331	\$	\$	\$	\$	\$2,422,682
Loss allowance (Lifetime ECLs)	-	( 344)	( 117)	-	-	-	-	( 461)
Amortized cost	<u>\$2,385,918</u>	<u>\$ 34,089</u>	<u>\$ 2,214</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$2,422,221</u>

### December 31, 2022

	Not Past Due	1 to 30 Days	31 to 60 Days	61 to 90 Days	91 to 180 Days	181 to 360 Days	Over 360 Days	Total
Expected credit loss percentage	0%	1%	5%	10%	25%	50%	100%	
Gross carrying amount	\$2,690,464	\$ 31,426	\$ 5,995	\$ 667	\$	\$ -	\$	\$2,728,552
Loss allowance (Lifetime ECLs)	-	( 314)	( 300)	( 667)	-	-	-	( 1,281)
Amortized cost	<u>\$2,690,464</u>	<u>\$ 31,112</u>	<u>\$ 5,695</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$2,727,271</u>

### March 31, 2022

	Not Past Due	1 to 30 Days	31 to 60 Days	61 to 90 Days	91 to 180 Days	181 to 360 Days	Over 360 Days	Total
Expected credit loss percentage	0%	1%	5%	10%	25%	50%	100%	-
Gross carrying amount	\$2,004,980	\$ 174	\$ 955	\$ 185	\$ 327	\$ 23,348	\$	\$2,029,969
Loss allowance (Lifetime ECLs)	-	( 2)	( 48)	( 185)	( 327)	( 23,348)	-	( 23,910)
Amortized cost	<u>\$2,004,980</u>	<u>\$ 172</u>	<u>\$ 907</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$2,006,059</u>

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

	For the Three-Month Period Ended March 31	
	2023	2022
Balance at January 1	\$ 1,281	\$ 24,793
Provision	1,492	454
Amounts written off	( 334 )	-
(Reversal)	( 1,963 )	( 2,207 )
Foreign exchange gains and losses	( 15)	870
Balance at March 31	<u>\$ 461</u>	<u>\$ 23,910</u>

- a. From January 1 to March 31, 2023, \$670 thousand of accounts receivable and \$670 thousand of allowance losses were written off, of which \$336 thousand was still in pursuit.

Please refer to Note 29 for the amount and related terms of the notes receivable sold by the Group.

## 10. INVENTORIES

	March 31, 2023	December 31, 2022	March 31, 2022
Finished goods	\$189,400	\$231,505	\$203,070
Work in progress	96,375	9,410	89,570
Raw materials	567,082	547,438	492,358
Materials	4,214	2,029	1,720
	<u>\$857,071</u>	<u>\$790,382</u>	<u>\$786,718</u>

The cost of goods sold is as follows

	For the Three-Month Period Ended March 31	
	2023	2022
Cost of goods sold	\$1,180,649	\$1,231,531
Inventory write-downs	11,355	31,785
	<u>\$1,192,004</u>	<u>\$1,263,316</u>

## 11. SUBSIDIARIES

Subsidiaries included in the consolidated financial statements :

Investor	Investee	Nature of Activities	Proportion of Ownership (%)		
			March 31, 2023	December 31, 2023	March 31, 2022
Info-Tek Corporation	INFO-TEK HOLDING CO., LTD.	Trading Business	100	100	100
	SUN RISE CORPORATION	Investment	100	100	100
SUN RISE CORPORATION	Info-Tek Electronics (Suzhou) CO.,LTD.	Manufacture and assembly of motherboards for information electronic products	92.21	92.21	92.21
INFO-TEK HOLDING CO., LTD.	Info-Tek Electronics (Suzhou) CO.,LTD.	Manufacture and assembly of motherboards for information electronic products	7.79	7.79	7.79

The shares of profit or loss and other comprehensive income of the subsidiaries using the equity method for the Three-Month Period ended December 31, 2023 and 2022 were recognized based on the audited financial statements of each subsidiary for the same period.

In order to expansion of production capacity, Info-Tek Electronics (Suzhou) CO., LTD.had set up Info-Tek Electronics (Suzhou) CO., LTD (Wuhu) Branch on May 30, 2022.

## 12. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings and Improvements	Machinery and Equipment	Transportation Equipment	office equipment	Other Equipment	Unfinished project	Total
<u>Cost</u>								
Balance at January 1, 2022	\$ 101,551	\$ 630,864	\$ 989,225	\$ 2,078	\$ 24,435	\$ 124,691	\$ 3,184	\$1,876,028
Additions	-	-	508	-	587	3,734	1,092	5,921
Reclassified	-	-	21,035	-	-	3,355	-	24,390
Disposals	-	( 1,963)	( 4,356)	-	( 146)	( 2,773)	-	( 9,238)
Effect of foreign currency exchange differences	-	( 13,281)	31,038	43	277	4,283	119	49,041
Balance at March 31, 2022	<u>\$ 101,551</u>	<u>\$ 642,182</u>	<u>\$1,037,450</u>	<u>\$ 2,121</u>	<u>\$ 24,153</u>	<u>\$ 133,290</u>	<u>\$ 4,395</u>	<u>\$1,946,142</u>
<u>Accumulated depreciation and impairment</u>								
Balance at January 1, 2022	\$ -	\$ 273,800	\$ 598,293	\$ 2,078	\$ 20,638	\$ 97,342	\$ -	\$ 992,151
Depreciation expense	-	6,756	21,658	-	503	4,956	-	34,353
Reclassified	-	478	-	-	-	-	-	478
Disposals	-	( 1,963)	( 4,356)	-	( 144)	( 2,743)	-	( 9,206)
Effect of foreign currency exchange differences	-	4,861	18,196	43	243	3,244	-	26,587
Balance at March 31, 2022	<u>\$ -</u>	<u>\$ 283,932</u>	<u>\$ 633,791</u>	<u>\$ 2,121</u>	<u>\$ 21,240</u>	<u>\$ 102,799</u>	<u>\$ -</u>	<u>\$1,043,883</u>
Carrying amount at March 31, 2022	<u>\$ 101,551</u>	<u>\$ 358,250</u>	<u>\$ 403,659</u>	<u>\$ -</u>	<u>\$ 3,913</u>	<u>\$ 30,491</u>	<u>\$ 4,395</u>	<u>\$ 902,259</u>
<u>Cost</u>								
Balance at January 1, 2023	\$ 101,551	\$ 638,235	\$1,301,280	\$ 2,095	\$ 25,707	\$ 156,393	\$ 3,231	\$2,228,492
Additions	-	-	5,258	-	45	1,962	23,020	30,285
Reclassified	-	54,794	6,020	-	-	-	-	60,814
Disposals	-	-	-	-	-	( 543)	-	( 543)
Effect of foreign currency exchange differences	-	1,886	5,772	6	44	726	38	8,472
Balance at March 31, 2023	<u>\$ 101,551</u>	<u>\$ 694,915</u>	<u>\$1,318,330</u>	<u>\$ 2,101</u>	<u>\$ 25,797</u>	<u>\$ 158,538</u>	<u>\$ 26,289</u>	<u>\$2,327,520</u>
<u>Accumulated depreciation and impairment</u>								
Balance at January 1, 2023	\$ -	\$ 301,503	\$ 702,792	\$ 2,095	\$ 22,103	\$ 118,803	\$ -	\$1,147,296
Depreciation expense	-	7,390	37,027	-	454	7,363	-	52,234
Reclassified	-	34,367	-	-	-	-	-	34,367
Disposals	-	-	-	-	-	( 543)	-	( 543)
Effect of foreign currency exchange differences	-	743	2,926	6	34	541	-	4,250
Balance at March 31, 2023	<u>\$ 101,551</u>	<u>\$ 344,003</u>	<u>\$ 742,745</u>	<u>\$ 2,101</u>	<u>\$ 22,591</u>	<u>\$ 126,164</u>	<u>\$ -</u>	<u>\$1,237,604</u>
Carrying amount at January 1, 2023	<u>\$ 101,551</u>	<u>\$ 336,732</u>	<u>\$ 598,488</u>	<u>\$ -</u>	<u>\$ 3,604</u>	<u>\$ 37,590</u>	<u>\$ 3,231</u>	<u>\$1,081,196</u>
Carrying amount at March 31, 2023	<u>\$ 101,551</u>	<u>\$ 350,912</u>	<u>\$ 575,585</u>	<u>\$ -</u>	<u>\$ 3,205</u>	<u>\$ 32,374</u>	<u>\$ 26,289</u>	<u>\$1,089,916</u>

The above items of property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives as follows:

Buildings	
Main buildings	35-45 year
Electrical mechanical and power equipment	3-35 year
Machinery and Equipment	2-10 year
Transportation Equipment	5 year
Office Equipment	3-5 year
Other Equipment	3-10 year

For the amount of real estate, plant and equipment pledged as loan guarantee, please refer to Note 31.

13. LEASE ARRANGEMENTS

(1) Right-of-use assets

	March 31, 2023	December 31, 2022	March 31, 2022
<u>Carrying amounts</u>			
Land	\$ 38,095	\$ 38,434	\$ 40,864
Buildings	102,155	116,245	25,616
Machinery and Equipment	20,521	21,255	202
Office Equipment	-	-	83
Transportation Equipment	990	859	1,412
	<u>\$161,761</u>	<u>\$176,793</u>	<u>\$ 68,177</u>

For the Three-Month Period Ended March  
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	2023	2022
Additions to right-of-use assets	<u>\$ 331</u>	<u>\$ -</u>
<u>Depreciation charged for right-of-use assets</u>		
Land	\$ 532	\$ 529
Buildings	14,727	4,170
Machinery and Equipment	846	112
Office Equipment	-	122
Transportation Equipment	204	176
	<u>\$ 16,309</u>	<u>\$ 5,109</u>

In addition to the addition and recognition of depreciation expenses listed above, there were no major subleases and impairments of the right-of-use assets of the Group in March 31, 2023 and 2022 for the three-month period ended.

(2) Lease liabilities

	March 31, 2023	December 31, 2022	March 31, 2022
<u>Carrying amount</u>			
Current	\$ 74,212	\$ 77,384	\$ 18,742
Non-current	51,805	65,445	11,039
	<u>\$126,017</u>	<u>\$142,829</u>	<u>\$ 29,781</u>

Range of discount rates for lease liabilities were as follows:

	March 31, 2023	December 31, 2022	March 31, 2022
Land	1.301%	1.031%	1.301%
	3.700%~4.200%	3.700%~4.200%	
Buildings	%	%	4.200%
Machinery and Equipment	1.35%~4.45%	1.35%~4.45%	1.35%~4.785%
Office Equipment	1.35%~4.7%	1.35%~4.7%	1.35%~4.785%
Transportation Equipment	-	-	4.785%

(3) Other lease information

For the Three-Month Period Ended March  
31

	2023	2022
Expenses relating to short-term leases	<u>\$ 1,614</u>	<u>\$ 975</u>
Expenses relating to low-value asset leases	<u>\$ 7</u>	<u>\$ 7</u>
Total cash outflow of leases	<u>\$ 20,799</u>	<u>\$ 5,882</u>

14. INVESTMENT PROPERTIES

	Buildings and Improvements
<u>Cost</u>	
Balance at January 1, 2022 and March 31, 2022	<u>\$ 54,794</u>
<u>Accumulated depreciation</u>	
Balance at January 1, 2022	\$ 32,934
Depreciation	478
Reclassified	( 478 )
Balance at December 31, 2022	<u>\$ 32,934</u>
Carrying amount at December 31, 2021 and January 1, 2022	<u>\$ 21,860</u>
Balance at March 31, 2022	<u>\$ 21,860</u>
<u>Cost</u>	
Balance at January 1, 2023	\$ 54,794
Reclassified	( 54,794 )
Balance at March 31, 2023	<u>\$ -</u>
<u>Accumulated depreciation</u>	
Balance at January 1, 2023	\$ 34,367
Reclassified	( 34,367 )
Balance at March 31, 2023	<u>\$ -</u>
Carrying amount at December 31, 2022 and January 1, 2023	<u>\$ 20,427</u>
Balance at March 31, 2023	<u>\$ -</u>

The lease has been proposed terminate by the associated company- INPAQ TECHNOLOGY CO., LTD. on November 1, 2022, and the lease had end on December 31, 2022.

The investment properties are depreciated using the straight-line method over their estimated useful lives, depreciation expense accounts for other gains and losses:

Buildings	35 year
Other Equipment	3-35 year

The fair value of investment real estate has not been evaluated by an independent appraiser, but only by the management of the Group with reference to market evidence of similar real estate transaction prices. The fair value of the evaluation is as follows:

	March 31, 2023	December 31, 2022	March 31, 2022
Fair value	<u>\$ -</u>	<u>\$ 88,370</u>	<u>\$ 88,370</u>

Please refer to Note 31 for the amount of investment real estate set as loan guarantee.

#### 15. INTANGIBLE ASSETS

	<u>Computer Software</u>
<u>Cost</u>	
Balance at January 1, 2022	\$ 40,670
Additions	462
Effect of foreign currency exchange differences	393
Balance at March 31, 2022	<u>\$ 41,525</u>
<u>Accumulated amortization and impairment</u>	
Balance at January 1, 2022	\$ 34,437
Amortization expense	942
Effect of foreign currency exchange differences	218
Balance at March 31, 2022	<u>\$ 35,597</u>
Carrying amount at December 31, 2021 and January 1, 2022	<u>\$ 6,233</u>
Carrying amount at March 31, 2022	<u>\$ 5,928</u>
<u>Cost</u>	
Balance at January 1, 2023	\$ 43,816
Additions	329
Effect of foreign currency exchange differences	66
Balance at March 31, 2023	<u>\$ 44,211</u>

(Continued)

	<u>Computer Software</u>
<u>Accumulated amortization and impairment</u>	
Balance at January 1, 2023	\$ 37,710
Amortization expense	670
Effect of foreign currency exchange differences	39
Balance at March 31, 2023	<u>\$ 38,419</u>
Carrying amount at December 31, 2022 and January 1, 2023	<u>\$ 6,106</u>
Balance at March 31, 2023	<u>\$ 5,792</u>

Computer Software are amortized of 2 to 8 years using the straight-line method.

#### 16. OTHER ASSETS

	March 31, 2023	December 31, 2022	March 31, 2022
<u>Current</u>			
Prepayments	\$ 78,828	\$ 78,940	\$ 54,240
Prepayment for purchases	24,266	11,544	4,572
Payment on behalf of others	21,208	227	2,899
Other current financial assets ( Note6 )	180,852	164,025	78,151
Others	105	231	492
	<u>\$305,259</u>	<u>\$254,967</u>	<u>\$140,354</u>
<u>Non-current</u>			
Prepayments for equipment	\$101,615	\$ 95,507	\$ 47,740
Golf Membership Cards	6,000	7,157	7,182
Others	-	-	2,131
	<u>\$107,615</u>	<u>\$102,664</u>	<u>\$ 57,053</u>

#### 17. BORROWINGS

##### a. Short-term borrowings

	March 31, 2023	December 31, 2022	March 31, 2022
<u>Secured loan</u> ( Note31 )			
Bank loans	\$ -	\$ -	\$ 60,000
<u>Unsecured borrowings</u>			
Line of credit borrowings	398,620	516,330	260,000
	<u>\$398,620</u>	<u>\$516,330</u>	<u>\$320,000</u>

The interest rates on the borrowings ranged from 1.6448% to 3.2%、1.531% to 3.65% and 0.98% to 1.27% as of March 31, 2023、December 31, 2022 and March 31, 2022, respectively.

b. Long-term borrowings

	March 31, 2023	December 31, 2022	March 31, 2022
<u>Unsecured borrowings</u>			
Line of credit borrowings	\$ 88,177	\$ 88,160	\$ -
Less: Current portion	( 886)	( 882)	-
Long-term borrowings	<u>\$ 87,291</u>	<u>\$ 87,278</u>	<u>\$ -</u>

The interest rate on the borrowings was 3.2% as of March 31, 2023 and December 31, 2022.

18. Notes payable and Accounts payable

	March 31, 2023	December 31, 2022	March 31, 2022
<u>Notes payable</u>			
Occurred as a result of business	<u>\$ 832,732</u>	<u>\$ 749,611</u>	<u>\$ 390,521</u>
<u>Accounts payable</u>			
Occurred as a result of business	<u>\$1,066,435</u>	<u>\$1,170,625</u>	<u>\$1,299,063</u>

19. Other liabilities

	March 31, 2023	December 31, 2022	March 31, 2022
<u>Other payables</u>			
Salaries and bonuses payable	\$138,079	\$183,964	\$140,094
Equipment payables	40,694	21,969	8,442
Interest payable	358	438	72
Payable service fee	28,334	33,919	3,939
Repairs payable	28,596	24,546	25,143
Premium payable	2,909	2,477	1,190
Freight payable	11,672	29,822	12,557
Employee benefits payable	197	1,111	370
Coping tools	35,884	89,683	28,721
Others	<u>108,986</u>	<u>85,500</u>	<u>34,779</u>
	<u>\$395,709</u>	<u>\$473,429</u>	<u>\$255,307</u>

(Continued)



	March 31, 2023	December 31, 2022	March 31, 2022
<u>Other current liabilities</u>			
Allowance for returns and discounts	\$ 61,211	\$ 64,533	\$ 64,898
Temporary receivable	9,384	8,597	2,268
Contract liabilities	36,642	17,680	10,991
Others	<u>11,846</u>	<u>20,487</u>	<u>5,918</u>
	<u>\$119,083</u>	<u>\$111,297</u>	<u>\$ 84,075</u>

Relevant product return and discount liability reserves are estimated product returns and discounts that may occur based on historical experience, management judgment and other known reasons.

## 20. RETIREMENT BENEFIT PLANS

For the three-month period ended March 31, 2023 and 2022, the pension expenses of defined benefit plans were \$51 thousand and \$59 thousand, respectively, and these numbers were calculated based on the pension cost rate determined by the actuarial calculation as of December 31, 2022 and 2021, respectively.

## 21. EQUITY

### (1) Share capital

#### Ordinary shares

	March 31, 2023	December 31, 2022	March 31, 2022
Authorized shares (in thousands)	<u>136,060</u>	<u>136,060</u>	<u>136,060</u>
Authorized capital	<u>\$1,360,600</u>	<u>\$1,360,600</u>	<u>\$1,360,600</u>
Issued and paid shares (in thousands)	<u>121,251</u>	<u>121,251</u>	<u>121,251</u>
Issued capital	<u>\$1,212,511</u>	<u>\$1,212,511</u>	<u>\$1,212,511</u>

- a. As of March 31, 2023, the Company's paid-in capital was \$1,212,511 thousand, divided into 121,251 thousand shares with a par value of \$10 per share, all of which are ordinary shares.
- b. Fully paid ordinary shares, which have a par value of \$10, carry one vote per share and carry a right to dividends.

(2) Capital surplus

	March 31, 2023	December 31, 2022	March 31, 2022
<u>May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (a)</u>			
Additional paid-in capital	\$179,924	\$179,924	\$179,924
Treasury share transactions	44,199	4,036	4,036
<u>Only used in deficit offset (b)</u>			
exercising the right of disgorgement	85	85	85
<u>Not for other usage</u>			
Additional paid-in capital— Employee Stock Options	<u>7,646</u>	<u>7,646</u>	<u>7,646</u>
	<u>\$231,854</u>	<u>\$191,691</u>	<u>\$191,691</u>

- a. 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).
- b. This type of capital surplus represents the Company's exercise of the right of disgorgement in accordance with Article 157 of the Securities and Exchange Act and the recognition of the benefit from the exercise of the right as capital surplus – other

(3) Retained earnings and dividend policy

Under the dividend policy as set forth in the Company's articles of incorporation (the "Articles"), if the Company has current profits in the financial statement, the losses should be made up first, and then 10% of the remaining profits would be allocated as Legal reserves, after that the special reserves are provisioned or reversed according to the law. If profits are remaining, it will be considered as distributable profit along with the accumulated unallocated earnings from the beginning of the period. The distribution plan will be proposed by the Board of Directors and the profits will be distributed after the resolution of the shareholders meeting. For the policies on the distribution of employees' compensation and remuneration of directors in the Articles, refer to employees' compensation and remuneration of directors in Note 23-6 to the consolidated financial statements.

The industrial environment that the Company relates to is volatile, and its enterprise life cycle has entered the mature stage. Considering our future working capital requirements and long-term financial planning, and the need of satisfying the need for cash flow by shareholders, thus the annual cash dividend distribution shall not be less than 5% of the total shareholder dividends.

Aligning with the current year's earnings for allotment and the balancing dividend policy, as well as in accordance with relevant laws and regulations, the Company may allocate all or part of its capital reserve as capital increase allotments. The distribution plan shall be proposed by the Board of Directors and distributed after being approved by the shareholders meeting resolution.

Appropriation of earnings to the legal reserve shall be made until the legal reserve equals the Company's paid-in capital. The legal reserve may be used to offset deficit. 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.

The Company has provided and reversed the special reserve in accordance with the "FSC No. 1010012865", "FSC No. 1010047490", "FSC No. 1030006415" and "Questions and Answers on the Application of International Financial Reporting Standards (IFRSs) to the Provision of Special Reserve".

The appropriations of 2022 earnings were proposed by the board of directors on May 3, 2023 and the appropriations of 2021 earnings were approved in the shareholders' meetings on June 9, 2022. Details were summarized below:

	Appropriation of Earnings	
	For the Years Ended December 31	
	2022	2021
Legal reserve	<u>\$ 67,546</u>	<u>\$ 50,040</u>
Cash dividends	<u>\$ 229,427</u>	<u>\$ 150,314</u>
Dividends Per Share (NT\$)	\$ 1.90	\$ 1.25

The appropriations of earnings for 2022 is to be presented for approval in ITC's shareholders' meeting to be held on June 14, 2023 (expected).

Information on the employees' compensation and remuneration of directors resolved by the Company's board of directors is available at the Market Observation Post System website of the Taiwan Stock Exchange.

#### (4) Special reserve

As the increase in retained earnings generated from the initial application of IFRSs was insufficient for appropriation as dividends, it was appropriated to a special reserve. As the special reserve appropriated by foreign operations (including subsidiaries) due to the exchange differences upon translation of their financial statements was reversed in proportion to the Company's disposal of the foreign operations; upon the Company's loss of significant influence, the entire special reserve relating to exchange differences arising from those foreign operations will be reversed. Additional special reserve should be appropriated for the amount equal to the difference between net debit balance reserves and the special reserve appropriated on the first-time adoption of IFRSs. Any special reserve appropriated may be reversed to the extent that the net debit balance reverses; the reversed amount may be distributed.

#### (5) Other equity items

- a. Exchange differences on translating the financial statements of foreign operations

	For the Three-Month Period Ended March 31	
	2023	2022
Balance at January 1	<u>(\$ 74,056)</u>	<u>(\$ 92,426)</u>
Current period generated		
Exchange differences arising from the translation of net assets of foreign operating entities	<u>10,141</u>	<u>68,214</u>
Other comprehensive income or loss for the period	<u>10,141</u>	<u>68,214</u>
Balance at March 31	<u>(\$ 63,915)</u>	<u>(\$ 24,212)</u>

- b. Unrealized valuation gain on financial assets at FVTOCI

	For the Three-Month Period Ended March 31	
	<u>2023</u>	<u>2022</u>
Balance at January 1	<u>\$ 23,796</u>	<u>\$ 51,650</u>
Current period generated Unrealized profit and loss- Equity Tools	<u>5,523</u>	( <u>7,913</u> )
Other comprehensive income or loss for the period	<u>5,523</u>	( <u>7,913</u> )
Balance at March 31	<u>\$ 29,319</u>	<u>\$ 43,737</u>

c. Remeasurement of defined benefit obligation

	For the Three-Month Period Ended March 31	
	<u>2023</u>	<u>2022</u>
Balance at January 1 and March 31	<u>\$ 7,351</u>	<u>\$ 2,024</u>

(6) Treasury shares

<u>Purpose of Acquisition</u>	Treasury shares granted to employees( In Thousands)
Shares Held as of January 1, 2023	<u>1,500</u>
Decrease During the Period	( <u>1,000</u> )
Shares Held as of March 31, 2023	<u>500</u>
Shares as of January 1, 2022 and March 31, 2022	<u>1,000</u>

The company passed the resolution of the board of directors on February 22, 2012, and transferred 1,000 thousand treasury shares to employees in accordance with the company's "Sixth Repurchase of Shares Transfer to Employees Measures". The transfer price was NT\$15.9 per share. After this transfer, there are 500 thousand shares remaining.

Pursuant to the Securities and Exchange Act of the ROC, the treasury shares held by the Company should not be pledged as collateral, are not eligible for dividends and do not have voting rights.

22. REVENUE

	For the Three-Month Period Ended March 31	
	2023	2022
Revenue from contracts with Customers		
Sale of Goods	<u>\$1,500,607</u>	<u>\$1,596,496</u>

Please refer to Note 35 for a breakdown of revenues.

23. NET PROFIT FROM CONTINUING OPERATIONS

Net Profit from continuing operations including the following items :

(1) Other income

	For the Three-Month Period Ended March 31	
	2023	2022
Rental income	\$ 202	\$ 1,946
Others	<u>571</u>	<u>2,418</u>
	<u>\$ 773</u>	<u>\$ 4,364</u>

(2) Other gains and losses

	For the Three-Month Period Ended March 31	
	2023	2022
Gain (loss) on disposal of property, plant and equipment	\$ -	\$ 198
Foreign exchange gains (losses); Gain (loss) from changes of financial assets at fair value through profit or loss	4,192	7,621
Others	<u>191</u>	<u>-</u>
	<u>( 324 )</u>	<u>( 931 )</u>
	<u>\$ 4,059</u>	<u>\$ 6,888</u>

(3) Finance costs

	For the Three-Month Period Ended March 31	
	2023	2022
Interest on lease liabilities	\$ 1,258	\$ 302
Discounted interest on notes receivable	8,979	2,892
Interest on bank loans	<u>3,459</u>	<u>905</u>
	<u>\$ 13,696</u>	<u>\$ 4,099</u>

(4) Depreciation and amortization

	For the Three-Month Period Ended March 31	
	2023	2022
An analysis of depreciation by function		
Operating costs	\$ 53,411	\$ 27,818
Operating expenses	15,132	11,164
Other expenses	-	478
	<u>\$ 68,543</u>	<u>\$ 39,460</u>
An analysis of amortization by function		
Operating costs	\$ 90	\$ 19
Operating expenses	580	923
	<u>\$ 670</u>	<u>\$ 942</u>

(5) Employee Benefit Expenses

	For the Three-Month Period Ended March 31	
	2023	2022
Short-term employee benefits		
Salaries	\$178,145	\$132,630
Labor/Health Insurance	18,081	12,405
	<u>196,226</u>	<u>145,035</u>
Post-employment benefits		
Defined contribution plan	1,390	1,609
Defined Benefit Plan (Note 19)	51	59
	<u>1,441</u>	<u>1,668</u>
Other employee benefit expenses	10,087	8,119
Total employee benefit expenses	<u>\$207,754</u>	<u>\$154,822</u>
Summary by function		
Operating costs	\$122,650	\$102,847
Operating expenses	85,104	51,975
	<u>\$207,754</u>	<u>\$154,822</u>

(6) Employees' compensation and remuneration of directors

The Company accrues employees' compensation and remuneration of directors at the rates of 2%-10% and no higher than 2%, respectively, of net profit before income tax, employees' compensation, and remuneration of directors.

For the three-month period ended March 31, 2023 and 2022, the employees' compensation and the remuneration of directors and supervisors were as follows:

Accrual rate

	For the Three-Month Period Ended March 31	
	2023	2022
Employees' compensation	3.8%	3.8%
Remuneration of directors	1.4%	1.4%

Amounts

	For the Three-Month Period Ended March 31	
	2023	2022
Employees' compensation	<u>\$ 4,490</u>	<u>\$ 7,226</u>
Remuneration of directors	<u>\$ 1,654</u>	<u>\$ 2,662</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 and adjusted in the next year.

The appropriations of employees' compensation and remuneration of directors for 2022 and 2021 that were resolved by the board of directors on February 22, 2023 and February 21, 2022, respectively, were as below:

	For the Years Ended December 31	
	2022	2021
	Cash	Cash
Employees' compensation	\$ 31,293	\$ 21,422
Remuneration of directors	11,529	7,892

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

Information on the compensation of employees and remuneration of directors and supervisors resolved by the Company's board of directors is available at the Market Observation Post System website of the Taiwan Stock Exchange.

(7) Foreign net exchange gain or loss

	For the Three-Month Period Ended March 31	
	2023	2022
Foreign exchange gain	\$ 14,469	\$ 9,745
Foreign exchange loss	( 10,277)	( 2,124)
Net exchange gain	<u>\$ 4,192</u>	<u>\$ 7,621</u>

24. INCOME TAXES RELATING TO CONTINUING OPERATIONS

(1) Income taxes recognized in profit or loss

Detail of income tax was as follows: :

	For the Three-Month Period Ended March 31	
	2023	2022
Current income tax expenses		
In respect of the current period	\$ 30,206	\$ 38,790
Deferred income tax		
In respect of the current period	<u>4,323</u>	<u>2,720</u>
Income tax expense recognized in profit or loss	<u>\$ 34,529</u>	<u>\$ 41,510</u>

The tax rate applicable to subsidiaries in the PRC is 25%; in addition, according to the management method of high-tech enterprise recognition. Info-Tek Electronics (Suzhou) CO., LTD. High-tech enterprises that have been approved as national key support are entitled to a preferential tax rate of 15% for corporate income tax. Taxes generated in other jurisdictions are calculated according to the tax rates applicable in the respective jurisdictions.

(2) Income taxes recognized in other comprehensive income

	For the Three-Month Period Ended March 31	
	2023	2022
<u>Deferred income tax</u>		
In respect of the current period		
—Conversion of foreign operating institutions	<u>\$ 2,535</u>	<u>\$ 17,054</u>

(3) Income tax examination

Income tax returns of the Company through 2021 have been assessed and approved by the tax authorities.

25. EARNINGS PER SHARE

	Unit: NT\$ Per Share	
	For the Three-Month Period Ended March 31	
	2023	2022
Basic earnings per share	<u>\$ 0.93</u>	<u>\$ 1.46</u>
Diluted earnings per share	<u>\$ 0.92</u>	<u>\$ 1.46</u>

The EPS and weighted average number of ordinary shares outstanding (in thousands of shares) were as follows:

Net income available to common shareholders

	For the Three-Month Period Ended March 31	
	2023	2022
Net income available to common shareholders	<u>\$111,166</u>	<u>\$175,481</u>
Net income used to calculate basic and diluted earnings per share	<u>\$111,166</u>	<u>\$175,481</u>



	For the Three-Month Period Ended March 31	
	<u>2023</u>	<u>2022</u>
Weighted average number of ordinary shares used in the computation of basic earnings per share	120,001	120,251
Effect of potentially dilutive ordinary shares		
Shares issued for employees' compensation	<u>412</u>	<u>340</u>
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>120,413</u>	<u>120,591</u>

If the Company may choose to pay employees in stock or cash, the calculation of diluted earnings per share assumes that employee compensation will be paid in stock and is included in the weighted-average number of shares outstanding when the potential common stock has a dilutive effect to calculate diluted earnings per share. The dilutive effect of these potential common shares will also continue to be considered in the calculation of diluted earnings per share before the number of employee compensation shares is resolved at the following annual shareholders' meeting.

## 26. SHARE-BASED PAYMENT

On February 22, 2023, the Group passed a resolution of the board of directors to transfer 1,000 thousand shares of treasury shares and employees. The object of the grant is the current employees of the company, and the transfer price is \$15.9. The stock options for transferring the treasury stock to the employees have been fully executed on February 22, 2023.

<u>Board of directors passed date</u>	<u>Grant date</u>	<u>Transfer shares (Thousand)</u>	<u>Fair value</u>
February 22, 2023	February 22, 2023	1,000	40.2007

The employee stock options granted by the Group in February 2023 use the Black-Scholes evaluation model, and the input values used in the evaluation model are as follows:

	<u>February 22, 2023</u>
Grant date share price	56.10
Exercise price	15.9
Expected volatility	1.6726%
Duration (days)	2
Risk free rate	0.8569%

The expected volatility using the Black-Scholes evaluation model is based on the stock price in the most recent period approximately equivalent to the expected duration of the stock option as the sample range, and is estimated by the standard deviation of the stock return rate during the period.

For the three-month period ended March 31, the remuneration cost recognized by the Group was \$40,201 thousands.

27. CAPITAL MANAGEMENT

The Group manages its capital to ensure that all the entities of the Group will be able to continue as going concerns while maximizing the return of stakeholders through the optimization of the debt and equity balance.

The capital structure of the Group consists of the Group's net debt (ie, borrowings less cash and cash equivalents) and equity attributable to owners of the parent company (ie, share capital, capital reserves, retained earnings, and other equity items).

The Group are not subject to other external capital requirements.

28. CASHLESS TRANSACTION

The Group carried out the following non-cash investment activities in for the three-month period ended March 31, 2023 and 2022:

	For the Three-Month Period Ended March 31	
	2023	2022
Increase in property, plant and equipment	(\$ 30,285)	(\$ 5,921)
Increase in prepaid equipment	( 15,068)	( 31,043)
Increase (decrease) in payables for equipment	<u>18,725</u>	<u>( 3,942)</u>
Acquisition of real estate, plant and equipment pay cash	<u>(\$ 26,628)</u>	<u>(\$ 40,906)</u>

29. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments not measured at fair value

The management considers the carrying amounts of financial assets and financial liabilities recognized in the consolidated financial statements approximate the fair values.

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

March 31, 2023

	Level 1
<u>Financial assets at fair value through profit or loss</u>	
Mutual funds	<u>\$ 748</u>
<u>Financial assets at fair value through other comprehensive income</u>	
Investments in equity instrument	
Domestic listed shares	<u>\$ 30,608</u>
Investments in debt instrument	
Foreign Bonds	<u>\$ 57,637</u>

December 31, 2022

	<u>Level 1</u>
<u>Financial assets at fair value through other comprehensive income</u>	
Investments in equity instrument	
Domestic listed shares	<u>\$ 25,005</u>

March 31, 2022

	<u>Level 1</u>
<u>Financial assets at fair value through other comprehensive income</u>	
Investments in equity instrument	
Domestic listed shares	<u>\$ 44,946</u>

There were no transfers between Levels 1 and 2 for the three-month period ended March 31, 2023 and 2022.

c. Categories of financial instruments

	<u>March 31, 2023</u>	<u>December 31, 2022</u>	<u>March 31, 2022</u>
<u>Financial assets</u>			
Financial assets at FVTPL	\$ 748	\$ -	\$ -
Financial assets at amortized cost (Note 1)	3,956,549	4,159,384	3,338,781
Financial assets at FVTOCI— Investment in equity instruments	88,245	25,005	44,946
<u>Financial liabilities</u>			
Financial liabilities at amortized cost (Note 2)	2,797,144	3,013,417	2,280,106

Note 1: The balance includes financial assets measured at amortized cost, such as cash and cash equivalents, notes receivable, accounts receivable, accounts receivable - related parties, other receivables, other receivables - related parties and other financial assets.

Note 2 : The balance is included short-term loan 、 Notes payable 、 Payables 、 Payables-Related parties 、 Other payables 、 Other payables- Related parties 、 Long-term loans due within one year and Long term loan  
Financial liabilities measured at amortized cost.

d. Financial risk management objectives and policies

The Group's major financial instruments include cash and cash equivalents, notes receivable, trade receivables, trade receivables-related parties, other receivables, other receivables-related parties, borrowings, notes payable, trade payables, trade payables-related parties, other payables, other payables-related parties and lease liabilities. The Company's corporate treasury function provides services to the business, coordinates access to

domestic and international financial markets, and monitors and manages the financial risks relating to the operations of the Company through internal risk reports that analyze exposures by degree and magnitude of risks. These risks include market risk (including foreign currency risk and interest rate risk), credit risk and liquidity risk.

i. Market risk

The Group is exposed to the financial market risks, primarily changes in foreign currency exchange rates (see (1) below) and interest rates (see (2) below).

(1) Foreign currency risk

The Group engages in sales and purchase transactions denominated in foreign currencies, thus exposing the Group to exposure to exchange rate fluctuations.

The carrying amounts of monetary assets and monetary liabilities denominated in nonfunctional currencies and with risk of foreign currency risk of the group at the balance sheet date are shown in Note 33.

The following table details the sensitivity analysis of the Group when the exchange rates of NTD or functional currency against each relevant foreign currency increase and decrease by 10%. Sensitivity analysis only includes monetary items in foreign currencies in circulation, and the period-end conversion is adjusted by 10% exchange rate change. The positive numbers in the table below represent the amount that will reduce the net profit after tax when the NT dollar or the functional currency appreciates by 10% relative to the relevant currencies; when the NT dollar or the functional currency depreciates by 10% relative to the relevant foreign currencies, the impact on net profit after tax will be a negative amount of the same amount.

	The effect of U.S. dollar on NTD as the functional currency	
	For the Three-Month Period Ended March 31	
	2023	2022
Loss (gain)	<u>(\$ 13,368)</u>	<u>(\$ 9,149)</u>
	The effect of U.S. dollar on RMB as the functional currency	
	For the Three-Month Period Ended March 31	
	2023	2022
Loss (gain)	<u>\$ 10,048</u>	<u>\$ 14,466</u>

(2) Interest rate risk

The Group's interest rate risk mainly comes from fixed and floating rate borrowings. Fluctuations in interest rates will affect future cash flows, but not fair value.

Assuming that the floating-rate loans at the end of the reporting period are held for the entire reporting period, if the interest rate increases by 100 basis points (1%) and other conditions remain unchanged, the net interest expense of the Group's floating-rate

loans will increase by \$996 thousands and \$640 thousands in for the three-month period ended 2023 and 2022, respectively.

ii. Credit Risk

In order to mitigate credit risk, the management of the Group assigned a dedicated team to be responsible for the determination of credit line, credit approval and other monitoring procedures to ensure that appropriate actions have been taken to recover overdue receivables. In addition, the Group will review the recoverable amount of receivables one by one on the balance sheet date to ensure that unrecoverable receivables have been appropriately derogated. Accordingly, the management of the company believes that the credit risk of the Group has been significantly reduced.

In addition, since the counterparty of liquid funds and derivative financial instruments is a bank with a high credit rating given by an international credit rating agency, the credit risk is limited.

iii. Liquidity risk

The Group has established an appropriate liquidity risk management framework to meet short-term, medium-term and long-term financing and liquidity management needs. The Group manages liquidity risk by maintaining adequate reserves, bank facilities and borrowing commitments, continuously monitoring projected and actual cash flows, and matching the maturities of financial assets and liabilities. As of March 31, 2023, December 31, 2022 and March 31, 2022, the Group's unused short-term bank financing amounted to 1,994,610 thousand, 2,317,491 thousand and 1,936,677 thousand respectively.

Liquidity and interest rate risk table for non-derivative financial liabilities

The remaining contractual maturity analysis of non-derivative financial liabilities is prepared based on the undiscounted cash flows of financial liabilities (including principal and estimated interest) based on the earliest date on which the Group may be required to repay. Therefore, the bank loans that the Group can be required to repay immediately are listed in the earliest period in the table below, regardless of the probability of the bank's immediate execution of the right; the maturity analysis of other non-derivative financial liabilities is prepared based on the agreed repayment date.

For interest cash flows paid at floating rates, the undiscounted interest amount is derived from the yield curve at the balance sheet date.

March 31, 2023

	1 to 3 months	3 months to 1 year	1 to 5 years	Total
<u>Non-derivative financial liabilities</u>				
No interest bearing liabilities	\$1,648,770	\$ 661,577	\$ -	\$2,310,347
Lease liability	25,833	48,379	51,805	126,017
Floating Rate Instrument	<u>210,000</u>	<u>189,506</u>	<u>87,291</u>	<u>486,797</u>
	<u>\$1,884,603</u>	<u>\$ 899,462</u>	<u>\$ 139,096</u>	<u>\$2,923,161</u>

December 31, 2022

	<u>1 to 3 months</u>	<u>3 months to 1 year</u>	<u>1 to 5 years</u>	<u>Total</u>
<u>Non-derivative financial liabilities</u>				
No interest bearing liabilities	\$1,654,716	\$ 754,211	\$ -	\$2,408,927
Lease liability	17,945	59,439	65,445	142,829
Floating Rate Instrument	<u>258,611</u>	<u>170,441</u>	<u>175,438</u>	<u>604,490</u>
	<u>\$1,931,272</u>	<u>\$ 984,091</u>	<u>\$ 240,883</u>	<u>\$3,156,246</u>

March 31, 2022

	<u>1 to 3 months</u>	<u>3 months to 1 year</u>	<u>1 to 5 years</u>	<u>Total</u>
<u>Non-derivative financial liabilities</u>				
No interest bearing liabilities	\$1,466,041	\$ 493,681	\$ 384	\$1,960,106
Lease liability	4,680	14,062	11,039	29,781
Floating Rate Instrument	<u>290,000</u>	<u>30,000</u>	<u>-</u>	<u>320,000</u>
	<u>\$1,760,721</u>	<u>\$ 537,743</u>	<u>\$ 11,423</u>	<u>\$2,309,887</u>

e. Financial Asset Transfer Information

The Group did not sell any accounts receivable during the period.

Information about the Group's sale of notes receivable is as follows:

For the three-month period ended March 31, 2023 and 2022, the Group discounted \$828,833 thousand and \$468,624 thousand, respectively, of notes without recourse. The discounted notes were derecognized from the notes receivable at the time of discounting because they did not carry recourse.

30. TRANSACTIONS WITH RELATED PARTIES

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Group and other related parties are disclosed below.

(1) Related party name and categories

<u>Related Party Name</u>	<u>Related Party Category</u>
Walsin Technology Corp.	Associate
Walsin Lihwa Corporation	Associate
HannStar Board Corporation	Associate
Global Brands Manufacture Ltd.	Associate
Suzhou Walsin Technology Electronics Co., Ltd.	Other related party
HannStar Board Technology (Jiang Yin) Corp.	Other related party
Prosperity Dielectrics Co., Ltd.	Other related party
Kunshan Yuanmao Electronics Technology Co., Ltd.	Other related party
HANNSTAR DISPLAY CORP.	Other related party
Dong Guan CMK Global Brands Manufacture Ltd.	Other related party
DongGuan Yujia Electronics Technology Co., Ltd.	Other related party
VVG Inc.	Other related party
Hannstar Display (Nanjing) Co., Ltd.	Other related party

Inpaq Technology Co., Ltd	Other related party
Silitech Technology Corporation	Other related party
Jingjia Electronics Technology (Wuhu) Co., Ltd.	Other related party
Kunshan Yuansong Electronics Technology Co., Ltd.	Other related party

(2) Sales revenue

Category of related party	For the Three-Month Period Ended March 31	
	2023	2022
Other related party	<u>\$ 20,872</u>	<u>\$ 13,637</u>

The terms of the transactions are the same as those for ordinary non-affiliated parties, and there are no special circumstances.

(3) Purchases of goods

Category of related party	For the Three-Month Period Ended March 31	
	2023	2022
Associate	\$ 1,086	\$ 6,305
Other related party	<u>5,558</u>	<u>5,789</u>
	<u>\$ 6,644</u>	<u>\$ 12,094</u>

The terms of the transactions are the same as those for ordinary non-affiliated parties, and there are no special circumstances.

(4) Receivables from related parties

Account items	Category of related party	March 31, 2023	December 31, 2023	March 31, 2022
Accounts Receivables - Related Parties	Other related party	\$ 29,745	\$ 34,576	\$ 23,105
	Less: Loss Allowance	( 14 )	-	-
		<u>\$ 29,731</u>	<u>\$ 34,576</u>	<u>\$ 23,105</u>
Other Receivables - related parties	Other related party	\$ 5	\$ 198	\$ 1,407
	Less: Loss Allowance	-	-	( 8 )
		<u>\$ 5</u>	<u>\$ 198</u>	<u>\$ 1,399</u>

(5) Payables to related parties

Account items	Category of related party	March 31, 2023	December 31, 2023	March 31, 2022
Accounts Payable - Related Parties	Other related party	\$ 6,901	\$ 5,321	\$ 6,824
	Associate	<u>2,733</u>	<u>3,426</u>	<u>2,525</u>
		<u>\$ 9,634</u>	<u>\$ 8,747</u>	<u>\$ 9,349</u>
Other payables - related parties	Other related party	\$ 3,360	\$ 3,884	\$ 4,168
	Associate	<u>2,477</u>	<u>2,631</u>	<u>1,698</u>
		<u>\$ 5,837</u>	<u>\$ 6,515</u>	<u>\$ 5,866</u>

The outstanding trade payables to related parties are unsecured.

(6) Other

Account Item	Category of related party	For the Three-Month Period Ended March 31	
		2023	2022
Management and general expenses - Professional service fees	Associate	<u>\$ 2,390</u>	<u>\$ 2,159</u>
Management and general expenses - stock expense	Associate	<u>\$ 352</u>	<u>\$ 339</u>
Management and general expenses - Professional service fees	Other related parties	<u>\$ 133</u>	<u>\$ 148</u>
Management and general expenses – Mixcellaneous expenses	Other related parties	<u>\$ 26</u>	<u>\$ 18</u>

(8) Lease Agreement

Category/name of related party	For the Three-Month Period Ended March 31	
	2023	2022
Acquisition of right-of-use assets		
Other related party		
Jingjia Electronics Technology (Wuhu) Co., Ltd.	<u>\$ 92,848</u>	<u>\$ -</u>

Account Item	Related Party Category	March 31, 2023	December 31, 2023	March 31, 2022
Lease liabilities	Other related party	<u>\$ 70,009</u>	<u>\$ 77,329</u>	<u>\$ -</u>

Category of related party	For the Three-Month Period Ended March 31	
	2023	2022
Interest expense		
Other related party	<u>\$ 695</u>	<u>\$ -</u>

The Group leased the factory of Jingjia Electronics Technology (Wuhu) Co., Ltd. in June 2022 for a period of three years at a fixed monthly rental payment based on the lease agreement with reference to the rental rate of similar assets.

(9) Rental Agreement

Operating Lease

The Group leases a factory to an affiliate, INPAQ Technology Co., Ltd. The lease period is 10 years. Rental rates are based on the rental rates of similar assets. A fixed monthly lease payment will be charged according to the lease agreement. As of March 31, 2022, the total amount of future lease



receivables will be 62,051 thousand. The lease income recognized in for the three-month period ended March 31, 2022 was \$1,682 thousand.

On November 1, 2022, the lease agreement was terminated early and the lease term expires on December 31, 2022.

(10) Compensation of key management personnel

The total remuneration of directors and other key management personnel is as follows :

	<u>For the Three-Month Period Ended March 31</u>	
Short-term employee benefits	\$ 14,973	\$ 2,216
Postretirement benefits	75	64
Share based payment	<u>18,439</u>	<u>-</u>
	<u>\$ 33,487</u>	<u>\$ 2,280</u>

The remuneration of directors and other key management is determined by the Remuneration Committee in accordance with individual performance and market trends, after review and approval by the Board of Directors.

31. MORTGAGE ASSETS

The following assets have been pledged or hypothecated as collateral for the first-refundable taxes on imported goods and long- and short-term borrowing lines:

	<u>March 31, 2023</u>	<u>December 31, 2023</u>	<u>March 31, 2022</u>
Land	\$ -	\$101,551	\$101,551
Buildings - net	-	119,031	125,268
Investment real estate - net	-	<u>20,427</u>	<u>21,860</u>
	<u>\$ -</u>	<u>\$241,009</u>	<u>\$248,679</u>

32. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

In addition to those described in other notes, the significant commitments and contingencies of the Group as of the balance sheet date were as follows:

Significant commitments

- (1) As of March 31, 2023, the Group issued promissory notes in the amount of NT\$862,000 thousand and US\$2,000 thousand to secure long- and short-term loans.
- (2) As of March 31, 2023, the Group was issued a letter of guarantee by a bank for the period from February 15, 2023 to February 14, 2024 for the amount of NT\$2,500 thousand for importing goods before taxation.

33. EXCHANGE RATE INFORMATION OF FOREIGN CURRENCY FINANCIAL ASSETS AND LIABILITIES

The following information is summarized and expressed in foreign currencies other than the functional currencies of The Group. The foreign currency assets and liabilities with significant impact are as follows:

March 31, 2023

	<u>Foreign currency</u>	<u>Exchange rate</u>	<u>Carrying Amount</u>
<u>Financial assets</u>			
<u>Monetary items</u>			
USD	\$ 7,629	30.45 (USD : NTD)	\$ 232,303
USD	784	6.8720 (USD : RMB)	23,873
JPY	2,864	0.2288 (JPY : NTD)	655
EUR	8	33.15 (EUR : NTD)	265
HKD	39	3.879 (HKD : NTD)	151
RMB	133	4.431 (RMB : NTD)	589
			<u>\$ 257,836</u>
	<u>Foreign currency</u>	<u>Exchange rate</u>	<u>Carrying Amount</u>
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD	2,146	30.45 (USD : NTD)	\$ 65,346
USD	4,708	6.8720 (USD : RMB)	143,358
JPY	-	0.2288 (JPY : NTD)	-
JPY	20,659	0.0516 (JPY : RMB)	4,727
EUR	32	33.15 (EUR : NTD)	1,061
EUR	59	3.879 (HKD : NTD)	1,956
			<u>\$ 216,448</u>

December 31, 2022

	<u>Foreign currency</u>	<u>Exchange rate</u>	<u>Carrying Amount</u>
<u>Financial assets</u>			
<u>Monetary items</u>			
USD	\$ 10,351	30.71 (USD : NTD)	\$ 317,879
USD	1,566	6.9625 (USD : RMB)	48,062
JPY	8,502	0.2324 (JPY : NTD)	1,976
EUR	4	32.72 (EUR : NTD)	131
HKD	39	3.938 (HKD : NTD)	154
RMB	48	4.408 (RMB : NTD)	212
			<u>\$ 368,414</u>
	<u>Foreign currency</u>	<u>Exchange rate</u>	<u>Carrying Amount</u>
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD	\$ 2,287	30.71 (USD : NTD)	\$ 70,234
USD	4,808	6.963 (USD : RMB)	147,561
EUR	55	7.4229 (EUR : RMB)	1,800
			<u>\$ 219,595</u>

March 31, 2022

	Foreign currency	Exchange rate		Carrying Amount
<u>Financial assets</u>				
<u>Monetary items</u>				
USD	\$ 5,488	28.625	( USD : NTD )	\$ 157,094
USD	1,042	6.3433	( USD : RMB )	29,783
JPY	1,567	0.2353	( JPY : NTD )	369
EUR	41	31.92	( EUR : NTD )	1,309
HKD	39	3.656	( HKD : NTD )	143
RMB	476	4.506	( RMB : NTD )	2,145
				<u>\$ 190,843</u>

	Foreign currency	Exchange rate		Carrying Amount
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD	1,493	28.625	( USD : NTD )	\$ 42,737
USD	6,996	6.3433	( USD : RMB )	199,966
JPY	19	0.2353	( JPY : NTD )	606
EUR	39	31.92	( EUR : NTD )	1,245
EUR	30	3.656	( HKD : NTD )	133
				<u>\$ 244,687</u>

The Group's foreign currency exchange gains (losses) (realized and unrealized) amounted to \$4,192 thousand and \$7,621 thousand in for the three-month period ended March 31, 2023 and 2022, respectively. Due to the wide variety of foreign currency transactions and the Group's individual functional currencies, it is not possible to disclose the exchange gains or losses by each material currency.

#### 34. ADDITIONAL DISCLOSURES

- i. Information about significant transactions and investees :
  - a. Financings provided: (Table 1)
  - b. Marketable securities held (excluding investments in subsidiaries): ( Table 2)
  - c. Marketable securities acquired and disposed of at costs or prices of at least NT\$300 million or 20% of the paid-in capital: None
  - d. Acquisition of individual real estate properties at costs of at least NT\$300 million or 20% of the paid-in capital: None
  - e. Disposal of individual real estate properties at prices of at least NT\$300 million or 20% of the paid-in capital: None
  - f. Total purchases from or sales to related parties of at least NT\$100 million or 20% of the paid-in capital: None
  - g. Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital: None
  - h. Information about the derivative financial instruments transaction: None
  - i. Others: The business relationship between the parent and the subsidiaries and significant transactions between them: (Table 5)
  - j. Information on investees: (Table 3)
- ii. Information on investment in mainland China
  - a. The name of the investee in mainland China, the main businesses and products, its issued capital, method of investment, information on inflow

or outflow of capital, percentage of ownership, income (losses) of the investee, share of profits/losses of investee, ending balance, amount received as dividends from the investee, and the limitation on investee. (Table 4)

- b. 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. (Table 6)
- (1) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the year
  - (2) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the year
  - (3) The amount of property transactions and the amount of the resultant gains or losses
  - (4) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the year and the purposes
  - (5) The highest balance, the ending balance, the interest rate range, and total current period interest with respect to the financing of funds
  - (6) Other transactions that have a material effect on the profit or loss for the year or on the financial position, such as the rendering or receipt of services

iii. Information of major shareholders

List of all shareholders with ownership of 5% or greater showing the names and the number of shares and percentage of ownership held by each shareholder. (Table 7)

### 35. SEGMENT INFORMATION

Information reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided.

PCBA – EMS1  
– EMS3

(1) Segment revenue and results

The following was an analysis of the Group's revenue and results from continuing operations by reportable segments:

	Operating revenue		Profit (loss) from operations	
	For the Three-Month Period Ended March 31			
	2023	2022	2023	2022
PCBA – EMS1	\$ 102,812	\$ 82,523	\$ 6,390	\$ 5,900
– EMS3	1,397,856	1,514,394	196,758	221,523
Adjustments	( 61 )	( 421 )	( 51,858 )	( 18,366 )
Profit from operations	<u>\$ 1,500,607</u>	<u>\$ 1,596,496</u>	151,290	209,057
Interest income			3,269	781
Gain (Loss) on disposal of property, plant and equipment			-	198
Foreign exchange (loss) gain			4,192	7,621
Rental income			202	1,946
Financial instrument evaluation benefits			191	-
Financial costs			( 13,696 )	( 4,099 )
Other income			<u>247</u>	<u>1,487</u>
Profit before Income tax from continue operations			<u>\$ 145,695</u>	<u>\$ 216,991</u>

The revenue reported above was generated from transactions with external clients. For the three-month period ended March 31, 2023 and 2022 do not include any intersegment sales.

Segment interests refer to the profits earned by each department, excluding interest income, disposition of real estate, plant and equipment gains and losses, net gains (losses) from foreign currency exchange, rental income, gain on reversal of impairment loss, gain on reversal of allowance, financial instrument evaluation gains and losses, financial costs, other income and income tax expense. This measure is provided to the chief operating decision maker to allocate resources to segments and measure their performance.

(2) Total segmental assets and liabilities

	March 31, 2023	December 31, 2023	March 31, 2022
<u>Segment assets</u>			
Continuing Operations			
Segment			
EMS1	\$ 787,572	\$ 853,087	\$ 710,312
EMS3	<u>5,624,321</u>	<u>5,608,140</u>	<u>4,592,612</u>
Segment assets	6,411,893	6,461,227	5,302,924
Unallocated assets	<u>39,450</u>	<u>31,091</u>	<u>92,402</u>
Total assets	<u>\$ 6,451,343</u>	<u>\$ 6,492,318</u>	<u>\$ 5,395,326</u>
	March 31, 2023	December 31, 2023	March 31, 2022
<u>Segment liabilities</u>			
Continuing Operations			
Segment			
EMS1	\$ 137,156	\$ 153,288	\$ 97,551
EMS3	<u>2,568,962</u>	<u>2,674,177</u>	<u>2,167,347</u>
Segment liabilities	2,706,118	2,826,587	2,264,898
Unallocated liabilities	<u>587,196</u>	<u>689,708</u>	<u>406,383</u>
Total liabilities	<u>\$ 3,293,314</u>	<u>\$ 3,517,173</u>	<u>\$ 2,671,281</u>

Based on the purpose of monitoring departmental performance and allocating resources to each department:

- a. All assets other than deferred tax assets are allocated to reportable segments. Assets used jointly by reportable departments are apportioned on the basis of income earned by the respective reportable departments; and
- b. All liabilities other than borrowings and current and deferred income tax liabilities are allocated to reportable segments. Liabilities jointly borne by reportable departments are apportioned in proportion to departmental assets

**TABLE 1****INFO-TEK CORPORATION AND SUBSIDIARIES****FINANCING PROVIDED TO OTHERS****MARCH 31, 2023****(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

No.	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period	Ending Balance	Actual Borrowing Amount	Interest Rate (%)	Nature of Financing	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Note 4)	Aggregate Financing Limit (Note 5)
												Item	Value		
1	SUN RISE CORPORATION (Note 1)	Info-Tek Electronics (Suzhou) CO.,LTD. (Note 2)	Other receivables due from related parties	Y	\$ 51,302 (RMB 11,500)	\$ 50,957 (RMB 11,500)	\$ 50,957 (RMB 11,500)	3%	Note 3	Operating turnover	\$ -	-	-	\$1,263,212	\$1,263,212

Note1 : Equity-method investees ◦

Note2 : The Company is an equity-method investee of SUN RISE CORPORATION.

Note3 : There is a need for short-term financing.

Note4 : The lending limit to individual customers or foreign companies in which the Company directly or indirectly holds 100% of the voting shares shall not exceed 40% of the Company's latest audited or reviewed net financial statements in Taiwan.

Note5 : The total amount of the capital loan shall not exceed 40% of the net value of the Company's most recent financial statements.

Note6 : The closing balance was translated at the exchange rate of RMB1=4.431 as of March 31, 2023.

**TABLE 2****INFO-TEK CORPORATION AND SUBSIDIARIES****MARKETABLE SECURITIES HELD****MARCH 31, 2023****(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

Holding Company Name	Type of Marketable Securities (Note1)	Name of Marketable Securities	Relationship with the Holding Company (Note2)	Financial Statement Account	March 31, 2023				Note (Note 4)
					Number of Shares	Carrying Amount (Note3)	Percentage of Ownership (%)	Fair Value	
Info-Tek Corporation	Common Stock	WalsinTechnology Corporation	Associate	Financial assets at FVTOCI	316,521	\$30,608	-	\$30,608	
SUN RISE CORPORATION	Money Market Funds	MS USD LIQUID QUALIF ACC FUND	N/A	Financial assets at FVTPL-current	224.47	748	-	748	
"	Corporate Bonds	BPCE SA	N/A	Financial assets at FVTOCI	1,200,000	33,215	-	33,215	
"	Corporate Bonds	STANDARD CHARTERED BANK	N/A	Financial assets at FVTOCI	800,000	24,422	-	24,422	

Note1 : Marketable securities referred to in this table are stocks, bonds, beneficiary certificates and marketable securities derived from the above items that fall within the scope of IFRS 9, "Financial Instruments".

Note2 : If the issuer of marketable securities is not a related party, the column is not required to be filled in.

Note3 : For those who are not measured at fair value, please enter the carrying amount of amortized cost (net of allowance for losses) in column B. For those who are not measured at fair value, please enter the carrying amount of amortized cost (net of allowance for losses) in column B.

Note4 : Please refer to Table 3 and Table 4 for the investment subsidiaries.

TABLE 3

## INFO-TEK CORPORATION AND SUBSIDIARIES

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

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of March 31, 2023			Net Income (Loss) of the Investee	Share of Profit (Loss) ( Note1 )	Note
				March 31, 2023	December 31, 2022	Number of Shares	( % )	Carrying Amount			
Info-Tek Corporation	INFO-TEK HOLDING CO., LTD.	British Virgin Islands	Trade industry	\$ 110,726	\$ 110,726	3,700,000	100	\$ 218,179	\$ 11,216	\$ 11,216	Investments accounted for using equity method
	SUN RISE CORPORATION	Samoa	Investment industry	1,167,689	1,167,689	35,500,000	100	2,755,502	157,984	157,984	"
SUN RISE CORPORATION	Info-Tek Electronics (Suzhou) CO.,LTD.	Jiangsu,China	Manufacture and assembly of motherboards for information electronic products	1,142,037	1,142,037	Table 4	92.21	2,420,737	169,957	156,714	"
INFO-TEK HOLDING CO., LTD.	Info-Tek Electronics (Suzhou) CO.,LTD.	Jiangsu,China	Manufacture and assembly of motherboards for information electronic products	91,525	91,525	Table 4	7.79	204,569	169,957	13,243	"

Note1 : The calculation is based on the investees' audited financial statements as of March 31, 2023, based on the percentage of shareholding.

Note2 : Please refer to Table 4 for information on our Mainland China investee companies. °



**TABLE 4****INFO-TEK CORPORATION AND SUBSIDIARIES****INFORMATION ON INVESTMENTS IN MAINLAND CHINA  
FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2023  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2023	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of March 31, 2023 (Note3)	Net Income (Loss) of the Investee (Note2)	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 2)	Carrying Amount as of March 31, 2023(Note 2)	Accumulated Appropriation of Investment Income as of March 31, 2023
					Outward	Inward						
Info-Tek Electronics (Suzhou) CO.,LTD.	Manufacture and assembly of motherboards for information electronic products	\$ 1,233,562	(Note1)	\$ 1,233,562	\$ -	\$ -	\$ 1,233,562	\$ 169,957	100%	\$ 169,957	\$ 2,625,306	\$ 410,926

Accumulated Outward Remittance for Investments in Mainland China as of March 31, 2023 (Note3)	Investment Amount Authorized by the Investment Commission, MOEA (Note 4)	Upper Limit on the Amount of Investments Stipulated by the Investment Commission, MOEA
\$ 1,617,552 (USD 50,509,323.8)	\$ 1,617,552 (USD 50,509,323.8)	\$ 1,894,817 (Note4)

Note 1: Investment in mainland China companies through an existing company established in a third region.

Note 2: Based on the financial statements of the investee company audited by the attesting CPA of the Taiwan parent company.

Note 3: The conversion rate is based on the prevailing exchange rate of each investment.

Note 4: The Company was certified by the Industrial Development Bureau of the Ministry of Economic Affairs as being in compliance with the scope of operation of the operating headquarters, which expired in June 2021, and no further amounts were remitted.

## INFO-TEK CORPORATION AND SUBSIDIARIES

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

No. (Note 1)	Investee Company	Counterparty	Relationship (Note 2)	Transaction Details			% of Total Sales or Assets (Note 3)
				Financial Statement Accounts	Amount	Payment Terms	
0	Info-Tek Corporation	Info-Tek Electronics (Suzhou) CO., LTD.	1	Other receivables from related parties	\$ 1,934	No significant difference with non-related parties	
		Info-Tek Electronics (Suzhou) CO., LTD.	1	Sales	61		
		INFO-TEK HOLDING CO., LTD.	1	Other receivables from related parties	3,111		
		INFO-TEK HOLDING CO., LTD.	1	Other payables from related parties	10		
1	Info-Tek Electronics (Suzhou) CO.,LTD.	Info-Tek Corporation	2	Trade payables to related parties	1,934		
		Info-Tek Corporation	2	Cost of goods sold	61		
		INFO-TEK HOLDING CO., LTD.	3	Other payables from related parties	17,928		
		SUNRISE CORPORATION	3	Finance costs	382		
2	INFO-TEK HOLDING CO., LTD.	SUNRISE CORPORATION	3	Other payables from related parties	253,477		3.93%
		Info-Tek Corporation	2	Other payables from related parties	3,111		
		Info-Tek Corporation	2	Other receivables from related parties	10		
3	SUNRISE CORPORATION	Info-Tek Electronics (Suzhou) CO., LTD	3	Other receivables from related parties	253,477		3.93%
		Info-Tek Electronics (Suzhou) CO., LTD.	3	Interest income	382		

Note 1: The number "0" represents for parent company, and the subsidiaries is numbered sequentially.

Note 2: The relationship is classified in 3 categories:

- 1: Represents for the transaction from parent company to subsidiary;
- 2: Represents for the transaction from subsidiary to parent company;
- 3: Represents for the transactions between subsidiaries.

Note 3: The percentage of total assets is calculated using the ending balance divided by the total consolidated assets; the percentage of total revenue is calculated using the accumulated amount during the period divided by the total consolidated sales revenue.

**TABLE 6****INFO-TEK CORPORATION AND SUBSIDIARIES**

The following significant transactions with Mainland China investees, directly or indirectly through third parties, and their prices, payment terms, unrealized gains or losses, and other related information  
**FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2023**  
**(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

Company Name	Purchase/(Sale)	Amount	Price	Transaction terms		Other receivables		Sales revenue	Note
				Payment terms	Comparison with Normal Transactions	Amount	%		
Info-Tek Electronics (Suzhou) CO.,LTD.	Raw material	\$ 1,094	Market Price	Payment Term 90 Days	No significant difference	\$ 1,934	29%	\$ 61	-

**TABLE 7****INFO-TEK CORPORATION AND SUBSIDIARIES****INFORMATION OF MAJOR SHAREHOLDERS****March 31, 2023**

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
Global Brands Manufacture Ltd.	33,270,949	27.43%
Giga Investment Co.	9,985,834	8.23%

Note 1: Major shareholders list includes shareholders having ownership of 5% or more.

Note 2: The percentage of ownership does not take into account the treasury shares that have been repurchased by the Company.