

**Promate Electronic Co., Ltd. and
Subsidiaries**

**Consolidated Financial Statements for the
Three Months Ended March 31, 2022 and 2021 and
Independent Auditors' Review Report**

INDEPENDENT AUDITORS' REVIEW REPORT

The Board of Directors and Shareholders
Promate Electronic Co., Ltd.

Introduction

We have reviewed the accompanying consolidated balance sheets of Promate Electronic Co., Ltd. and its subsidiaries (collectively, the "Group") as of March 31, 2022 and 2021, the related consolidated statements of comprehensive income, the consolidated statements of changes in equity and cash flows for the three months then ended, and the related notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

Except as explained in the following paragraph, we conducted our reviews in accordance with Statement of Auditing Standards No. 65 "Review of Financial Information Performed by the Independent Auditor of the Entity". A review of consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Qualified Conclusion

As disclosed in Note 13 to the consolidated financial statements, the financial statements of some non-significant subsidiaries included in the consolidated financial statements referred to in the first paragraph were not reviewed. As of March 31, 2022 and 2021, combined total assets of these non-significant subsidiaries were NT\$408,139 thousand and NT\$440,761 thousand, respectively, representing 2.59% and 3.51%, respectively, of the consolidated total assets, and combined total liabilities of these subsidiaries were NT\$174,566 thousand and NT\$86,601 thousand, respectively, representing 1.69% and 1.08%, respectively, of the consolidated total liabilities; for the three-month periods ended March 31, 2022 and 2021, the amounts of combined comprehensive income(loss) of these subsidiaries were (NT\$10,814) thousand and NT\$15,734 thousand, respectively, representing (3.29%) and 6.05%, respectively, of the consolidated total comprehensive income.

Qualified Conclusion

Based on our reviews, except for the adjustments, if any, as might have been determined to be necessary had the financial statements of the non-significant subsidiaries as described in the preceding paragraph been reviewed, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not give a true and fair view of the consolidated financial position of the Group as of March 31, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for the three months then ended March 31, 2022 and 2021 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China

The engagement partners on the reviews resulting in this independent auditors’ review report are Po Jen Weng and Hui-Min.Chen.

Deloitte & Touche
Taipei, Taiwan
Republic of China

May 11, 2022

Notice to Readers

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

For the convenience of readers, the independent auditors’ report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors’ report and consolidated financial statements shall prevail.

PROMATE ELECTRONIC CO., LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
(In Thousands of New Taiwan Dollars)

	March 31, 2022 (Reviewed)		December 31, 2021 (Audited)		March 31, 2021 (Reviewed)	
	Amount	%	Amount	%	Amount	%
ASSETS						
CURRENT ASSETS						
Cash and cash equivalents (Notes 4, 6 and 32)	\$ 1,852,554	12	\$ 1,976,856	13	\$ 2,426,396	19
Financial assets at fair value through profit or loss - current (Notes 4, 7, 20 and 32)	26,075	-	13,382	-	34,378	-
Financial assets at amortized cost - current (Notes 4, 9, 10, 32 and 34)	2,320	-	2,236	-	2,305	-
Notes receivable (Notes 4, 11 and 32)	54,167	-	92,798	1	77,286	1
Accounts receivable (Notes 4, 11 and 32)	7,297,851	46	6,868,984	45	5,758,481	46
Accounts receivable from related parties (Notes 4, 11, 32 and 33)	442	-	1,693	-	1,148	-
Other receivables (Notes 4, 11 and 32)	709,441	5	727,041	5	1,056,754	8
Current tax assets (Notes 4 and 28)	404	-	391	-	448	-
Inventories (Notes 4 and 12)	3,568,917	23	3,489,971	23	2,073,085	17
Other current assets (Notes 18)	20,117	-	23,207	-	21,619	-
Total current assets	<u>13,532,288</u>	<u>86</u>	<u>13,196,559</u>	<u>87</u>	<u>11,451,900</u>	<u>91</u>
NON-CURRENT ASSETS						
Financial assets at fair value through other comprehensive income - noncurrent (Notes 4, 8 and 32)	171,060	1	166,654	1	95,718	1
Investments accounted for using the equity method (Notes 4 and 14)	-	-	-	-	646	-
Property, plant and equipment (Notes 4, 15, 27, and 34)	384,621	2	382,717	2	389,415	3
Right-of-use assets (Notes 4, 16, 27 and 33)	104,909	1	105,289	1	100,991	1
Other intangible assets (Notes 4, 17 and 27)	8,964	-	9,837	-	7,477	-
Deferred tax assets (Notes 4 and 28)	211,217	1	174,778	1	112,017	1
Prepayments for business facilities (Notes 18, 30 and 35)	3,660	-	6,834	-	1,926	-
Refundable Deposits (Notes 18 and 32)	<u>1,352,857</u>	<u>9</u>	<u>1,169,931</u>	<u>8</u>	<u>405,720</u>	<u>3</u>
Total non-current assets	<u>2,237,288</u>	<u>14</u>	<u>2,016,040</u>	<u>13</u>	<u>1,113,910</u>	<u>9</u>
TOTAL	<u>\$15,769,576</u>	<u>100</u>	<u>\$15,212,599</u>	<u>100</u>	<u>\$12,565,810</u>	<u>100</u>
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term borrowings (Notes 4, 19, 30, 32, 34 and 35)	\$ 3,017,299	19	\$ 2,645,942	17	\$ 2,232,630	18
Short-term bills payable (Notes 4, 19, 30 and 32)	70,000	-	180,000	1	120,000	1
Contract liabilities - current (Notes 22 and 26)	187,358	1	146,306	1	134,644	1
Notes payable (Notes 21 and 32)	17,353	-	8,447	-	178	-
Accounts payable (Notes 21 and 32)	3,539,619	23	4,083,540	27	3,080,971	25
Accounts payable to related parties (Notes 21, 32 and 33)	17,725	-	13,893	-	13,540	-
Other payables (Notes 22 and 32)	596,609	4	558,738	4	420,624	3
Current tax liabilities (Notes 4 and 28)	395,880	3	279,163	2	122,553	1
Provisions- current (Notes 4 and 23)	2,869	-	2,938	-	3,441	-
Lease liabilities - current (Notes 4, 16, 30, 32 and 33)	39,089	-	37,289	-	34,694	-
Other current liabilities (Note 22)	<u>645,705</u>	<u>4</u>	<u>492,968</u>	<u>3</u>	<u>362,855</u>	<u>3</u>
Total current liabilities	<u>8,529,506</u>	<u>54</u>	<u>8,449,224</u>	<u>55</u>	<u>6,526,130</u>	<u>52</u>
NON-CURRENT LIABILITIES						
Bonds Payable (Notes 4, 20 and 32)	405,921	3	539,418	4	970,357	8
Provisions- noncurrent (Notes 4 and 23)	1,455	-	1,386	-	1,683	-
Deferred tax liabilities (Notes 4 and 28)	55,821	-	53,883	-	146,473	1
Lease liabilities - noncurrent (Notes 4, 16, 30, 32 and 33)	63,160	-	68,470	1	64,835	1
Net defined benefit liabilities - noncurrent (Notes 4 and 24)	42,343	-	42,643	-	47,257	-
Guarantee Deposits (Notes 22 and 32)	<u>1,202,330</u>	<u>8</u>	<u>1,051,904</u>	<u>7</u>	<u>285,414</u>	<u>2</u>
Total non-current liabilities	<u>1,771,030</u>	<u>11</u>	<u>1,757,704</u>	<u>12</u>	<u>1,516,019</u>	<u>12</u>
Total liabilities	<u>10,300,536</u>	<u>65</u>	<u>10,206,928</u>	<u>67</u>	<u>8,042,149</u>	<u>64</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Notes 25, and 29)						
Share capital						
Ordinary shares	<u>1,979,664</u>	<u>12</u>	<u>1,934,141</u>	<u>13</u>	<u>1,791,260</u>	<u>14</u>
Capital surplus	<u>1,097,633</u>	<u>7</u>	<u>1,008,022</u>	<u>7</u>	<u>712,730</u>	<u>6</u>
Retained earnings						
Legal reserve	872,428	6	872,428	6	818,510	7
Special reserve	-	-	-	-	15,204	-
Unappropriated earnings	<u>1,125,008</u>	<u>7</u>	<u>821,907</u>	<u>5</u>	<u>766,101</u>	<u>6</u>
Total retained earnings	<u>1,997,436</u>	<u>13</u>	<u>1,694,335</u>	<u>11</u>	<u>1,599,815</u>	<u>13</u>
Other equity	<u>7,774</u>	<u>-</u>	<u>2,551</u>	<u>-</u>	<u>24,992</u>	<u>-</u>
Total equity attributable to owners of the Company	<u>5,082,507</u>	<u>32</u>	<u>4,639,049</u>	<u>31</u>	<u>4,128,797</u>	<u>33</u>
NON-CONTROLLING INTERESTS (Notes 25)	<u>386,533</u>	<u>3</u>	<u>366,622</u>	<u>2</u>	<u>394,864</u>	<u>3</u>
Total equity	<u>5,469,040</u>	<u>35</u>	<u>5,005,671</u>	<u>33</u>	<u>4,523,661</u>	<u>36</u>
TOTAL	<u>\$15,769,576</u>	<u>100</u>	<u>\$15,212,599</u>	<u>100</u>	<u>\$12,565,810</u>	<u>100</u>

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

PROMATE ELECTRONIC CO., LTD. AND SUBSIDIARIES

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

	For the Three Months Ended March 31			
	2022		2021	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 26 and 33)				
Sales	\$ 8,467,662	100	\$ 7,844,524	100
OPERATING COSTS (Notes 4, 12, 27 and 33)				
Cost of sales	(7,805,627)	(92)	(7,247,600)	(92)
GROSS PROFIT	<u>662,035</u>	<u>8</u>	<u>596,924</u>	<u>8</u>
OPERATING EXPENSES (Notes 27 and 33)				
Selling and marketing expenses	(317,292)	(4)	(234,355)	(3)
General and administrative expenses	(33,947)	-	(30,086)	(1)
Research and development expenses	(18,591)	-	(16,999)	-
Total operating expenses	(369,830)	(4)	(281,440)	(4)
OPERATING PROFIT	<u>292,205</u>	<u>4</u>	<u>315,484</u>	<u>4</u>
NON-OPERATING INCOME AND EXPENSES (Notes 4, 27 and 33)				
Interest income	347	-	586	-
Other income	940	-	884	-
Other gains and losses	125,437	1	(11,790)	-
Finance costs	(15,439)	-	(14,850)	-
Total non-operating income and expenses	<u>111,285</u>	<u>1</u>	<u>(25,170)</u>	<u>1</u>
PROFIT BEFORE INCOME TAX	403,490	5	290,314	4
INCOME TAX EXPENSE (Notes 4 and 28)	(81,114)	(1)	(54,999)	(1)
NET PROFIT FOR THE PERIOD	<u>322,376</u>	<u>4</u>	<u>235,315</u>	<u>3</u>
OTHER COMPREHENSIVE INCOME (LOSS) (Notes 4, 25 and 28)				
Items that will not be reclassified subsequently to profit or loss:				
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	4,406	-	22,406	-
Income tax relating to items that will not be reclassified subsequently to profit or loss	(755)	-	-	-

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PROMATE ELECTRONIC CO., LTD. AND SUBSIDIARIES

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

	For the Three Months Ended March 31			
	2022		2021	
	Amount	%	Amount	%
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating the financial statements of foreign operations	2,760	-	(730)	-
Unrealized gain on investments in debt instruments at fair value through other comprehensive income	-	-	2,788	-
Income tax relating to items that may be reclassified subsequently to profit or loss	(552)	-	146	-
Other comprehensive income (loss) for the period, net of income tax	5,859	-	24,610	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>\$ 328,235</u>	<u>4</u>	<u>\$ 259,925</u>	<u>3</u>
NET PROFIT ATTRIBUTABLE TO:				
Owners of the Company	\$ 303,101	4	\$ 219,809	3
Non-controlling interests	<u>19,275</u>	<u>-</u>	<u>15,506</u>	<u>-</u>
	<u>\$ 322,376</u>	<u>4</u>	<u>\$ 235,315</u>	<u>3</u>
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:				
Owners of the Company	\$ 308,324	4	\$ 242,405	3
Non-controlling interests	<u>19,911</u>	<u>-</u>	<u>17,520</u>	<u>-</u>
	<u>\$ 328,235</u>	<u>4</u>	<u>\$ 259,925</u>	<u>3</u>
EARNINGS PER SHARE (Note 29)				
Basic	<u>\$ 1.56</u>		<u>\$ 1.23</u>	
Diluted	<u>\$ 1.42</u>		<u>\$ 1.06</u>	

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

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PROMATE ELECTRONIC CO., LTD. AND SUBSIDIARIES

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

	Equity Attributable to Owners of the Company						Other Equity		Total	Noncontrolling Interests	Total Equity
	Issued Capital		Capital Surplus	Retained Earnings			Exchange Differences on Translating the Financial Statements of Foreign Operation	Unrealized Gain on financial Assets at Fair Value Through Other Comprehensive Income			
	Shares (Thousands)	Share Capital		Legal Reserve	Special Reserve	Unappropriated Earnings					
BALANCE AT JANUARY 1, 2021	179,126	\$ 1,791,260	\$ 712,730	\$ 818,510	\$ 15,204	\$ 541,910	(\$ 5,218)	\$ 11,996	\$ 3,886,392	\$ 377,344	\$ 4,263,736
Disposal of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	-	4,382	-	(4,382)	-	-	-
Net profit for the three months ended March 31, 2021	-	-	-	-	-	219,809	-	-	219,809	15,506	235,315
Other comprehensive income (loss) for the three months ended March 31, 2021, net of income tax	-	-	-	-	-	-	(518)	23,114	22,596	2,014	24,610
Total comprehensive income (loss) for the three months ended March 31, 2021	-	-	-	-	-	219,809	(518)	23,114	242,405	17,520	259,925
BALANCE AT MARCH 31, 2021	<u>179,126</u>	<u>\$ 1,791,260</u>	<u>\$ 712,730</u>	<u>\$ 818,510</u>	<u>\$ 15,204</u>	<u>\$ 766,101</u>	<u>(\$ 5,736)</u>	<u>\$ 30,728</u>	<u>\$ 4,128,797</u>	<u>\$ 394,864</u>	<u>\$ 4,523,661</u>
BALANCE AT JANUARY 1, 2022	193,414	\$ 1,934,141	\$ 1,008,022	\$ 872,428	\$ -	\$ 821,907	(\$ 7,054)	\$ 9,605	\$ 4,639,049	\$ 366,622	\$ 5,005,671
Conversion of convertible bonds to common stock	4,552	45,523	89,611	-	-	-	-	-	135,134	-	135,134
Net profit for the three months ended March 31, 2022	-	-	-	-	-	303,101	-	-	303,101	19,275	322,376
Other comprehensive income (loss) for the three months ended March 31, 2022, net of income tax	-	-	-	-	-	-	2,229	2,994	5,223	636	5,859
Total comprehensive income (loss) for the three months ended March 31, 2022	-	-	-	-	-	303,101	2,229	2,994	308,324	19,911	328,235
BALANCE AT MARCH 31, 2022	<u>197,966</u>	<u>\$ 1,979,664</u>	<u>\$ 1,097,633</u>	<u>\$ 872,428</u>	<u>\$ -</u>	<u>\$ 1,125,008</u>	<u>(\$ 4,825)</u>	<u>\$ 12,599</u>	<u>\$ 5,082,507</u>	<u>\$ 386,533</u>	<u>\$ 5,469,040</u>

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

PROMATE ELECTRONIC CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	For the Three Months Ended March 31	
	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 403,490	\$ 290,314
Adjustments for:		
Expected loss (gain) on credit impairment	15,300	(6,298)
Depreciation expenses	16,036	15,533
Amortization expenses	873	750
Finance costs	15,439	14,850
Interest income	(347)	(586)
Dividend income	(1)	-
Impairment loss (gain) on inventories	74,145	(5,763)
Gain on Lease Modification	(18)	(297)
Net loss (gain) on financial assets or liabilities at fair value through profit or loss	(567)	(4,627)
Net (gain) loss on foreign currency exchange	23,383	2,563
Loss (gain) on scrap of inventories	1,001	185
Changes in operating assets and liabilities		
Financial assets mandatorily classified as at fair value through profit or loss	(12,126)	(10,376)
Notes receivable	38,631	(8,469)
Account receivables	(444,170)	(238,842)
Account receivables from related parties	1,251	1,046
Other receivables	17,600	(339,886)
Inventories	(154,104)	272,821
Other current assets	3,090	(12,348)
Contract liabilities	41,052	56,940
Notes payable	8,906	154
Account payables	(543,921)	341,495
Account payables to related parties	3,832	(6,359)
Other payables	36,631	15,036
Provisions	-	(400)
Net defined benefit liabilities	(300)	(302)
Other current liabilities	<u>152,737</u>	<u>53,249</u>
Cash generated from (used in) operations	(302,157)	430,383
Interest paid	(11,642)	(10,429)
Income tax paid	<u>(218)</u>	<u>(2,255)</u>
Net cash generated from (used in) operating activities	<u>(314,017)</u>	<u>417,699</u>

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PROMATE ELECTRONIC CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	For the Three Months Ended March 31	
	2022	2021
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of financial assets at amortized cost	(2,279)	(2,250)
Proceeds from disposal of financial assets at amortized cost	2,250	89,201
Proceeds from disposal of financial assets at fair value through other comprehensive income	-	5,121
Interest received	347	586
Other dividends received	1	-
Increase in prepayments for business facilities	(1,941)	(1,208)
Acquisition of property, plant and equipment	(2,759)	(1,276)
Acquisition of intangible assets	-	(1,524)
Increase in refundable deposits	(<u>182,926</u>)	(<u>738</u>)
Net cash used in investing activities	(<u>187,307</u>)	<u>87,912</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term loans	347,919	-
Decrease in short-term loans	-	(176,222)
Decrease in short-term notes and bills payable	(110,000)	(70,000)
Payments of lease liabilities	(13,596)	(11,864)
Increase in guarantee deposits received	<u>150,426</u>	<u>550</u>
Net cash generated from financing activities	<u>374,749</u>	(<u>257,536</u>)
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES		
	<u>2,273</u>	(<u>626</u>)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		
	(124,302)	247,449
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		
	<u>1,976,856</u>	<u>2,178,947</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		
	<u>\$ 1,852,554</u>	<u>\$ 2,426,396</u>

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

(Concluded)

PROMATE ELECTRONIC CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise) (Reviewed, Not Audited)

1. GENERAL INFORMATION

Promate Electronic Co., Ltd. (the “Company”) is a listed company that was established in May, 1986. The Company is mainly engaged in the distribution and sales of electronic/electrical components, sales of computer software and electrical products and sales of electronic/electrical components.

The Company conducted an IPO on the Taipei Exchange (TPEX) on September, 2002, and its common shares were listed on the Taiwan Stock Exchange (TWSE) since May, 2004.

After carefully evaluating the opportunities of the business unit as well as Promate Electronic as a whole, the Board of Directors concluded that creating a separate entity is the next logical step for the business. As two separate entities, both Promate Electronic and Promate Solutions will have the flexibility and agility necessary to pursue focused avenues of growth. Most importantly, this will enable each entity to more effectively service customers and deliver shareholder value.

As of August 1st, 2013, the Company is pleased to announce that this business unit will form a fully owned subsidiary under the name Promate Solutions Corporation.

The functional currency of the Company is the New Taiwan dollar.

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the board of directors on May 11, 2022.

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

- a. 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), Interpretations of IFRS (IFRIC), and Interpretations of IAS (SIC) (collectively, the “IFRSs”) endorsed and issued into effect by Financial Supervisory Commission (FSC)

Except for the following, the initial application of the amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRSs endorsed and issued into effect by the FSC did not have any material impact on the Group’s accounting policies

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

New IFRSs	Effective Date Announced by IASB (Note1)
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	To be determined by IASB
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 “Initial Application of IFRS 9 and IFRS 17-Comparative Information”	January 1, 2023
Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”	January 1, 2023
Amendments to IAS 1 “Disclosure of Accounting Policies”	January 1, 2023 (Note 2)
Amendments to IAS 8 “Definition of Accounting Estimates”	January 1, 2023 (Note 3)

New IFRSs	Effective Date Announced by IASB (Note1)
Amendments to IAS 12 “Deferred Tax related to Assets and Liabilities arising from a Single Transaction”	January 1, 2023 (Note 4)

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

Note 3: The amendments are applicable to changes in accounting estimates and changes in accounting policies that occur on or after the beginning of the annual reporting period beginning on or after January 1, 2023.

Note 4: Except that deferred taxes will be recognized on January 1, 2022 for temporary differences associated with leases and decommissioning obligations, the amendments will be applied prospectively to transactions that occur on or after January 1, 2022.

1) Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”

The 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 amendments also clarify 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 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 result 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.

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

The amendments specify that the Group should refer to the definition of material to determine its material accounting policy information to be disclosed. Accounting policy information is material if it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The amendments also clarify that:

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

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

- a) The Group changed its accounting policy during the reporting period and this change resulted in a material change to the information in the financial statements;
- b) The Group chose the accounting policy from options permitted by the standards;

- c) The accounting policy was developed in accordance with IAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors” in the absence of an IFRS that specifically applies;
 - d) The accounting policy relates to an area for which the Group is required to make significant judgements or assumptions in applying an accounting policy, and the Group discloses those judgements or assumptions; or
 - e) The accounting is complex and users of the financial statements would otherwise not understand those material transactions, other events or conditions.
- 3) Amendments to IAS 8 “Definition of Accounting Estimates”

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

- 4) Amendments to IAS 12 “Deferred Tax related to Assets and Liabilities arising from a Single Transaction”

The amendments clarify that the initial recognition exemption under IAS 12 does not apply to transactions in which equal taxable and deductible temporary differences arise on initial recognition. The Group will recognize a deferred tax asset (to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized) and a deferred tax liability for all deductible and taxable temporary differences associated with leases and decommissioning obligations on January 1, 2022, and recognize the cumulative effect of initial application in retained earnings at that date. The Group will apply the amendments prospectively to transactions other than leases and decommissioning obligations that occur on or after January 1, 2022.)

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Statement of compliance

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

b. Basis of preparation

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

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

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

3) Level 3 inputs are unobservable inputs for the asset or liability.

c Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (i.e., its subsidiaries). Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statement of profit or loss and other 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 this results in the non-controlling interests having a deficit balance.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests 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 13 and Table 6 for the detailed information of subsidiaries (including the percentage of ownership and main businesses).

d Other significant accounting policies

Except for the following, refer to significant accounting policies to the consolidated financial statements for the years ended December 31, 2021 and 2020.

1) Retirement benefits

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

2) Taxation

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

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revisions affect only that period or in the period of the revisions and future periods if the revisions affect both current and future periods.

There were no significant uncertainties in the accounting policies, estimates and basic assumptions adopted by the Group after being evaluated by the management of the Group.

6. CASH AND CASH EQUIVALENTS

	<u>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>
Cash on hand	\$ 1,866	\$ 1,395	\$ 2,340
Checking accounts and demand deposits	1,576,879	1,627,123	1,962,428
Cash equivalents (investment with original maturities less than three months)			
Time deposits	187,921	348,338	404,164
Repurchase agreements	85,888	-	57,464
	<u>\$ 1,852,554</u>	<u>\$ 1,976,856</u>	<u>\$ 2,426,396</u>

The market rate intervals of cash in bank, at the end of the reporting period were as follows:

	<u>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>
Demand deposits	0.001%~0.35%	0.001%~0.35%	0.001%~0.48%
Time deposits	0.35%~2.20%	0.13%~2.00%	0.30%~1.755%
Repurchase agreements	0.30%~0.40%	-	0.45%

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	<u>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>
<u>Financial assets at FVTPL - current</u>			
Financial assets mandatorily classified as at FVTPL			
Non-derivative financial assets			
Domestic quoted shares	\$ 10,404	\$ 13,382	\$ 15,037
Foreign quoted shares	15,671	-	-
Foreign non-guaranteed investments	-	-	19,241
Redemption option on convertible bonds	-	-	100
	<u>\$ 26,075</u>	<u>\$ 13,382</u>	<u>\$ 34,378</u>

The group has signed a structurally fixed deposit contract, which includes an embedded derivative that is not strongly correlated to the main contract: The contract includes an asset that is classified as a financial instrument under IFRS 9, which would classify the contract's evaluation under financial asset at fair value through profit and loss.

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	<u>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>
<u>Non-current</u>			
Investments in equity instruments	<u>\$ 171,060</u>	<u>\$ 166,654</u>	<u>\$ 95,718</u>

Investments in equity instruments at FVTOCI:

	<u>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>
<u>Non-current</u>			
Domestic investments			
Listed shares			
HIGGSTEC Inc.	\$ 66,266	\$ 65,526	\$ 86,296
UPI Semiconductor Corp.	-	-	8,033
Medimaging Integrated Solution Inc..	4,204	4,312	-

	<u>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>
Unlisted shares			
Medimaging Integrated Solution Inc.	-	-	951
Tricorntech Corp.	438	438	438
DigiZerocarbon Corp	500	500	-
Foreign investments			
Private Funds			
Esquarre IoT Landing Fund,L.P.	\$ 99,652	\$ 95,878	\$ -
	<u>\$ 171,060</u>	<u>\$ 166,654</u>	<u>\$ 95,718</u>

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

9. FINANCIAL ASSETS AT AMORTIZED COST

	<u>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>
<u>Current</u>			
Domestic investments			
Time deposits with original maturities of more than 3 months	\$ 2,320	\$ 2,236	\$ 2,305
Less: Allowance for impairment loss	-	-	-
	<u>\$ 2,320</u>	<u>\$ 2,236</u>	<u>\$ 2,305</u>

- a. Refer to Note 10 for information related to credit risk management and impairment evaluation of financial assets at amortized cost.
- b. Financial assets at amortized cost as collateral for borrowings are set out in Note 34

10. CREDIT RISK MANAGEMENT FOR INVESTMENTS IN DEBT INSTRUMENTS

Investments in debt instruments are classified as at FVTOCI and as at amortized cost.

At Amortized cost

	<u>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>
Gross carrying amount	\$ 2,320	\$ 2,236	\$ 2,305
Allowance for impairment loss	-	-	-
Amortized cost	2,320	2,236	2,305
Fair value adjustment	-	-	-
	<u>\$ 2,320</u>	<u>\$ 2,236</u>	<u>\$ 2,305</u>

In order to minimize credit risk, the Group has tasked its credit management committee with the development and maintenance of a credit risk grading framework for categorizing exposures according to the degree of the risk of default. The credit rating information may be obtained from independent rating agencies, where available, and if not available, the credit management committee uses other publicly available financial information to rate the debtors. The Group's exposure and the external credit ratings are continuously monitored and assessed for whether there has been a significant increase in credit risk since the last period to the reporting date.

The Group considers the historical default rates of each credit rating supplied by external rating agencies to estimate 12-month or lifetime expected credit losses.

The Group's current credit risk grading framework comprises the following categories:

<u>Category</u>	<u>Description</u>	<u>Basis for Recognizing Expected Credit Losses</u>
Normal	The counterparty has a low risk of default and a strong capacity to meet contractual cash flows	12-month ECLs

Gross carrying amount and applicable expected credit loss rate of investments in debt instruments are as follows:

At Amortized Cost

Category	Expected Loss Rate	Gross Carrying Amount		
		<u>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>
Normal	0%-0.01%	\$ 2,320	\$ 2,236	\$ 2,305

There was no change in the allowance for impairment loss of investments in debt instruments at FVTOCI and at amortized cost for the three months ended March 31, 2022 and 2021.

11. NOTES RECEIVABLE, ACCOUNTS RECEIVABLES AND OTHER RECEIVABLES

	<u>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>
Notes receivable			
At amortized cost			
Gross carrying amount	\$ 54,167	\$ 92,798	\$ 77,286
Less: Allowance for impairment loss	-	-	-
	<u>\$ 54,167</u>	<u>\$ 92,798</u>	<u>\$ 77,286</u>
From operation	<u>\$ 54,167</u>	<u>\$ 92,798</u>	<u>\$ 77,286</u>
Accounts receivables			
At amortized cost			
Gross carrying amount	\$ 7,355,822	\$ 6,911,652	\$ 5,781,639
Gross carrying amount- related parties	442	1,693	1,148
Less: Allowance for impairment loss	(57,971)	(42,668)	(23,158)
	<u>\$ 7,298,293</u>	<u>\$ 6,870,677</u>	<u>\$ 5,579,629</u>
Overdue receivables			
At amortized cost			
Gross carrying amount	\$ 13,972	\$ 13,972	\$ 13,972
Less: Allowance for impairment loss	(13,972)	(13,972)	(13,972)
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Other receivables			
Accounts receivables at FVTOCI	\$ 569,978	\$ 596,497	\$ 949,339
Tax refund receivables	115,123	109,098	83,068
Customs duty refund receivables	1,938	2,104	2,175
Receivables for disposal of financial asset	12,356	7,320	-
Others	10,046	12,022	22,172
	<u>\$ 709,441</u>	<u>\$ 727,041</u>	<u>\$ 1,056,754</u>

Notes Receivable and Accounts Receivables

At amortized cost

The average credit period of the sales of goods was 90-150 days. No interest was charged on accounts receivables. In order to minimize credit risk, the management of the Group has delegated a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual accounts debt at the end of the reporting period to ensure that adequate allowance is made for possible irrecoverable amounts.

The Group measures the loss allowance for all accounts receivables at an amount equal to lifetime ECLs. The expected credit losses on accounts receivables are estimated using an allowance matrix, which takes into consideration the historical credit loss experience with the respective debtor, the current financial position of the debtor, and the current and future economic conditions of the industry as well as the overall economy. 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 Group writes off an accounts receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. For accounts receivables that have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

The following table details the loss allowance of notes receivables and accounts receivable based on the Group's provision matrix.

March 31, 2022

	<u>Not Past Due</u>	<u>Less than 30 Days</u>	<u>31 to 60 Days</u>	<u>61 to 90 Days</u>	<u>Over 90 Days</u>	<u>Total</u>
Expected credit loss rate	0.00%-0.5%	0.04%-20.12%	0.04%-30.05%	5.23%-43.36%	5.03%-100%	
Gross carrying amount	\$ 6,736,551	\$ 557,212	\$ 98,799	\$ 5,302	\$ 12,567	\$ 7,410,431
Loss allowance (Lifetime ECL)	(24,556)	(8,145)	(14,573)	(1,017)	(9,680)	(57,971)
Amortized cost	<u>\$ 6,711,995</u>	<u>\$ 549,067</u>	<u>\$ 84,226</u>	<u>\$ 4,285</u>	<u>\$ 2,887</u>	<u>\$ 7,352,460</u>

December 31, 2021

	<u>Not Past Due</u>	<u>Less than 30 Days</u>	<u>31 to 60 Days</u>	<u>61 to 90 Days</u>	<u>Over 90 Days</u>	<u>Total</u>
Expected credit loss rate	0.00%-0.04%	0.00%-20.12%	0.68%-30.07%	5.93%-37.18%	9.12%-100%	
Gross carrying amount	\$ 6,017,923	\$ 790,741	\$ 168,474	\$ 14,313	\$ 14,692	\$ 7,006,143
Loss allowance (Lifetime ECL)	(1,228)	(16,387)	(14,703)	(1,295)	(9,055)	(42,668)
Amortized cost	<u>\$ 6,016,695</u>	<u>\$ 774,354</u>	<u>\$ 153,771</u>	<u>\$ 13,018</u>	<u>\$ 5,637</u>	<u>\$ 6,963,475</u>

March 31, 2021

	<u>Not Past Due</u>	<u>Less than 30 Days</u>	<u>31 to 60 Days</u>	<u>61 to 90 Days</u>	<u>Over 90 Days</u>	<u>Total</u>
Expected credit loss rate	0%-0.09%	0.07%-12.51%	4.32%-21.46%	17.84%-28.36%	16.85%-100%	
Gross carrying amount	\$ 5,381,545	\$ 424,391	\$ 42,054	\$ 797	\$ 11,286	\$ 5,860,073
Loss allowance (Lifetime ECL)	(2,736)	(7,132)	(3,193)	(472)	(9,625)	(23,158)
Amortized cost	<u>\$ 5,378,809</u>	<u>\$ 417,259</u>	<u>\$ 38,861</u>	<u>\$ 325</u>	<u>\$ 1,661</u>	<u>\$ 5,836,915</u>

The movements of the loss allowance of accounts receivables and overdue receivables were as follows:

	For the Three Months Ended March 31			
	2022		2021	
	Trade Receivables	Overdue Receivables	Trade Receivables	Overdue Receivables
Balance at January 1	\$ 42,668	\$ 13,972	\$ 29,462	\$ 13,972
Add: Amount of expected loss recognized	15,300	-	-	-
Less: Amount of loss reversed	-	-	(6,298)	-
Foreign exchange gains and losses	<u>3</u>	<u>-</u>	<u>(6)</u>	<u>-</u>
Balance at March 31	<u>\$ 57,971</u>	<u>\$ 13,972</u>	<u>\$ 23,158</u>	<u>\$ 13,972</u>

12. INVENTORIES

	March 31, 2022	December 31, 2021	March 31, 2021
	Raw materials and work in process	\$ 272,485	\$ 277,428
Merchandise inventories	<u>3,296,432</u>	<u>3,212,543</u>	<u>1,901,424</u>
	<u>\$ 3,568,917</u>	<u>\$ 3,489,971</u>	<u>\$ 2,073,085</u>

Operating costs summarized by nature are as below:

	For the Three Months Ended March 31	
	2022	2021
Cost of Goods Sold	\$ 7,730,443	\$ 7,249,821
Service cost	38	3,357
Impairment (Price recovery)	74,145	(5,763)
Write-off	<u>1,001</u>	<u>185</u>
	<u>\$ 7,805,627</u>	<u>\$ 7,247,600</u>

13. SUBSIDIARIES

a. Subsidiaries included in the consolidated financial statements

The entities included in the consolidated statements are listed below.

Investor	Investee	Nature of Activities	Proportion of Ownership (%)			Remark
			March 31, 2022	December 31, 2021	March 31, 2021	
Promate Electronic Co., Ltd	Promate Solutions Corporation.	Production and sale of electronic products	66.21%	66.21%	66.21%	a
	PROMATE INTERNATIONAL CO., LTD.	Investment	100%	100%	100%	b
	HAPPY ON SUPPLY CHAIN MANAGEMENT LTD.	Warehouse and logistic device	100%	100%	100%	c
	PROMATE ELECTRONICS COMPANY USA	Sales of electronic/electrical components	100%	100%	100%	d
PROMATE INTERNATIONAL CO., LTD.	CT Continental Corporation	International trade	90%	90%	90%	e
	Promate Electronic (Shenzhen) Co., Ltd.	International trade	100%	100%	100%	f
Promate Solutions Corporation.	Promate Electronic (Shanghai) Co., Ltd	International trade	100%	100%	100%	g
	Promate Japan Inc.	International trade	100%	100%	100%	h

Remarks:

- a) Promate Solutions Corporation. (Promate Solutions) was incorporated on May 29, 2000 in Taiwan. The Company holds 66.21% ownership in the subsidiary. Main business of Promate Solutions includes manufacturing and sales of information software and electronic parts, as well as services in the supply of electronic information.
- b) PROMATE INTERNATIONAL CO., LTD. (Promate International) was incorporated in Hong Kong on October 4, 2000 by the Company, who holds 100% ownership. Main business includes is investment operation.
- c) HAPPY ON SUPPLY CHAIN MANAGEMENT LTD. (Happy on) was incorporated in Hong Kong in February 2006 by the Company, who holds 100% ownership. Main business includes logistics operation.
- d) PROMATE ELECTRONICS COMPANY USA (PROMATE USA) was incorporated in California, USA in November 2011 by the Company, who holds 100% ownership. Main business includes sale of electronic components.
- e) CT Continental Corporation (CTC) was incorporated on March 12, 1990. Since June 15, 2020, the Company holds 90% ownership in this subsidiary. Main businesses include manufacturing, distribution, and import and export of computer motherboards and computer peripherals.
- f) Promate Electronic (Shenzhen) Co., Ltd. was incorporated in February 2009 in Shenzhen, China by PROMATE INTERNATIONAL, 100% shareholding. Main businesses include the import/export of electrical components, economic information consulting, and the development and transfer of electrical products.
- g) Promate Electronic (Shanghai) Co., Ltd. was incorporated in November 2009 in Shanghai, China by PROMATE INTERNATIONAL, 100% shareholding. Main businesses include the import/export of electrical components and related services.
- h) Promate Japan Inc. was incorporated in March 2017 in Tokyo, Japan by Promate Solutions Corporation, 100% shareholding. Main businesses include the import/export of electrical related products.

The financial statements of some non-significant subsidiaries included in the consolidated financial statements for the nine months ended March 31, 2022 and 2021 were not reviewed.

These non-significant subsidiaries were Promate International, Happy on, Promate USA, Promate Electronic (Shenzhen), Promate Electronic (Shanghai), Promate Japan and CTC.

As of March 31 2022 and 2021 the combined total assets of these non-significant subsidiaries were NT\$408,139 thousand and NT\$440,761 thousand, respectively, representing 2.59% and 3.51%, respectively, of the consolidated total assets, and the combined total liabilities of these subsidiaries were NT\$174,566 thousand and NT\$86,601 thousand, respectively, representing 1.69% and 1.08%, respectively, of the consolidated total liabilities; for the three months ended March 31, 2022 and 2021, the amounts of combined comprehensive income (loss) of these subsidiaries were (NT\$10,814) thousand, and NT\$15,734 thousand, respectively, representing (3.29%), and 6.05%, respectively, of the consolidated total comprehensive income.

- b. Details of subsidiaries that have material non-controlling interests

Name of Subsidiary	Proportion of Ownership and Voting Rights Held by Non-controlling Interests		
	December 31,		
	March 31, 2022	2021	March 31, 2021
Promate Solutions and its subsidiaries	33.79%	33.79%	33.79%

See Table 6 for the information on place of incorporation and principal place of business.

Name of Subsidiary	Profit (Loss) Allocated to Non-controlling Interests		Accumulated Non-controlling Interests		
	For the Three Months Ended March 31		March 31,	December 31,	March 31,
	2022	2021	2022	2021	2021
Promate Solutions and its subsidiaries	\$ 19,253	\$ 15,504	\$ 380,378	\$ 360,488	\$ 388,821

The summarized financial information below represents amounts before intragroup eliminations.

Promate Solutions and its subsidiaries

	March 31, 2022	December 31, 2021	March 31, 2021
Current assets	\$ 1,541,048	\$ 1,576,278	\$ 1,361,873
Non-current assets	191,026	194,502	175,319
Current liabilities	(577,197)	(668,997)	(334,333)
Non-current liabilities	(29,165)	(34,934)	(52,160)
Equity	<u>\$ 1,125,712</u>	<u>\$ 1,066,849</u>	<u>\$ 1,150,699</u>
Equity attributable to:			
The Parent Company	\$ 745,334	\$ 706,361	\$ 761,878
Non-controlling interests of Promate Solutions	<u>380,378</u>	<u>360,488</u>	<u>388,821</u>
	<u>\$ 1,125,712</u>	<u>\$ 1,066,849</u>	<u>\$ 1,150,699</u>

	For the Three Months Ended March 31	
	2022	2021
Revenue	<u>\$ 516,478</u>	<u>\$ 325,367</u>
Net income for the period	\$ 56,980	\$ 45,884
Other comprehensive income for the period	<u>1,883</u>	<u>5,960</u>
Total comprehensive income for the period	<u>\$ 58,863</u>	<u>\$ 51,844</u>
Net income attributable to:		
The Parent Company	\$ 37,727	\$ 30,380
Non-controlling interests of Promate Solutions	<u>19,253</u>	<u>15,504</u>
	<u>\$ 56,980</u>	<u>\$ 45,884</u>
Total comprehensive income (loss) attributable to:		
The Parent Company	\$ 38,973	\$ 34,326
Non-controlling interests of Promate Solutions	<u>19,890</u>	<u>17,518</u>
	<u>\$ 58,863</u>	<u>\$ 51,844</u>
Net cash flow from:		
Operating activities	(\$ 160,884)	\$ 136,982
Investing activities	(3,774)	86,068
Financing activities	(7,046)	(9,729)
Foreign exchange translation	(80)	(172)
Net cash inflow (outflow)	<u>(\$ 171,784)</u>	<u>\$ 213,149</u>
Dividends paid to non-controlling interests Promate Solutions	<u>\$ -</u>	<u>\$ -</u>

14. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Investments in Associates

	<u>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>
Associates that are not individually material			
Prosperity Venture Capital I, Limited	\$ -	\$ -	\$ 646

Proportion of Ownership and Voting Rights Held by the Group

<u>Name of Associate</u>	<u>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>
Prosperity Venture Capital I, Limited	-	-	21.62%

Refer to Table 6 “Information on Investees” for the nature of activities, principal place of business and country of incorporation of the associates.

Investments accounted for using the equity method and the share of profit or loss and other comprehensive loss of those investments were calculated based on the financial statements that have not been audited. Management believes that there is no material impact on the equity method of accounting or the calculation of the share of profit or loss and other comprehensive income from the financial statements of investees that have not been audited

The summarized financial information below represents amounts shown in the associates’ financial statements prepared in accordance with IFRSs adjusted by the Group for equity accounting purpose.

	<u>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>
Total assets	\$ -	\$ -	\$ 2,854
Liability	\$ -	\$ -	(\$ 26)
Equity	\$ -	\$ -	\$ 2,828
Proportion of the Group's ownership	-	-	21.62%
Equity attributable to the Group	\$ -	\$ -	\$ 611
Difference between previous year's investment cost and equity value	-	-	35
Carry amount	\$ -	\$ -	\$ 646

For the Three Months Ended March 31

	<u>2022</u>	<u>2021</u>
Revenue	\$ -	\$ -
Net loss for the period	\$ -	\$ -
Other comprehensive income for the period	-	-
Total comprehensive income for the period	\$ -	\$ -
Dividend received	\$ -	\$ -

15. PROPERTY, PLANT AND EQUIPMENT

Assets used by the Group

	Freehold Land	Buildings	Machinery Equipment	Transportation Equipment	Office Equipment	Miscellaneous Equipment	Total
Cost							
Balance at January 1, 2022	\$ 212,223	\$ 192,150	\$ 85,037	\$ 20,876	\$ 51,830	\$ 89,077	\$ 651,193
Additions	-	-	176	-	1,771	812	2,759
Reclassifications	-	-	-	-	-	5,115	5,115
Effect of foreign currency	-	1,096	3	217	163	18	1,497
Balance at March 31, 2022	<u>\$ 212,223</u>	<u>\$ 193,246</u>	<u>\$ 85,216</u>	<u>\$ 21,093</u>	<u>\$ 53,764</u>	<u>\$ 95,022</u>	<u>\$ 660,564</u>
Accumulated depreciation							
Balance at January 1, 2022	\$ -	\$ 80,084	\$ 58,589	\$ 17,381	\$ 44,904	\$ 67,518	\$ 268,476
Depreciation expenses	-	1,659	1,675	216	871	2,090	6,511
Effect of foreign currency	-	591	3	193	152	17	956
Balance at March 31, 2022	<u>\$ -</u>	<u>\$ 82,334</u>	<u>\$ 60,267</u>	<u>\$ 17,790</u>	<u>\$ 45,927</u>	<u>\$ 69,625</u>	<u>\$ 275,943</u>
Carrying amounts at March 31, 2022	<u>\$ 212,223</u>	<u>\$ 110,912</u>	<u>\$ 24,949</u>	<u>\$ 3,303</u>	<u>\$ 7,837</u>	<u>\$ 25,397</u>	<u>\$ 384,621</u>
Carrying amounts at December 31, 2021 and January 1, 2022	<u>\$ 212,223</u>	<u>\$ 112,066</u>	<u>\$ 26,448</u>	<u>\$ 3,495</u>	<u>\$ 6,926</u>	<u>\$ 21,559</u>	<u>\$ 382,717</u>
Cost							
Balance at January 1, 2021	\$ 212,223	\$ 192,373	\$ 83,678	\$ 20,681	\$ 52,979	\$ 76,970	\$ 638,904
Additions	-	-	-	-	20	1,256	1,276
Disposals	-	-	-	-	-	(2,210)	(2,210)
Reclassifications	-	-	-	-	-	3,170	3,170
Effect of foreign currency	-	(223)	(1)	(35)	(10)	-	(269)
Balance at March 31, 2021	<u>\$ 212,223</u>	<u>\$ 192,150</u>	<u>\$ 83,677</u>	<u>\$ 20,646</u>	<u>\$ 52,989</u>	<u>\$ 79,186</u>	<u>\$ 649,871</u>
Accumulated depreciation							
Balance at January 1, 2021	\$ -	\$ 73,544	\$ 51,660	\$ 17,834	\$ 42,973	\$ 60,917	\$ 246,928
Disposals	-	-	-	-	-	(2,210)	(2,210)
Depreciation expenses	-	1,669	1,862	208	951	2,201	6,891
Effect of foreign currency	-	(110)	(1)	(33)	(8)	(1)	(153)
Balance at March 31, 2021	<u>\$ -</u>	<u>\$ 75,103</u>	<u>\$ 53,521</u>	<u>\$ 18,009</u>	<u>\$ 43,916</u>	<u>\$ 60,907</u>	<u>\$ 251,456</u>
Carrying amounts at March 31, 2021	<u>\$ 212,223</u>	<u>\$ 117,047</u>	<u>\$ 30,156</u>	<u>\$ 2,637</u>	<u>\$ 9,073</u>	<u>\$ 18,279</u>	<u>\$ 389,415</u>
Carrying amounts at January 1, 2021	<u>\$ 212,223</u>	<u>\$ 118,829</u>	<u>\$ 32,018</u>	<u>\$ 2,847</u>	<u>\$ 10,006</u>	<u>\$ 16,053</u>	<u>\$ 391,976</u>

As of March 31, 2022 and 2021 there was no indication of an impairment loss; therefore, the Group did not perform impairment assessment.

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

Buildings- Office in China	20 years
Buildings- Office in Taiwan	61 years
Buildings- Plant in Taiwan	25-30 years
Machinery Equipment	3-10 years
Transportation Equipment	3-10 years
Office Equipment	3-10 years
Miscellaneous Equipment	3-20 years

Property, plant and equipment pledged as collateral for borrowings are set out in Note 34.

16. LEASE ARRANGEMENTS

a. Right-of-use assets

	March 31, 2022	December 31, 2021	March 31, 2021
Carrying amounts			
Buildings	\$ 99,735	\$ 99,320	\$ 98,101
Transportation equipment	5,174	5,969	2,890
	<u>\$ 104,909</u>	<u>\$ 105,289</u>	<u>\$ 100,991</u>

	For the Three Months Ended March 31	
	2022	2021
Additions to right-of-use assets		
Buildings	\$ 8,449	\$ 14,539
Transportation equipment	<u>-</u>	<u>-</u>
	<u>\$ 8,449</u>	<u>\$ 14,539</u>
Depreciation charge for right-of-use assets		
Buildings	\$ 8,730	\$ 8,267
Transportation equipment	<u>795</u>	<u>375</u>
	<u>\$ 9,525</u>	<u>\$ 8,642</u>

Expect for the aforementioned addition and recognized depreciation, the Group did not have significant sublease or impairment of right-of-use assets during the three months ended March 31, 2022 and 2021.

b. Lease liabilities

	March 31, 2022	December 31, 2021	March 31, 2021
<u>Carrying amounts</u>			
Current	<u>\$ 39,089</u>	<u>\$ 37,289</u>	<u>\$ 34,694</u>
Non-current	<u>\$ 63,160</u>	<u>\$ 68,470</u>	<u>\$ 64,835</u>

Range of discount rate for lease liabilities was as follows:

	March 31, 2022	December 31, 2021	March 31, 2021
Buildings	2.75%-4.75%	2.75%-4.75%	2.75%-6.40%
Transportation equipment	5.69%	5.69%	5.69%

c. Material lease-in activities and terms

The Group leased a number of cars for use by business personnel or warehouse personnel for 3 years. The lease contracts for these cars do not contain terms for the right of renewal or the right of purchase.

The Group also leased certain buildings for use as plant and office for a period 2 to 5 years. The lease contracts for offices located in Taiwan specify that the lease payments will be adjusted by customer price index each year. The Group does not have bargain purchase options to acquire the leasehold buildings at the end of the lease terms. In addition, the Group is prohibited from subleasing or transferring all or any portion of the underlying assets without the lessor's consent.

d. Other lease information

	For the Three Months Ended March 31	
	2022	2021
Expenses relating to low-value asset leases	<u>\$ 506</u>	<u>\$ 828</u>
Total cash outflow for lease	<u>(\$ 14,102)</u>	<u>(\$ 12,692)</u>

The Group has elected to apply the recognition exemption and thus, did not recognize right-of-use assets and lease liabilities for these leases.

17. OTHER INTANGIBLE ASSETS

	<u>Computer Software</u>
<u>Cost</u>	
Balance at January 1, 2022	\$ 22,912
Effect of foreign currency	<u>7</u>
Balance at March 31, 2022	<u>\$ 22,919</u>
<u>Accumulated amortization</u>	
Balance at January 1, 2022	(\$ 13,075)
Amortization expenses	(873)
Effect of foreign currency	<u>(7)</u>
Balance at March 31, 2022	<u>(\$ 13,955)</u>
Carrying amounts at March 31, 2022	<u>\$ 8,964</u>
Carrying amounts at December 31, 2021 and January 1, 2022	<u>\$ 9,837</u>
<u>Cost</u>	
Balance at January 1, 2021	\$ 23,112
Addition	1,524
Effect of foreign currency	<u>(2)</u>
Balance at March 31, 2021	<u>\$ 24,634</u>
<u>Accumulated amortization</u>	
Balance at January 1, 2021	(\$ 16,408)
Amortization expenses	(750)
Effect of foreign currency	<u>1</u>
Balance at March 31, 2021	<u>(\$ 17,157)</u>
Carrying amounts at March 31, 2021	<u>\$ 7,477</u>

Other intangible assets were amortized on a straight-line basis over their estimated useful lives as follows

Computer Software 3-10 years

	For the Three Months Ended March 31	
	<u>2022</u>	<u>2021</u>
Amortization expenses summarized by function:		
Selling and marketing expenses	\$ 32	\$ 32
General and administrative expenses	562	718
Research and development expenses	<u>279</u>	<u>-</u>
	<u>\$ 873</u>	<u>\$ 750</u>

18. OTHER ASSETS

	<u>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>
<u>Current</u>			
Prepayments	\$ 18,498	\$ 21,224	\$ 18,340
Others	<u>1,619</u>	<u>1,983</u>	<u>3,279</u>
	<u>\$ 20,117</u>	<u>\$ 23,207</u>	<u>\$ 21,619</u>

	<u>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>
<u>Non-current</u>			
Prepayments for equipment	\$ 3,660	\$ 6,834	\$ 1,926
Refundable deposits	1,352,857	1,169,931	405,720
Overdue receivables (Note 11)	13,972	13,972	13,972
Allowance for impairment loss - Overdue receivables (Note 11)	(13,972)	(13,972)	(13,972)
	<u>\$ 1,356,517</u>	<u>\$ 1,176,765</u>	<u>\$ 407,646</u>

Refundable deposits

Refundable deposits are mainly paid to suppliers as performance bond.

19. BORROWINGS

a. Short-term borrowings

	<u>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>
Secured borrowings (Note 34)			
Bank loans (1)	\$ 2,171,325	\$ 1,765,000	\$ 2,232,630
Bank loans - letters of credit (2)	767,150	804,721	-
Bank loans - export letters of credit (3)	78,824	76,221	-
	<u>\$ 3,017,299</u>	<u>\$ 2,645,942</u>	<u>\$ 2,232,630</u>

- 1) The effective weighted average interest rates for bank loans ranged from 0.577%-4.34%, 0.577%-0.83% and 0.63%-0.86% per annum as of March 31, 2022, December 31, 2021 and March 31, 2021, respectively.
- 2) The effective weighted average interest rate for letters of credit loans was 0.63%-0.94% and 0.51%-0.7729% per annum as of March 31, 2022, and December 31, 2021, respectively.
- 3) The weighted average effective interest rate for export L/C documentary loan which were secured by the Group's notes receivable (refer to Note 34) with maturity date between April 19, 2022 and May 31, 2022 was 0.786% per annum as of March 31, 2022, and December 31, 2021.

b. Short-term bills payable

	<u>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>
Commercial paper	\$ 70,000	\$ 180,000	\$ 120,000
Less: Unamortized discount on bills payable	-	-	-
	<u>\$ 70,000</u>	<u>\$ 180,000</u>	<u>\$ 120,000</u>

The effective weighted average interest rates for commercial papers ranged from 0.898%~1.048%, 0.828% and 0.898% per annum as of March 31, 2022, December 31, 2021 and March 31, 2021, respectively.

20. Convertible Bond

	<u>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>
Domestic unsecured convertible bonds	\$ 411,900	\$ 549,200	\$ 997,400
Less : Discounts on bonds payable	(5,979)	(9,782)	(27,043)
	<u>\$ 405,921</u>	<u>\$ 539,418</u>	<u>\$ 970,357</u>

Unsecured Domestic Convertible Bonds - Third Issue

On June 8, 2020, the Company issued 10 thousand NTD-denominated unsecured convertible bonds in Taiwan, with an aggregate principal amount of \$1,000,000 thousand. In addition, the bond is publicly underwritten by bidding auction, the issue price is \$101, and the actual total issue amount is \$1,020,987 thousand. The annual interest rate of the issuance coupon is 0%, the issuance period is three years, and the maturity date is June 8, 2023.

The major terms are as follows:

- a. In the period of circulation from three months after the issuance of the convertible corporate bonds to forty business days before the maturity of the bonds, the Company may notify the bondholders under the conversion measures and redeem all bonds in cash at the nominal amount when the agreed conditions are met.
- b. When this convertible bond expires, it will be repaid in cash based on the denomination of the bond.
- c. The conversion price of the bonds is set up based on the pricing model in the terms of the bonds, and is subject to adjustments if the condition of the anti-dilution provisions occurs subsequently. The conversion price will be reset based on the pricing model in the terms of the bonds on each effective date regulated by the terms. The conversion price at issuance was NT\$ 34.50.
- d. The conversion price after the issuance of convertible corporate bonds will be adjusted according to the anti-dilution clause of the third Unsecured Convertible Bonds Issuance and Conversion Rules of the Company. The conversion price was adjusted from NT\$32.16 per share to NT\$30.16 per share since August 6, 2021, i.e. the ex-dividend date.

The convertible bonds contain both liability and equity components. The equity component was presented in equity under the heading of capital surplus - option. The effective interest rate of the liability component was 1.28% per annum on initial recognition.

Proceeds from issuance (less transaction costs of \$5,100 thousand)	\$ 1,015,887
Equity component (less transaction costs allocated to the equity component of \$255 thousand)	(53,332)
Redemption right	<u>100</u>
Liability component on the date of issuance (less transaction costs allocated to the liability component of \$4,845 thousand)	962,655
Interest charged at an effective interest rate of 1.28%	10,218
Conversion of corporate bond payable into common shares	(<u>2,516</u>)
Liability component on March 31, 2021	970,357
Interest charged at an effective interest rate of 1.28%	7,234
Conversion of corporate bond payable into common shares	(<u>438,173</u>)
Liability component on December 31, 2021	539,418
Interest charged at an effective interest rate of 1.28%	1,637
Conversion of corporate bond payable into common shares	(<u>135,134</u>)
Liability component on March 31, 2022	<u>\$ 405,921</u>

21. NOTES AND ACCOUNTS PAYABLE

	<u>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>
<u>Notes payable</u>			
Non-trade	<u>\$ 17,353</u>	<u>\$ 8,447</u>	<u>\$ 178</u>
<u>Accounts payable</u>			
Accounts payable	<u>\$ 3,539,619</u>	<u>\$ 4,083,540</u>	<u>\$ 3,080,971</u>
Accounts payable - related parties	<u>\$ 17,725</u>	<u>\$ 13,893</u>	<u>\$ 13,540</u>

The average credit period for purchases of certain goods was 30-120 days. The Group has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

22. OTHER LIABILITIES

	<u>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>
<u>Current</u>			
Other payables			
Accrued commissions	\$ 48,647	\$ 37,923	\$ 18,384
Payables for salaries or bonuses	143,543	166,368	80,780
Payables for annual leave	18,350	18,750	17,850
Payables for compensation of employees and remuneration of directors	134,000	97,000	88,000
Subsidiaries' payables for compensation of employees and remuneration of directors	26,500	19,500	30,300
Accrued freights	40,738	50,965	45,370
Payables for dividends	519	519	519
Accrued Interests	4,673	3,433	3,382
Others	<u>179,639</u>	<u>164,280</u>	<u>136,039</u>
	<u>\$ 596,609</u>	<u>\$ 558,738</u>	<u>\$ 420,624</u>
Contract liability	<u>\$ 187,358</u>	<u>\$ 146,306</u>	<u>\$ 134,644</u>
Others			
Refund liability (1)	\$ 640,262	\$ 486,610	\$ 353,581
Others	<u>5,443</u>	<u>6,358</u>	<u>9,274</u>
	<u>\$ 645,705</u>	<u>\$ 492,968</u>	<u>\$ 362,855</u>
<u>Non-current</u>			
Other liabilities			
Guarantee deposits(2)	<u>\$ 1,202,330</u>	<u>\$ 1,051,904</u>	<u>\$ 285,414</u>

1) Refund liabilities is based on historical experience, management's judgments and other known reasons for which estimated product returns and rebates may occur in the reporting period. Refund liability is recognized as a reduction of operating income in the periods in which the related goods are sold.

2) Guarantee deposits

Guarantee deposits are mainly collected from customers.

23. PROVISIONS

	<u>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>
<u>Current</u>			
Warranties	<u>\$ 2,869</u>	<u>\$ 2,938</u>	<u>\$ 3,441</u>
<u>Non-current</u>			
Warranties	<u>\$ 1,455</u>	<u>\$ 1,386</u>	<u>\$ 1,683</u>

The provision for warranty claims represents the present value of management's best estimate of the future outflow of economic benefits that will be required under sale of goods legislation. The estimate had been made on the basis of historic warranty trends, and may vary as a result of new materials, altered manufacturing processes or other events affecting product quality.

24. RETIREMENT BENEFIT PLANS

Employee benefit expenses in respect of the Group's defined benefit retirement plans were \$91 thousand and \$97 thousand for the three months ended March 31, 2022 and 2021, respectively, and were calculated using the actuarially determined pension cost discount rate as of December 31, 2021 and 2020.

25. EQUITY

a. Share capital

Common stock

	<u>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>
Number of shares authorized (in thousands)	250,000	250,000	250,000
Shares authorized	\$ 2,500,000	\$ 2,500,000	\$ 2,500,000
Number of shares issued and fully paid (in thousands)	197,966	193,414	179,126
Shares issued	\$ 1,979,664	\$ 1,934,141	\$ 1,791,260

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

Of the Company's authorized shares, 10,000 thousand shares had been reserved for the issuance of convertible bonds and employee share options.

As of March 31, 2022, 4,552 thousand of common shares issued from convertible bonds has yet to complete the registration process.

b. Capital surplus

	<u>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>
<u>May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (1)</u>			
Issuance of ordinary shares	\$ 291,960	\$ 291,960	\$ 291,960
The difference between the consideration received or paid and the carrying amount of the subsidiaries' net assets during actual disposal of acquisition	45,604	45,604	45,604
Conversion of employee stock options	66,208	66,208	66,208
Conversion of bonds	823,055	733,444	438,152
Less: transfer to capital	(267,199)	(267,199)	(267,199)
Less: cash dividends paid	(73,408)	(73,408)	(73,408)
Less: Treasury stock cancellation	(9,461)	(9,461)	(9,461)
	<u>876,759</u>	<u>787,148</u>	<u>491,856</u>
<u>May be used to offset a deficit only</u>			
Changes in percentage of ownership interest in subsidiaries (2)	166,292	166,292	166,292
<u>May not be used for any purpose</u>			
Employee share options	1,250	1,250	1,250
Share options on Convertible Bond	53,332	53,332	53,332
	<u>54,582</u>	<u>54,582</u>	<u>54,582</u>
	<u>\$ 1,097,633</u>	<u>\$ 1,008,022</u>	<u>\$ 712,730</u>

- 1) Such capital surplus may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Company's capital surplus and to once a year).
 - 2) Such capital surplus arises from the effect of changes in ownership interests in subsidiaries resulting from equity transactions other than actual disposals or acquisitions, or from changes in capital surplus of subsidiaries accounted for using the equity method.
- c. Retained earnings and dividend policy

Under the dividends policy as set forth in the amended Articles, where the Company made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as legal reserve 10% of the remaining profit, setting aside or reversing special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Company's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for distribution of dividends and bonus to shareholders. For the policies on distribution of employees' compensation and remuneration of directors after amendment, refer to employees' compensation and remuneration of directors in Note 27, g.

The Company's dividend policy is formulated according to the Company's capital budget, mid- and long-term operational planning and financial status, as well as by reference to the general level of dividends in the industry and capital markets as the basis for dividend policy. Related earnings can be distributed in the form of stock dividends or cash dividends. However, the percentage of cash dividends shall not be less than 20% of the total dividends. The percentage of cash dividends will be increased when future earnings and funds are more abundant.

A legal reserve should be appropriated from earnings until the legal reserve equals the Company's paid-in capital. The legal reserve may be used to offset any deficits. If the Company has no deficit and the legal reserve has exceeded 25% of the Company's paid-in capital, the excess may be transferred to capital or distributed in cash.

The appropriations of earnings for 2021 and 2020, which have been proposed by the board of directors on March 16, 2022 and approved in the shareholders' meetings on July 26, 2021 respectively, were as follows:

	Appropriation of Earnings	
	For the Year Ended December 31	
	2021	2020
Legal reserve	<u>\$ 82,026</u>	<u>\$ 53,918</u>
Special reserve	<u>\$ -</u>	<u>(\$ 15,204)</u>
Cash dividends	<u>\$ 737,021</u>	<u>\$ 501,553</u>
Cash dividends per share (NT\$)	<u>\$ 3.78</u>	<u>\$ 2.80</u>

The appropriation of earnings for 2021 was subject to the resolution in the shareholders' meeting to be held on June 15, 2022.

- d. Special reserves

	For the Three Months Ended	
	March 31	
	2022	2021
Beginning at January 1	<u>\$ -</u>	<u>\$ 15,204</u>
Balance at March 31	<u>\$ -</u>	<u>\$ 15,204</u>

e. Other equity items

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

	For the Three Months Ended March 31	
	2022	2021
Balance at January 1	(\$ 7,054)	(\$ 5,218)
Recognized during the period		
Exchange differences arising on translating the financial statements of foreign operations	<u>2,229</u>	(<u>518</u>)
Other comprehensive income recognized for the period	<u>2,229</u>	(<u>518</u>)
Balance at March 31	<u>(\$ 4,825)</u>	<u>(\$ 5,736)</u>

2) Unrealized gain or loss on Financial Assets at FVTOCI

	For the Three Months Ended March 31	
	2022	2021
Balance at January 1	\$ 9,605	\$ 11,996
Recognized for the period		
Unrealized gain (loss) - equity instruments	2,994	20,326
Net remeasurement of loss allowance	<u>-</u>	<u>2,788</u>
Other comprehensive income recognized for the period	<u>2,994</u>	<u>23,114</u>
Cumulative unrealized gain (loss) of equity instruments transferred to retained earnings due to disposal	<u>-</u>	(<u>4,382</u>)
Balance at March 31	<u>\$ 12,599</u>	<u>\$ 30,728</u>

f. Non-controlling interests

	For the Three Months Ended March 31	
	2022	2021
Balance at January 1	\$ 366,622	\$ 377,344
Share of profit (loss) for the period	19,275	15,506
Other comprehensive income during the period		
Exchange differences arising on translating the foreign operations	(21)	(66)
Unrealized gain on FVTOCI financial assets	<u>657</u>	<u>2,080</u>
Balance at March 31	<u>\$ 386,533</u>	<u>\$ 394,864</u>

26. REVENUE

	For the Three Months Ended March 31	
	2022	2021
Revenue from contracts with customers		
Revenue from sale of goods	\$ 8,462,189	\$ 7,818,491
Revenue from NRE service	2,683	20,965
Revenue from repair	<u>1,409</u>	<u>3,595</u>
	<u>8,466,281</u>	<u>7,843,051</u>
Other operating income		
Service revenue	<u>1,381</u>	<u>1,473</u>
	<u>\$ 8,467,662</u>	<u>\$ 7,844,524</u>

a. Revenue from contracts with customers

Revenue from the sale of goods

Revenue from the sale of goods mainly comes from the distribution of electronic components and the sale and manufacture of industrial computer monitors and customized products. Goods are categorized into electronic components (application-specific and LCD display products, linear/distributed components, application-specific and image processing ICs) as well as embedded control systems, medical displays, and application-specific display modules (e.g., medical, factory automation, military, outdoor use, and sports equipment). The Group sells goods at the agreed prices stipulated in contracts, quotations or orders.

Service revenue

Service revenue mainly comprises revenue from the design of embedded, medical, and application specific display modules during product development; revenue from customers' request for repair when defects occur in products that exceed the warranty period; and revenue recognized at the agreed prices stipulated in contracts.

b. Contract balances

	<u>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>
Notes receivables (Note 11)	\$ 54,167	\$ 92,798	\$ 77,286
Accounts receivables (Note 11)	\$ 7,297,851	\$ 6,868,984	\$ 5,758,481
Accounts receivables from related parties (Note 11)	\$ 442	\$ 1,693	\$ 1,148
Contract liabilities - current (Note 22)			
Sale of goods	\$ 187,358	\$ 146,306	\$ 134,644

The changes in the balance of contract liabilities primarily result from the timing difference between the Group's performance and the respective customer's payment.

c. Disaggregation of revenue

For the three months ended March 31, 2022

	<u>Reportable Segment</u>					<u>Total</u>
	<u>Application-specific and LCD Display Products</u>	<u>Linear/Distributed Components</u>	<u>Image Processing ICs</u>	<u>Application-specific ICs</u>	<u>Others</u>	
<u>Types of goods or services</u>						
Revenue from the sale of goods	\$ 1,639,407	\$ 3,604,153	\$ 1,882,342	\$ 729,063	\$ 607,224	\$ 8,462,189
Service revenue	4,092	-	-	-	1,381	5,473
	<u>\$ 1,643,499</u>	<u>\$ 3,604,153</u>	<u>\$ 1,882,342</u>	<u>\$ 729,063</u>	<u>\$ 608,605</u>	<u>\$ 8,467,662</u>

For the three months ended March 31, 2021

	<u>Reportable Segment</u>					<u>Total</u>
	<u>Application-specific and LCD Display Products</u>	<u>Linear/Distributed Components</u>	<u>Image Processing ICs</u>	<u>Application-specific ICs</u>	<u>Others</u>	
<u>Types of goods or services</u>						
Revenue from the sale of goods	\$ 1,451,460	\$ 3,612,167	\$ 1,689,836	\$ 644,372	\$ 420,656	\$ 7,818,491
Service revenue	24,560	-	-	-	1,473	26,033
	<u>\$ 1,476,020</u>	<u>\$ 3,612,167</u>	<u>\$ 1,689,836</u>	<u>\$ 644,372</u>	<u>\$ 422,129</u>	<u>\$ 7,844,524</u>

27. NET PROFIT (LOSS) FROM CONTINUING OPERATIONS AND OTHER COMPREHENSIVE INCOME (LOSS)

a. Interest income

	For the Three Months Ended March 31	
	2022	2021
Interest income		
Bank deposits	\$ 300	\$ 369
Financial assets at amortized cost	<u>47</u>	<u>217</u>
	<u>\$ 347</u>	<u>\$ 586</u>

b. Other income

	For the Three Months Ended March 31	
	2022	2021
Rental income		
Other operating lease	\$ 228	\$ 382
Dividend income		
Financial assets at FVTPL	1	-
Other	<u>711</u>	<u>502</u>
	<u>\$ 940</u>	<u>\$ 884</u>

c. Other gains and losses

	For the Three Months Ended March 31	
	2022	2021
Gain (loss) on financial instruments		
Mandatorily measured at FVTPL	\$ 567	\$ 4,627
Net foreign exchange gains (losses)	128,974	(12,592)
Gain on Lease Modification	18	297
Bank charge	(<u>4,122</u>)	(<u>4,122</u>)
	<u>\$ 125,437</u>	<u>(\$ 11,790)</u>

d. Finance costs

	For the Three Months Ended March 31	
	2022	2021
Interest on bank loans	\$ 12,882	\$ 10,808
Interest on convertible corporate bond	1,637	3,073
Interest on lease liabilities	<u>920</u>	<u>969</u>
	<u>\$ 15,439</u>	<u>\$ 14,850</u>

There was no interest capitalization in the Group for the three months ended March 31, 2022 and 2021.

e. Depreciation and amortization

	For the Three Months Ended March 31	
	2022	2021
An analysis of deprecation by function		
Operating costs	\$ 222	\$ 235
Operating expenses	<u>15,814</u>	<u>15,298</u>
	<u>\$ 16,036</u>	<u>\$ 15,533</u>
An analysis of amortization by function		
Operating costs	\$ -	\$ -
Operating expenses	<u>873</u>	<u>750</u>
	<u>\$ 873</u>	<u>\$ 750</u>

f. Employee benefits expense

	For the Three Months Ended March 31	
	2022	2021
Short-term benefits	\$ 226,161	\$ 185,954
Post-employment benefits (see Note 24)		
Defined contribution plans	6,500	6,021
Defined benefit plans	<u>91</u>	<u>97</u>
	<u>6,591</u>	<u>6,118</u>
Other employee benefits	<u>12,179</u>	<u>9,224</u>
Total employee benefits expense	<u>\$ 244,931</u>	<u>\$ 201,296</u>
An analysis of employee benefits expense by function		
Operating costs	\$ 12,826	\$ 13,185
Operating expenses	<u>232,105</u>	<u>188,111</u>
	<u>\$ 244,931</u>	<u>\$ 201,296</u>

g. Employees' compensation and remuneration of directors and supervisors

The Company accrued employees' compensation and remuneration of directors at the rates 7.5%-10% and no higher than 3%, respectively, of net profit before income tax, employees' compensation, and remuneration of directors.

Employees' compensation and remuneration of directors for the three months ended March 31, 2022 and 2021 were as follows:

Accrual rate

	For the Three Months Ended March 31	
	2022	2021
Employees' compensation	7.5%	7.5%
Remuneration of directors	1.5%	1.5%

Amount

	For the Three Months Ended March 31	
	2022	2021
Employees' compensation	\$ 30,500	\$ 21,700
Remuneration of directors	6,500	4,300

If there is a change in the amounts after the annual consolidated financial statements were authorized for issue, the differences are recorded as a change in the accounting estimate.

The compensation to employees and remuneration to the directors of 2021 and 2020 were approved by the Company's board of directors on March 16, 2022 and March 24, 2021, respectively.

	For the Year Ended December 31	
	2021	2020
	Cash	Cash
Employees' compensation	\$ 80,500	\$ 52,000
Remuneration of directors	16,500	10,500

There was no difference between the actual amounts of compensation of employees and remuneration of directors paid and the amounts recognized in the consolidated financial statements for the years ended December 31, 2021 and 2020.

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

- h. Gain or loss on foreign currency exchange

	For the Three Months Ended March 31	
	2022	2021
Foreign exchange gains	\$ 613,624	\$ 350,640
Foreign exchange losses	(484,650)	(363,232)
Net foreign exchange gains and losses	<u>\$ 128,974</u>	<u>(\$ 12,592)</u>

28. INCOME TAXES RELATING TO CONTINUING

- a. Income tax recognized in profit or loss

Major components of tax expense (income) recognized in profit or loss are as follows:

	For the Three Months Ended March 31	
	2022	2021
Current tax		
In respect of the current period	\$ 117,306	\$ 50,583
Adjustment for prior years	(389)	(839)
	<u>116,917</u>	<u>49,744</u>
Deferred tax		
In respect of the current period	(35,803)	5,255
Income tax expense recognized in profit or loss	<u>\$ 81,114</u>	<u>\$ 54,999</u>

- b. Income tax expense recognized in other comprehensive income

	For the Three Months Ended March 31	
	2022	2021
<u>Deferred tax</u>		
In respect of current period		
Translating the financial statements of foreign operations	(\$ 552)	\$ 146
Unrealized gain on FVTOCI financial assets	(755)	-
Income tax recognized in other comprehensive income (loss)	<u>(\$ 1,307)</u>	<u>\$ 146</u>

c. Income tax assessments

The tax returns of the Company through 2019 have been assessed and cleared by the tax authorities.

The tax returns of Promate Solutions Corporation through 2019 have been assessed and cleared by the tax authorities.

29. EARNINGS PER SHARE

Unit: NT\$ Per Share

	For the Three Months Ended March 31	
	2022	2021
	<hr/>	<hr/>
Basic earnings per share	\$ 1.56	\$ 1.23
Diluted earnings per share	\$ 1.42	\$ 1.06

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

Net Profit for the Period

	For the Three Months Ended March 31	
	2022	2021
	<hr/>	<hr/>
Income for the period attributable to owners of the Company	\$ 303,101	\$ 219,809
Earnings used in the computation of basic earnings per share	303,101	219,809
Effect of potentially dilutive ordinary shares:		
The after-tax interest of convertible bonds	1,309	2,458
Earnings used in the computation of diluted earnings per share	\$ 304,410	\$ 222,267

Weighted Average Number of Ordinary Shares Outstanding (In Thousand Shares)

	For the Three Months Ended March 31	
	2022	2021
	<hr/>	<hr/>
Weighted average number of ordinary shares in computation of basic earnings per share	194,237	179,126
Effect of potentially dilutive ordinary shares:		
Employees' compensation	2,194	1,895
Corporate bond	17,372	28,910
Weighted average number of ordinary shares used in the computation of diluted earnings per share	213,803	209,931

If the Group offered to settle compensation or bonuses paid to employees in cash or shares, the Group assumed the entire amount of the compensation or bonus would be settled in shares, and if the resulting potential shares have a dilutive effect, these shares are included in the weighted average number of shares outstanding used in the computation of diluted earnings per share. The dilutive effect of the potential shares is included in the computation of diluted earnings per share until the shareholders resolve the number of shares to be distributed to employees at their meeting in the following year.

30. CASH FLOW INFORMATION

a. Non-cash transaction

For the three months ended March 31, 2022 and 2021, the Group entered into the following non-cash investing and financing activities which were not reflected in the consolidated statements of cash flows:

The Group reclassified prepayments for equipment amounting to NT\$5,115 thousand and NT\$3,170 thousand to property, plant and equipment for the three months ended March 31, 2022 and 2021, respectively.

b. Reconciliation of liabilities arising from financing activities

For the three months ended March 31, 2022

	Balance as of January 1, 2022	Cash Flows	Non-cash Changes				Balance as of March 31, 2022
			New Lease	Lease Modified	Interest Amortized	Foreign Currency Exchange Rates	
Short-term borrowings	\$ 2,645,942	\$ 347,919	\$ -	\$ -	\$ -	\$ 23,438	\$ 3,017,299
Short-term bills payable	180,000	(110,000)	-	-	-	-	70,000
Guarantee deposits received	1,051,904	150,426	-	-	-	-	1,202,330
Lease liabilities	<u>105,759</u>	<u>(13,596)</u>	<u>8,449</u>	<u>(810)</u>	<u>920</u>	<u>1,527</u>	<u>102,249</u>
	<u>\$ 3,983,605</u>	<u>\$ 374,749</u>	<u>\$ 8,449</u>	<u>(\$ 810)</u>	<u>\$ 920</u>	<u>\$ 24,965</u>	<u>\$ 4,391,878</u>

For the three months ended March 31, 2021

	Balance as of January 1, 2021	Cash Flows	Non-cash Changes				Balance as of March 31, 2021
			New Lease	Lease Modified	Interest Amortized	Foreign Currency Exchange Rates	
Short-term borrowings	\$ 2,405,108	(\$ 176,222)	\$ -	\$ -	\$ -	\$ 3,744	\$ 2,232,630
Short-term bills payable	190,000	(70,000)	-	-	-	-	120,000
Guarantee deposits received	284,864	550	-	-	-	-	285,414
Lease liabilities	<u>106,436</u>	<u>(11,864)</u>	<u>14,539</u>	<u>(10,318)</u>	<u>969</u>	<u>(233)</u>	<u>99,529</u>
	<u>\$ 2,986,408</u>	<u>(\$ 257,536)</u>	<u>\$ 14,539</u>	<u>(\$ 10,318)</u>	<u>\$ 969</u>	<u>\$ 3,511</u>	<u>\$ 2,737,573</u>

31. CAPITAL MANAGEMENT

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

Adopting a prudent risk management strategy and regularly reviewing the strategy, the Group engages in overall planning based on business development strategies and operational needs, in order to determine the appropriate capital structure of the Group.

The Group is not subject to any externally imposed capital requirements.

32. FINANCIAL INSTRUMENTS

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

March 31, 2022

Financial liabilities	Carrying Amount	Fair Value			Total
		Level 1	Level 2	Level 3	
Financial liabilities at amortized cost:					
Convertible Bond	\$ 405,921	\$ 411,900	\$ -	\$ -	\$ 411,900

December 31, 2021

	<u>Carrying Amount</u>	<u>Fair Value</u>			<u>Total</u>
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	
<u>Financial liabilities</u>					
Financial liabilities at amortized cost:					
Convertible Bond	\$ 539,418	\$ 549,200	\$ -	\$ -	\$ 549,200

March 31, 2021

	<u>Carrying Amount</u>	<u>Fair Value</u>			<u>Total</u>
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	
<u>Financial liabilities</u>					
Financial liabilities at amortized cost:					
Convertible Bond	\$ 970,357	\$ 997,400	\$ -	\$ -	\$ 997,400

The Level 2 and Level 3 fair value measurements above are determined by discounted cash flow analysis based on the income approach. The significant unobservable inputs used in Level 3 fair value measurements reflect the discount rates of counterparty credit risk.

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

1) Fair value hierarchy

March 31, 2022

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Financial assets at FVTPL</u>				
Non-Derivative financial instruments				
Domestic listed shares	\$ 10,406	\$ -	\$ -	\$ 10,406
Foreign listed shares	<u>15,669</u>	<u>-</u>	<u>-</u>	<u>15,669</u>
	<u>\$ 26,075</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 26,075</u>
<u>Financial assets at FVTOCI</u>				
Investments in equity				
Domestic listed shares	\$ 70,470	\$ -	\$ -	\$ 70,470
Domestic unlisted shares and domestic emerging market shares	-	-	938	938
Foreign Private Funds	<u>-</u>	<u>-</u>	<u>99,652</u>	<u>99,652</u>
	<u>\$ 70,470</u>	<u>\$ -</u>	<u>\$ 100,590</u>	<u>\$ 171,060</u>

December 31, 2021

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Financial assets at FVTPL</u>				
Non-Derivative financial instruments				
Domestic listed shares	<u>\$ 13,382</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,382</u>
<u>Financial assets at FVTOCI</u>				
Investments in equity				
Domestic listed shares	\$ 69,838	\$ -	\$ -	\$ 69,838
Domestic unlisted shares and domestic emerging market shares	-	-	938	938
Foreign Private Funds	<u>-</u>	<u>-</u>	<u>95,878</u>	<u>95,878</u>
	<u>\$ 69,838</u>	<u>\$ -</u>	<u>\$ 96,816</u>	<u>\$ 166,654</u>

March 31, 2021

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Financial assets at FVTPL</u>				
Domestic listed shares	\$ 15,037	\$ -	\$ -	\$ 15,037
Foreign non-guaranteed investments	19,241	-	-	19,241
Redemption option on convertible bonds	-	100	-	100
	<u>\$ 34,278</u>	<u>\$ 100</u>	<u>\$ -</u>	<u>\$ 34,378</u>
<u>Financial assets at FVTOCI</u>				
Investments in equity				
Domestic listed shares	\$ 94,329	\$ -	\$ -	\$ 94,329
Domestic unlisted shares and domestic emerging market shares	-	-	1,389	1,389
	<u>\$ 94,329</u>	<u>\$ -</u>	<u>\$ 1,389</u>	<u>\$ 95,718</u>

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

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

<u>Financial Assets at Fair Value Through Other Comprehensive Income</u>	For the three months ended March 31	
	<u>2022</u>	<u>2021</u>
Equity Instrument		
Balance at January 1	\$ 96,816	\$ 2,398
Recognized in other comprehensive income	3,774	-
Transfer out from Level 3	-	(1,009)
Balance at March 31	<u>\$ 100,590</u>	<u>\$ 1,389</u>
Unrealized gain (loss) for the current year included in profit or loss relating to assets held at the end of the period	<u>\$ -</u>	<u>\$ -</u>

3) Valuation techniques and inputs applied for the purpose of measuring Level 2 fair value measurement

<u>Financial Instruments</u>	<u>Valuation Techniques and Input</u>
Redemption option on convertible bonds	Discounted cash flow method: estimated future cash flow based on stock price volatility and annual bond yield in the most recent year.
Derivative financial instruments- FX Swap contract	Discounted cash flow method: Estimate the future cash flow according to the observable forward exchange rate on the balance sheet date and the exchange rate stipulated in the contract, and discount them respectively at the discount rate that can reflect the credit risk of each counterpart

4) Valuation techniques and inputs applied for the purpose of measuring Level 3 fair value measurement

The Group measures the fair value of its investments on domestic unlisted shares by using the market approach. The judgment is based on the industry type, the evaluation of the same type of company and the company's operating situation.

c. Categories of financial instruments

	<u>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>
<u>Financial assets</u>			
Financial assets at FVTPL			
Mandatorily classified as at FVTPL	\$ 26,075	\$ 13,382	\$ 34,378
Financial assets at amortized cost (Note 1)	11,269,632	10,839,539	9,728,090
Financial assets at FVTOCI			
Equity instruments	171,060	166,654	95,718
<u>Financial liabilities</u>			
Measured at amortized cost (Note 2)	8,866,856	9,081,882	7,123,714

Note 1: The balances included financial assets measured at amortized cost, which comprise cash and cash equivalents, debt investments, notes and accounts receivables, other receivables and refundable deposits.

Note 2: The balances include financial liabilities at amortized cost, which comprise short-term loans, short-term bills payable, notes and accounts payable, other payables, convertible bonds payable and guarantee deposits.

d. Financial risk management objectives and policies

The Group's major financial instruments included equity and debit investments, accounts receivables, accounts payables and borrowings. The Group's Corporate Treasury monitors and manages the financial risks relating to the operations of the Group. These risks include market risk (including foreign currency risk, interest rate risk and other price risk), credit risk, and liquidity risk.

1) Market risk

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

a) Foreign currency risk

The Company and its subsidiaries had foreign currency sales and purchases, which exposed the Group to foreign currency risk. The Group manages the risk that fluctuations in foreign currency could have on foreign-currency denominated assets and future cash flow by using forward exchange contracts, which was governed by the Group's policies

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities (including those eliminated on consolidation) and of the derivatives exposed to foreign currency risk at the end of the year are set out in Note 37.

Sensitivity analysis

The Group was mainly exposed to the U.S. dollar

The following table details the Group's sensitivity to a 1% increase and decrease in New Taiwan dollars (the functional currency) against the relevant foreign currencies. The 1% sensitivity rate is used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis included only outstanding foreign currency denominated monetary items, and adjusted their translation at the end of the reporting period for a 1% change in foreign currency rates. A positive number below indicates an increase in pretax profit and other equity associated with the 1% strengthening of the New Taiwan dollar against the relevant currency. For a 1% weakening of New Taiwan dollar against the relevant currency, there would be an equal and opposite impact on pre-tax profit and other equity and the balances below would be negative.

U.S. Dollar Impact	
For the Three Months Ended	
March 31	
2022	2021

Profit or loss	\$ <u>38,674</u> (i)	\$ <u>42,840</u> (i)
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(i) This was mainly attributable to the exposure outstanding on U.S. dollar-denominated accounts receivables, accounts payables and loans, which were not hedged at the end of the reporting period

The Group's sensitivity to foreign currency increased during the current year mainly due to the increase of accounts receivable balance in the USD.

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

b) Interest rate risk

The Group evaluates hedging activities regularly to align with interest rate views and defined risk appetite and ensures that the most cost-effective hedging strategies are applied.

The carrying amounts of the Group's financial assets and financial liabilities with exposure to interest rates at the end of the year were as follows.

	March 31, 2022	December 31, 2021	March 31, 2021
Fair value interest rate risk			
Financial assets	\$ 276,129	\$ 350,574	\$ 463,933
Financial liabilities	475,921	719,418	1,090,357
Cash flow interest rate risk			
Financial assets	1,576,879	1,627,123	1,962,428
Financial liabilities	3,017,299	2,645,942	2,232,630

Sensitivity analysis

The sensitivity analysis below was determined based on the Group's exposure to interest rates for nonderivative instruments at the end of the year. For floating-rate liabilities, the analysis was prepared assuming the amount of the liability outstanding at the end of the year was outstanding for the whole year. A 50 basis point increase or decrease was used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates been 50 basis points higher/lower and all other variables were held constant, the Group's pre-tax profits for the three months ended March 31, 2022 and 2021 would decrease/increase by NT\$1,801 thousand and NT\$338 thousand, respectively, mainly attributable to the Group's exposure to the floating-interest rates on bank borrowings and bank deposits

c) Other price risk

The Group was exposed to equity price risk through its investments in listed equity securities and beneficiary certificates. The Group manages this exposure by maintaining a portfolio of investments with different risks. In addition, the Group has appointed a special team to monitor the price risk and evaluate when it is necessary to increase the risk aversion position.

Sensitivity analysis

The sensitivity analyses below were determined based on the exposure to equity price risks at the end of the reporting period.

If equity prices had fluctuated by 3%, the pre-tax profit for the three months ended March 31, 2022 and 2021 would have increased/decreased by 782 thousand and \$1,031 thousand as a result of the changes in fair value of financial assets at FVTPL, and the pre-tax other comprehensive income for the three months ended March 31, 2022 and 2021 would have increase/decreased by \$5,132 thousand and \$2,872 thousand as a result of the changes in fair value of financial assets at FVTOCI.

2) Credit risk

Credit risk refers to the risk that a counterpart will default on its contractual obligations resulting in a financial loss to the Group. At the end of the year, the Group's maximum exposure to credit risk, which would cause a financial loss to the Group due to the failure of the counterparty to discharge its obligation and due to the financial guarantees provided by the Group, could be mainly from the following:

- a) The carrying amount of the financial assets recognized in the balance sheets; and
- b) The maximum amount payable by the Group due to financial guarantees provided by the Group, regardless of possibility.

Financial assets are potentially affected by the failure of the Group's counterparties to fulfill their contractual obligations. The Group's credit risk is evaluated based on contracts whose fair value at the end of the financial reporting period is positive. The Group's counterparties are financial institutions and companies with sound credit ratings. The Group has a dedicated unit that regularly monitors counterparty credit exposure levels every year, so no significant credit risk is expected.

In order to minimize credit risk, the management of the Group has delegated a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts.

In addition, the Group reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate allowances are made for irrecoverable amounts.

The maximum credit exposure of the Group is the net carrying amount of financial assets after deducting the amount that can be offset against each other and the impairment loss recognized in accordance with the regulations without considering collateral and other credit enhancement policies.

3) Liquidity risk

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

The Group relies on bank borrowings as a significant source of liquidity. As of March 31, 2022 and 2021, the Group's available unutilized bank loan facilities set out in section (b) below.

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

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

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

March 31, 2022

	<u>Less Than 1 Year</u>	<u>2-3 Years</u>	<u>4-5 Years</u>	<u>Over 5 Years</u>
Non-derivative <u>financial liabilities</u>				
Short-term borrowings	\$3,042,503	\$ -	\$ -	\$ -
Short-term bills payable	70,000	-	-	-
Notes payables	17,353	-	-	-
Accounts payables	3,539,619	-	-	-
Accounts payables to related parties	17,725	-	-	-
Other payables	596,609	-	-	-
Lease liabilities-current	41,571	-	-	-
Lease liabilities-non current	-	55,360	12,407	-
Refund liability	640,262	-	-	-
Bond payable	-	411,900	-	-
	<u>\$7,965,642</u>	<u>\$ 467,260</u>	<u>\$ 12,407</u>	<u>\$ -</u>

Additional information about the maturity analysis for lease liabilities:

	<u>Less than 1 year</u>	<u>1-5 years</u>	<u>Over 5 years</u>
Lease liabilities	<u>\$ 41,571</u>	<u>\$ 67,767</u>	<u>\$ -</u>

December 31, 2021

	<u>Less Than 1 Year</u>	<u>2-3 Years</u>	<u>4-5 Years</u>	<u>Over 5 Years</u>
Non-derivative <u>financial liabilities</u>				
Short-term borrowings	\$2,664,957	\$ -	\$ -	\$ -
Short-term bills payable	180,000	-	-	-
Notes payables	8,447	-	-	-
Accounts payables	4,083,540	-	-	-
Accounts payables to related parties	13,893	-	-	-
Other payables	558,738	-	-	-
Lease liabilities-current	40,581	-	-	-
Lease liabilities-non current	-	55,888	16,756	-
Refund liability	486,610	-	-	-
Bond payable	-	549,200	-	-
	<u>\$8,036,766</u>	<u>\$ 605,088</u>	<u>\$ 16,756</u>	<u>\$ -</u>

Additional information about the maturity analysis for lease liabilities:

	<u>Less than 1 year</u>	<u>1-5 years</u>	<u>Over 5 years</u>
Lease liabilities	<u>\$ 40,581</u>	<u>\$ 72,644</u>	<u>\$ -</u>

March 31, 2021

	<u>Less Than 1 Year</u>	<u>2-3 Years</u>	<u>4-5 Years</u>	<u>Over 5 Years</u>
Non-derivative <u>financial liabilities</u>				
Short-term borrowings	\$2,249,630	\$ -	\$ -	\$ -
Short-term bills payable	120,000	-	-	-
Notes payables	178	-	-	-
Accounts payables	3,080,971	-	-	-

	Less Than 1			
	Year	2-3 Years	4-5 Years	Over 5 Years
Accounts payables to related parties	13,540	-	-	-
Other payables	420,624	-	-	-
Lease liabilities-current	37,489	-	-	-
Lease liabilities-non current	-	66,757	10,997	-
Refund liability	353,581	-	-	-
Bond payable	-	997,400	-	-
	<u>\$6,276,013</u>	<u>\$1,064,157</u>	<u>\$ 10,997</u>	<u>\$ -</u>

Additional information about the maturity analysis for lease liabilities:

	Less than 1 year	1-5 years	Over 5 years
Lease liabilities	<u>\$ 37,489</u>	<u>\$ 77,754</u>	<u>\$ -</u>

b) Financing facilities

	March 31, 2022	December 31, 2021	March 31, 2021
Unsecured bank overdraft facilities			
Amount used	\$ 3,752,597	\$ 4,040,504	\$ 3,088,588
Amount unused	<u>4,998,014</u>	<u>3,974,066</u>	<u>4,978,572</u>
	<u>\$ 8,750,611</u>	<u>\$ 8,014,570</u>	<u>\$ 8,057,160</u>

e. Transfers of financial assets

Factored accounts receivables were as follows:

March 31, 2022

Counter-parties	Balance at January 1	Receivables Factoring Proceeds	Cash Received	Advances Received - Used	Balance at March 31	Credit Lines
Bank SinoPac	\$ 126,696	\$ 1,018,765	(\$ 59,221)	(\$ 812,880)	\$ 273,360	<u>USD54,000</u>
	USD 4,577	USD36,531	(USD 2,981)	(USD28,577)	USD 9,550	
Taishin International Bank	282,794	779,283	(75,032)	(848,971)	138,074	<u>USD50,000</u>
	USD10,217	USD28,061	(USD 3,358)	(USD30,096)	USD 4,824	
Chang Hwa Bank	14,929	54,781	(11,281)	(50,313)	8,116	<u>USD 6,000</u>
	USD 539	USD 1,966	(USD 452)	(USD 1,770)	USD 283	
E.Sun Bank	53,701	664,118	(48,430)	(565,020)	104,369	<u>USD24,800</u>
	USD 1,940	USD23,897	(USD 2,172)	(USD20,019)	USD 3,646	
HSBC Bank	118,377	364,288	(28,516)	(408,090)	46,059	<u>USD20,000</u>
	USD 4,277	USD13,042	(USD 1,358)	(USD14,352)	USD 1,609	
	<u>\$ 596,497</u>	<u>\$ 2,881,235</u>	<u>(\$ 222,480)</u>	<u>(\$ 2,685,274)</u>	<u>\$ 569,978</u>	
	<u>USD21,550</u>	<u>USD103,497</u>	<u>(USD10,321)</u>	<u>(USD94,814)</u>	<u>USD19,912</u>	

December 31, 2021

Counter-parties	Balance at January 1	Receivables Factoring Proceeds	Cash Received	Advances Received - Used	Balance at December 31	Credit Lines
Bank SinoPac	\$ 252,365	\$ 3,888,646	(\$ 432,873)	(\$ 3,581,442)	\$ 126,696	<u>USD 54,000</u>
	USD 8,902	USD138,597	(USD14,503)	(USD128,419)	USD 4,577	
Taishin International Bank	116,069	3,330,490	(419,709)	(2,744,056)	282,794	<u>USD 50,000</u>
	USD 4,095	USD118,687	(USD14,110)	(USD98,455)	USD 10,217	
Chang Hwa Bank	16,537	603,486	(66,914)	(538,180)	14,929	<u>USD 6,000</u>
	USD 582	USD 21,488	(USD 2,229)	(USD19,302)	USD 539	
E.Sun Bank	80,672	1,971,780	(284,908)	(1,713,843)	53,701	<u>USD 24,800</u>
	USD 2,846	USD 70,193	(USD 9,732)	(USD61,367)	USD 1,940	
HSBC Bank	157,640	1,860,510	(272,523)	(1,627,250)	118,377	<u>USD 20,000</u>
	USD 5,557	USD 66,210	(USD 9,317)	(USD58,173)	USD 4,277	
	<u>\$ 623,283</u>	<u>\$ 11,654,912</u>	<u>(\$ 1,476,927)</u>	<u>(\$ 10,204,771)</u>	<u>\$ 596,497</u>	
	<u>USD21,982</u>	<u>USD415,175</u>	<u>(USD49,891)</u>	<u>(USD365,716)</u>	<u>USD 21,550</u>	

March 31, 2021

<u>Counter-parties</u>	<u>Balance at January 1</u>	<u>Receivables Factoring Proceeds</u>	<u>Cash Received</u>	<u>Advances Received - Used</u>	<u>Balance at March 31</u>	<u>Credit Lines</u>
Bank SinoPac	\$ 252,365	\$ 1,110,074	(\$ 87,602)	(\$ 900,333)	\$ 374,504	<u>USD 54,000</u>
	USD 8,902	USD39,119	(USD 3,156)	(USD31,741)	USD 13,124	
Taishin International Bank	116,069	726,033	(73,293)	(412,027)	356,782	<u>\$ 1,283,000</u>
	USD 4,095	USD25,552	(USD 2,695)	(USD14,449)	USD12,503	
Chang Hwa Bank	16,537	150,279	(15,086)	(121,064)	30,666	<u>USD 6,000</u>
	USD 582	USD 5,289	(USD 526)	(USD 4,270)	USD 1,075	
E.Sun Bank	80,672	585,094	(112,794)	(462,638)	90,334	<u>USD 21,000</u>
	USD 2,846	USD20,572	(USD 3,949)	(USD16,303)	USD 3,166	
HSBC Bank	157,640	458,182	(38,972)	(479,797)	97,053	<u>USD 12,000</u>
	USD 5,557	USD16,076	(USD 1,339)	(USD16,893)	USD 3,401	
	<u>\$ 623,283</u>	<u>\$ 3,029,662</u>	<u>(\$ 327,747)</u>	<u>(\$ 2,375,859)</u>	<u>\$ 949,339</u>	
	<u>USD21,982</u>	<u>USD106,608</u>	<u>(USD11,665)</u>	<u>(USD83,656)</u>	<u>USD33,269</u>	

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

The effective weighted average interest rates for factoring ranged from 0.80%-1.89% for the three months ended March 31, 2022, 0.66%-1.09254% for the year ended December 31, 2021, and 0.75%-1.25% for the three months ended March 31, 2021.

Pursuant to the factoring agreements, losses from commercial disputes (such as sales returns and discounts) are borne by the Company, while losses from credit risk are borne by banks. Refer to Note 34 for information on the use of promissory notes provided by the Group as collateral for the sale of accounts receivable.

33. TRANSACTIONS WITH RELATED PARTIES

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

a. Names and categories of related parties

<u>Name</u>	<u>Related Party Categories</u>
Weikeng Industrial Co., Ltd.	Substantive related party
Weikeng International Co., Ltd.	Substantive related party
Prosperity Venture Capital I, Limited	Substantive related party
HIGGSTEC Inc.	The management – The company is a corporate director of the entity.

b. Sales of goods

<u>Line Items</u>	<u>Related Party Categories/Name</u>	<u>For the Three months Ended March 31</u>	
		<u>2022</u>	<u>2021</u>
Sales	Substantive related party	\$ 189	\$ 975
	The management	242	275
		<u>\$ 431</u>	<u>\$ 1,250</u>

c. Purchases of goods

<u>Related Party Categories/Name</u>	<u>For the Three months Ended March 31</u>	
	<u>2022</u>	<u>2021</u>
Substantive related party	\$ 35,981	\$ 12,068
The management	6,103	1,531
	<u>\$ 42,084</u>	<u>\$ 13,599</u>

The related-party transactions were conducted under normal terms.

d. Receivables from related parties (excluding loans to related parties)

<u>Line Items</u>	<u>Related Party Categories/Name</u>	<u>December 31,</u>		
		<u>March 31, 2022</u>	<u>2021</u>	<u>March 31, 2021</u>
Accounts receivable	Substantive related party	\$ 196	\$ 1,048	\$ 921
	The management	246	645	227
		<u>\$ 442</u>	<u>\$ 1,693</u>	<u>\$ 1,148</u>

The outstanding trade receivables from related parties are unsecured. For the three months ended March 31, 2022 and 2021, no impairment losses were recognized for trade receivables from subsidiaries.

The revenue from sales to other customers through CT Continental Corp. for the three months ended March 31, 2022 and 2021 were NT\$705,369 thousand, and NT\$652,553 thousand respectively.

Its accounts receivable as of March 31, 2022 and 2021 was NT\$1,475,088 thousand, and NT\$1,249,363 thousand respectively.

All inter-company transactions have been eliminated from consolidation, and please see Table 5 in Note 38.

e. Payables to related parties (excluding loans from related parties)

<u>Line Items</u>	<u>Related Party Categories/Name</u>	<u>December 31,</u>		
		<u>March 31, 2022</u>	<u>2021</u>	<u>March 31, 2021</u>
Accounts payables	Substantive related party	\$ 11,530	\$ 9,185	\$ 12,841
	The management	6,195	4,708	699
		<u>\$ 17,725</u>	<u>\$ 13,893</u>	<u>\$ 13,540</u>

The outstanding accounts payables to related parties are unsecured.

f. Lease arrangements - the Group is lessee

<u>Related Party Categories/Name</u>	<u>For the Three months Ended March 31</u>	
	<u>2022</u>	<u>2021</u>
<u>Acquisition of right-of-use assets</u>		
Substantive related party	\$ -	\$ 14,523

<u>Line Items</u>	<u>Related Party Categories/Name</u>	<u>December 31,</u>		
		<u>March 31, 2022</u>	<u>2021</u>	<u>March 31, 2021</u>
Lease liabilities - current	Substantive related party	\$ 3,644	\$ 3,686	\$ 3,565
Lease liabilities - non-current	Substantive related party	5,566	7,367	9,142
		<u>\$ 9,210</u>	<u>\$ 11,053</u>	<u>\$ 12,707</u>

<u>Related Party Categories/Name</u>	<u>For the Three months Ended March 31</u>	
	<u>2022</u>	<u>2021</u>
<u>Interest expense</u>		
Substantive related party	\$ 69	\$ 95

Related Party Categories/Name	For the Three months Ended March 31	
	2022	2021
<u>Gain on Lease Modification</u>		
Substantive related parties	\$ -	\$ 297

Lessor	Location	Lease term and Payment Method
Weikeng Industrial Co., Ltd.	Office building on Huanshan Road, Neihu District	The lease term begins on January 1, 2021 and ends on December 31, 2025. Rent is paid every six months, where the monthly rent is NT\$334,500.

g. Other transactions with related parties

Line Items	Related Party Categories/Name	For the Three months Ended March 31	
		2022	2021
Other revenue	The management	\$ 376	\$ -
Operating cost- Subcontracting fee	The management	\$ 133	\$ -
Operating expense- Research and development fee	Substantive related party	\$ -	\$ 88
	The management	\$ 594	\$ 89

h. Compensation of key management personnel

Line Items	For the Three months Ended March 31	
	2022	2021
Short-term employee benefits	\$ 28,428	\$ 17,175
Other long-term employee benefits	170	178
	\$ 28,598	\$ 17,353

The remuneration of directors and key executives is determined by the remuneration committee based on the performance of individuals and market trends.

34. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets were provided as collateral for bank borrowings:

	March 31, 2022	December 31, 2021	March 31, 2021
Land	\$ 212,223	\$ 212,223	\$ 202,723
Buildings	109,325	110,272	117,026
Time Deposits (Recognized as Financial assets at amortized cost)	2,320	2,236	2,305
Accounts Receivable	78,824	76,221	-
	<u>\$ 402,692</u>	<u>\$ 400,952</u>	<u>\$ 322,054</u>

The land and buildings above have been pledged as collateral for bank loans. The Group may not use the pledged assets as collateral for other loans or sell them to other companies.

35. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

In addition to those disclosed in other notes, significant commitments and contingencies of the Group were as follows:

a. Significant commitments

- 1) As of March 31, 2022, December 31, 2021, and March 31, 2021, unused letters of credit for purchases of inventories were as follows:

	<u>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>
USD	\$ 2,451	\$ 7,955	\$ -
NTD	230,000	290,319	366,833

- 2) As of March 31, 2022, December 31, 2021, and March 31, 2021, the Group had issued promissory notes for the facilities of bank loans, the facilities of accounts receivables factoring and for purchase of inventories amounted to \$900,000 thousand, \$953,000 thousand and \$953,000 thousand, respectively.
- 3) As of March 31, 2022, December 31, 2021, and March 31, 2021, the Group has issued letters of guarantee for purchase of inventories amounted to \$206,128, \$187,784 thousand and \$218,192 thousand, respectively.
- 4) As of March 31, 2022, December 31, 2021, and March 31, 2021, the Group has all issued letters of guarantee for tariff guarantee amounted to \$18,000, \$18,000 thousand and \$22,000 thousand, respectively.
- 5) As of March 31, 2022, December 31, 2021, and March 31, 2021, commitment for acquisition of property, plant and equipment were as follows:

	<u>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>
Contract amount	\$ 5,690	\$ 17,065	\$ 5,040
Paid amount	(3,660)	(6,834)	(1,926)
Unpaid amount	<u>\$ 2,030</u>	<u>\$ 10,231</u>	<u>\$ 3,114</u>

- b. Contingent liabilities: None

36. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE: NONE

37. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The group entities' significant financial assets and liabilities denominated in foreign currencies aggregated by the foreign currencies other than functional currencies and the related exchange rates between foreign currencies and respective functional currencies were as follows:

March 31, 2022

	Foreign Currencies	Exchange Rate		Carrying Amount
<u>Financial assets</u>				
Monetary items				
USD	\$ 353,731	28.625	USD:NTD	\$ 10,125,539
USD	216	122.39	USD:JPY	6,172
CNY	3,439	4.506	CNY:NTD	15,497
CNY	39	1.2377	CNY:HKD	174
CNY	1,801	0.15741	CNY:USD	8,116
HKD	3,419	3.656	HKD:NTD	12,502
HKD	35	0.12722	HKD:USD	126
EUR	164	31.92	EUR:NTD	5,247
JPY	13,466	0.2353	JPY:NTD	3,168
GBP	45	37.62	GBP:NTD	1,697
				<u>\$ 10,178,238</u>
<u>Financial liabilities</u>				
Monetary items				
USD	218,627	28.625	USD:NTD	\$ 6,258,187
USD	2,838	6.353	USD:CNY	81,240
CNY	53	4.506	CNY:NTD	241
HKD	2,678	3.656	HKD:NTD	9,792
EUR	18	31.92	EUR:NTD	570
				<u>\$ 6,350,030</u>

December 31, 2021

	Foreign Currencies	Exchange Rate		Carrying Amount
<u>Financial assets</u>				
Monetary items				
USD	\$ 322,561	27.68	USD:NTD	\$ 8,928,476
USD	180	115.02	USD:JPY	4,984
CNY	2,975	4.344	CNY:NTD	12,925
CNY	41	1.2232	CNY:HKD	180
CNY	1,792	0.1569	CNY:USD	7,784
HKD	5,054	3.549	HKD:NTD	17,935
HKD	35	0.2772	HKD:USD	126
EUR	94	31.52	EUR:NTD	2,967
JPY	9,994	0.2405	JPY:NTD	2,404
GBP	148	37.50	GBP:NTD	5,549
				<u>\$ 8,983,330</u>
<u>Financial liabilities</u>				
Monetary items				
USD	196,384	27.68	USD:NTD	\$ 5,435,902
USD	6,396	6.372	USD:CNY	177,036
USD	125	115.02	USD:JPY	3,458
CNY	332	4.344	CNY:NTD	1,440
CNY	216	1.2232	CNY:HKD	936
HKD	2,507	3.549	HKD:NTD	8,897
EUR	16	31.52	EUR:NTD	519
JPY	1,570	0.2405	JPY:NTD	378
				<u>\$ 5,628,566</u>

March 31, 2021

	Foreign Currencies	Exchange Rate		Carrying Amount
<u>Financial assets</u>				
Monetary items				
USD	\$ 302,724	28.535	USD:NTD	\$ 8,638,226
CNY	2,659	4.344	CNY:NTD	11,549
CNY	1,766	0.15223	CNY:USD	7,671
CNY	83	1.1845	CNY:HKD	362
HKD	2,296	3.67	HKD:NTD	8,425
EUR	204	33.48	EUR:NTD	<u>6,825</u>
				<u>\$ 8,673,058</u>
Nonmonetary items				
Investments accounted for using the equity				
USD	\$ 21	28.535	USD:NTD	<u>\$ 646</u>
<u>Financial liabilities</u>				
Monetary items				
USD	152,591	28.535	USD:NTD	\$ 4,354,192
USD	6,214	6.56655	USD:CNY	177,303
CNY	5,360	4.344	CNY:NTD	23,283
CNY	150	1.1845	CNY:HKD	653
HKD	1,355	3.67	HKD:NTD	4,975
EUR	12	33.48	EUR:NTD	<u>392</u>
				<u>\$ 4,560,798</u>

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

For the Three Months Ended March 31				
		2022	2021	
Foreign Currencies	Exchange Rate	Net Foreign Exchange (Loss)	Exchange Rate	Net Foreign Exchange Gain (Loss)
NTD	1 (NTD:NTD)	\$ 127,112	1 (NTD:NTD)	(\$ 16,764)
CNY	4.506 (CNY:NTD)	1,718	4.344 (CNY:NTD)	4,180
HKD	3.66 (HKD:NTD)	14	3.67 (HKD:NTD)	(8)
JPY	0.2353 (JPY:NTD)	130	-	-
		<u>\$ 128,974</u>		<u>(\$ 12,592)</u>

38. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions and b. information on investees:

- 1) Financing provided to others. (None)
- 2) Endorsement/guarantee provided. (Table 1)
- 3) Marketable securities held (excluding investment in subsidiaries, associates and joint ventures). (Table 2)

- 4) Marketable securities acquired and disposed of at costs or prices of at least NT\$300 million or 20% of the paid-in capital. (None)
 - 5) Acquisition of individual real estate at costs of at least NT\$300 million or 20% of the paid-in capital. (None)
 - 6) Disposal of individual real estate at prices of at least NT\$300 million or 20% of the paid-in capital. (None)
 - 7) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital. (Table 3)
 - 8) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital. (Table 4)
 - 9) Trading in derivative instruments. (None)
 - 10) Significant transactions between the Company and subsidiaries. (Table 5)
- b. Information of investees. (Table 6)
- c. Information on investments in mainland China
- 1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the year, repatriations of investment income, and limit on the amount of investment in the mainland China area. (Table 7)
 - 2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses. (Table 8)
 - a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period.
 - b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period.
 - c) The amount of property transactions and the amount of the resultant gains or losses.
 - d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes.
 - e) The highest balance, the end balance, the interest rate range, and total current period interest with respect to financing of funds.
 - f) Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as the rendering or receiving of services.
- d. Information of major shareholders. (Table 9)

39. SEGMENT INFORMATION

Information reported to the chief operating decision maker (“CODM”) for the purpose of resource allocation and assessment of segment performance focuses on the area of operations. The Group’s segment information which is disclosed is as follows:

China region:

Manufacturing and distribution agents established in Mainland China and Hong Kong, including Happy On Supply Chain Management Limited, Promate Electronic (Shenzhen) Co., Ltd., and Promate Electronic (Shanghai) Company Limited.

Non-China region:

Manufacturing and distribution agents established outside Mainland China and Hong Kong, including the

Company, Promate Solutions Corporation, CT Continental Corporation, Promate Japan Inc., and Promate Electronics Company USA.

The CODM considers manufacturing and distribution agent as a separate operating segment. But for financial statements presentation purposes, these individual operating segments have been aggregated into a single operating segment, taking into account the following factors:

- 1) These operating segments have customers with similar risks;
- 2) These operating segments have the same method of product delivery to customers.

Segment Revenues and Operating Results

Analysis by reportable segment of revenues and operating results of continuing operations was as follows:

	For the Three Months Ended March 31, 2022		
	China Region	Non-China Region	Total
Segment revenue	<u>\$ 2,306,087</u>	<u>\$ 6,161,575</u>	<u>\$ 8,467,662</u>
Segment income	<u>\$ 94,188</u>	<u>\$ 198,017</u>	<u>\$ 292,205</u>
Interest income			347
interest expenses			(15,439)
Net foreign exchange gains (losses)			128,974
Other gains and losses			(<u>2,597</u>)
Profit before income tax			<u>\$ 403,490</u>

	For the Three Months Ended March 31, 2021		
	China Region	Non-China Region	Total
Segment revenue	<u>\$ 2,546,279</u>	<u>\$ 5,298,245</u>	<u>\$ 7,844,524</u>
Segment income	<u>\$ 108,486</u>	<u>\$ 206,998</u>	<u>\$ 315,484</u>
Interest income			586
interest expenses			(14,850)
Net foreign exchange gains (losses)			(12,592)
Other gains and losses			<u>1,686</u>
Profit before income tax			<u>\$ 290,314</u>

The above revenues were generated through transactions with external customers and among segments. The inter-segment revenues for the three months ended March 31, 2022 and 2021 had been adjusted and eliminated from the consolidated financial statements.

Segment profit represented the profit before tax earned by each segment without allocation of central administration costs and directors' and supervisors' salaries, share of profits of associates, gain recognized on the disposal of interest in former associates, rental revenue, interest income, gain or loss on disposal of property, plant and equipment, gains or losses on disposal of financial instruments, exchange gains or losses, valuation gains or losses on financial instruments, finance costs and income tax expense. This was the measure reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

PROMATE ELECTRONIC CO., LTD. AND SUBSIDIARIES

ENDORSEMENT/GUARANTEE PROVIDED

FOR THE THREE MONTHS ENDED MARCH 31, 2022

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

No.	Endorser/Guarantor	Endorsee/Guarantee		Limits on Endorsement/Guarantee Given on Behalf of Each Party (Note 2)	Maximum Amount Endorsed/Guaranteed During the Period	Outstanding Endorsement/Guarantee at the End of the Period	Actual Borrowing Amount	Amount Endorsed/Guaranteed by Collaterals	Ratio of Accumulated Endorsement/Guarantee to Net Equity in Latest Financial Statements (%)	Maximum Collateral/Guarantee Amounts Allowable (Note 2)	Endorsement/Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/Guarantee Given on Behalf of Companies in Mainland China
		Name	Relationship										
0	Promate Electronic Co., Ltd. and subsidiaries	Promate Electronic (Shanghai) Co., Ltd.	(1)	\$1,778,877	\$ 27,036	\$ 27,036	\$ 6,759	\$ -	0.53%	\$2,541,254	Y	N	Y
		Promate Electronic (Shenzhen) Co., Ltd	(1)	1,778,877	36,048	36,048	22,530	-	0.71%	2,541,254	Y	N	Y
1	Promate Electronic (Shanghai) Co., Ltd	Promate Electronic (Shenzhen) Co., Ltd.	(2)	1,778,877	27,036	27,036	27,036	27,036	0.53%	2,541,254	N	N	Y

Note 1 : The 2 types of relationship between a guarantor and a guarantee are set out as follows:

- (1) Companies in which the Company directly and indirectly holds more than 50 percent of the voting shares.
- (2) Companies in which the Company holds, directly or indirectly, 90% or more of the voting shares

Note 2 : The endorsement/guarantee limit is determined by the Company in accordance with Articles 36 and 38 of the Securities and Exchange Act and Operational Procedures for

Endorsements/Guarantees resolved by the shareholders' meeting: the total amount of endorsement/guarantee provided by the Company shall not exceed 50% of the net worth of the current period. The endorsement/guarantee provided to a single entity shall not exceed 35% of the net worth of the current period.

(1)According to the above regulations, aggregate Endorsement/Guarantee Limit: shall not exceed forty percent (50%) of net worth NT\$5,082,507 (in thousands) \times 50% = \$2,541,254 (in thousands).

(2)According to the above regulations, limits on Endorsement/Guarantee Given on Behalf of Each Party: Shall not exceed thirty percent (35%) of net worth NT\$5,082,507 (in thousands) \times 35% = \$1,778,877 (in thousands).

PROMATE ELECTRONIC CO., LTD. AND SUBSIDIARIES

MARKETABLE SECURITIES HELD

AS OF MARCH 31, 2022

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

Holding Company Name	Type and Issuer of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	March 31, 2022				Note
				Shares	Carrying Value	Percentage of Ownership (%)	Market Value or Net Asset Value	
Promate Electronic Co., Ltd.	<u>Ordinary shares</u> Higgstec Inc	The management	Financial assets at fair value through other comprehensive income - noncurrent	789,000	\$ 28,246	-	\$ 28,246	Domestic listed company
	Medimaging Integrated Solution Inc.	None	"	66,551	4,204	-	4,204	Emerging Stocks
	TricornTech Taiwan Corporation	"	"	48,645	438	-	438	Non-publicly traded equity investment
	DigiZerocarbon Corp.	"	"	50,000	500	-	500	"
	Esquarre IoT Landing Fund	"	"	USD1,722,592	49,826	-	49,826	Private funds
Promate Solutions Corporation.	Higgstec Inc	The management	"	1,062,000	38,020	-	38,020	Domestic listed company
	Esquarre IoT Landing Fund	None	"	USD1,722,592	<u>49,826</u>	-	<u>49,826</u>	Private funds
					<u>\$171,060</u>		<u>\$171,060</u>	
Promate Electronic Co., Ltd.	<u>Ordinary shares:</u> Sports Gear Co., Ltd.	None	Financial assets at fair value through profit or loss - current	30,000	\$ 2,085	-	\$ 2,085	Domestic listed company
	KO JA (CAYMAN) CO., LTD.	"	"	566	36	-	36	"
	Adobe Inc.	"	"	150	1,955	-	1,955	Foreign listed company
	Apple Inc.	"	"	100	500	-	500	"
	Home Depot Inc.	"	"	50	428	-	428	"
	Intuitive Surgical, Inc.	"	"	50	432	-	432	"
	Microsoft Corporation	"	"	50	441	-	441	"
	Micron Technology, Inc.	"	"	150	334	-	334	"
	NVIDIA Corporation	"	"	240	1,875	-	1,875	"
	Taiwan Semiconductor Manufacturing Co., Ltd.	"	"	350	1,045	-	1,045	"
	Unity Software Inc.	"	"	150	426	-	426	"
	ASML Holding N.V. - New York Registry Shares	"	"	20	382	-	382	"
	Meta Platforms, Inc.	"	"	100	637	-	637	"
	Invesco QQQ Trust, Series 1	"	"	50	519	-	519	"
Promate Solutions Corporation.	Taiwan Semiconductor Manufacturing Co., Ltd.	"	"	1,500	896	-	896	Foreign listed company
	Asia Vital Components Co., Ltd.	"	"	11,000	1,282	-	1,282	"
	INTERNATIONAL GAMES SYSTEM CO.,LTD.	"	"	2,000	1,532	-	1,532	"
	Avalue Technology Incorporation	"	"	18,000	1,069	-	1,069	"

Holding Company Name	Type and Issuer of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	March 31, 2022				Note
				Shares	Carrying Value	Percentage of Ownership (%)	Market Value or Net Asset Value	
	Sports Gear Co., Ltd.	None	Financial assets at fair value through profit or loss - current	35,000	2,433	-	2,433	Foreign listed company
	KO JA (CAYMAN) CO., LTD.	"	"	13,500	856	-	856	"
	YAGEO CORPORATION	"	"	500	217	-	217	"
	Adobe Inc.	"	"	80	1,043	-	1,043	"
	Apple Inc.	"	"	100	500	-	500	"
	Home Depot Inc.	"	"	50	428	-	428	"
	Intuitive Surgical, Inc.	"	"	50	432	-	432	"
	Microsoft Corporation	"	"	50	441	-	441	"
	Micron Technology, Inc.	"	"	150	334	-	334	"
	NVIDIA Corporation	"	"	160	1,250	-	1,250	"
	Taiwan Semiconductor Manufacturing Co., Ltd.	"	"	250	746	-	746	"
	Unity Software Inc.	"	"	150	426	-	426	"
	ASML Holding N.V. - New York Registry Shares	"	"	25	478	-	478	"
	Tesla, Inc.	"	"	20	617	-	617	"
					<u>\$ 26,075</u>		<u>\$ 26,075</u>	
Promate Electronic Co., Ltd.	Time deposit with an original maturity of more than three months	None	Financial assets at amortized cost - current	USD81,034	<u>\$ 2,320</u>	-	<u>\$ 2,320</u>	

Note : Refer to Tables 6 and 7 for information on interests in subsidiaries, associates, and joint ventures.

PROMATE ELECTRONIC CO., LTD. AND SUBSIDIARIES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST \$100 MILLION OR 20% OF THE PAID-IN CAPITAL FOR THE THREE MONTHS ENDED MARCH 31, 2022

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

Buyer	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchase/Sale	Amount	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total	
Promate Electronic Co., Ltd	Promate Electronic (Shenzhen) Co., Ltd.	Subsidiary	Sale	\$143,068	1.69%	Transaction terms are not significantly different from those for third parties	\$	—	Accounts receivable \$100,063	1.35%	

Note: The related party transaction of the group entity has been adjusted and written off.

PROMATE ELECTRONIC CO., LTD. AND SUBSIDIARIES

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

AS OF March 31, 2022

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

Company Name	Related Party	Relationship	Ending Balance	Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Actions Taken		
Promate Electronic Co., Ltd	Promate Solutions Corporation.	Subsidiary	Accounts receivable \$ 100,063	4.25	\$ -	—	\$ 47,827	\$ -
	CT Continental Corporation	Subsidiary	Accounts receivable 1,475,088	1.89	-	—	240,969	

Note: All intercompany transactions have been eliminated from consolidation.

PROMATE ELECTRONIC CO., LTD. AND SUBSIDIARIES

**INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT TRANSACTIONS
FOR THE THREE MONTHS ENDED MARCH 31, 2022**

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

No. (Note 1)	Investee Company	Counterparty	Flow of Transactions (Note 2)	Transaction Details			% to Total Sales or Assets (Note 3)
				Financial Statement Account	Amount (Note 4)	Payment Terms	
0	Promate Electronic Co., Ltd	Promate Solutions Corporation.	1	Sale	\$ 143,068	Transaction terms are not significantly different from those for third parties	1.69%
	"	"	1	Purchase	25,615		0.16%
	"	"	1	Accounts receivable	100,063	"	0.63%
	"	CT Continental Corporation	1	Accounts receivable	1,475,088	Sales to other customers through CTC; transaction terms vary depending on each customer.	9.35%
	"	HAPPY ON SUPPLY CHAIN MANAGEMENT LTD.	1	Freight expenses	13,756	Transaction terms are not significantly different from those for third parties	0.16%
	"	Promate Electronic (Shenzhen) Co., Ltd.	1	Sale	72,698	"	0.86%
	"	"	1	Accounts receivable	56,618	"	0.36%
	"	Promate Electronic (Shanghai) Co., Ltd	1	Sale	61,403	"	0.73%
	"	"	1	Accounts receivable	41,712	"	0.26%
	"	"					

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

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

Note 2: The flow of related-party transactions is as follows:

- From the parent company to its subsidiary.
- From the subsidiary to its parent company.
- Between subsidiaries.

Note 3: For assets and liabilities, amounts are shown as a percentage to consolidated total assets as of March 31, 2022, while revenues, costs and expenses are shown as a percentage to consolidated total operating revenues for the three months ended March 31, 2022.

Note 4: All intercompany transactions have been eliminated from consolidation.

PROMATE ELECTRONIC CO., LTD. AND SUBSIDIARIES

INFORMATION ON INVESTEEES
FOR THE THREE MONTHS ENDED MARCH 31, 2022
(In Thousands of New Taiwan Dollars/Foreign Currency)

Investor Company	Investee Company	Location	Main Businesses and Products	Investment Amount		Balance as of March 31, 2022			Net Income (Loss) of the Investee)	Investment Gain (Loss) (Note)	Note
				March 31, 2022	December 31, 2021	Shares	Percentage of Ownership	Carrying Value			
Promate Electronic Co., Ltd	<u>With control ability</u> Promate Solutions Corporation.	Taipei, Taiwan	Production and trade of electronic components	\$ 297,527	\$ 297,527	25,328	66.21	\$ 744,306	\$ 56,980	\$ 37,694	Subsidiary
	PROMATE INTERNATIONAL CO., LTD.	Hong Kong	General investment	52,101	52,101	12,360	100.00	52,773	(11,372)	(11,372)	Subsidiary
	HAPPY ON SUPPLY CHAIN MANAGEMENT LTD.	Hong Kong	Warehousing and logistics services	12,124	12,124	3,000	100.00	15,891	(224)	(224)	Subsidiary
	PROMATE ELECTRONICS COMPANY USA	USA	General trade of electronic components	606	606	20	100.00	9,017	221	221	Subsidiary
	CT Continental Corporation	Taipei, Taiwan	General trade of electronic components	54,000	54,000	5,400	90.00	55,395	212	191	Subsidiary
Promate Solutions Corporation	<u>With control ability</u> PROMATE JAPAN Inc.	Japan	General trade of electronic components	2,791	2,791	10	100.00	3,525	350	350	Subsidiary

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

PROMATE ELECTRONIC CO., LTD. AND SUBSIDIARIES

INVESTMENTS IN MAINLAND CHINA

FOR THE THREE MONTHS ENDED MARCH 31, 2022

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

1. For investments in China, disclose the name of the investee, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, shareholding ratio, gain or loss for the period, carrying amount of the investment, repatriated investment gains:

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2022	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of March 31, 2022	Net Income (Losses) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss)	Carrying Amount as of March 31, 2022	Accumulated Repatriation of Investment Income as of March 31, 2022
					Outward	Inward						
Promate Electronic (Shenzhen) Co., Ltd.	International trade, entrepot trade, trade with companies and trading agents in free trade zones	\$ 6,782 (USD 200)	100% Indirectly invested through Promate International Co, Ltd. (Note 1)	\$ 6,782 (USD 200)	\$ -	\$ -	\$ 6,782 USD 200	(\$ 5,731) (Note 2)	100	(\$ 5,731) (Note 2)	\$ 15,507	\$ -
Promate Electronic (Shanghai) Co., Ltd	"	32,500 (USD 1,000)	Same as above	32,500 (USD 1,000)	-	-	32,500 USD 1,000	(5,672) (Note 2)	100	(5,672) (Note 2)	27,558	-

2. Limit on the amount of investment in China

Accumulated Outward Remittance for Investment in Mainland China as of March 31, 2022	Investment Amounts Authorized by Investment Commission, MOEA	Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
\$39,282 USD1,200	\$39,282 USD1,200	\$3,281,424

Note 1: Indirect investment in mainland China through holding companies - Promate International co., Ltd.

Note 2: The amount was recognized based on the audited financial statements of the investee company.

Note 3: The upper limit on investment in mainland China is determined by sixty percent (60%) of the Company's consolidated net worth.

PROMATE ELECTRONIC CO., LTD. AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA, EITHER DIRECTLY OR INDIRECTLY THROUGH A THIRD PARTY, AND THEIR PRICES, PAYMENT TERMS, AND UNREALIZED GAINS OR LOSSES FOR THE THREE MONTHS ENDED MARCH 31, 2022

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

Investee Company	Transaction Type	Purchase/ Sale		Unit Price	Transaction Details		Notes/Accounts Receivable (Payable)		Unrealized Gains or Losses
		Amount	Percentage		Payment Terms	Compared to General Transactions	Ending Balance	% of Total	
Promate Electronic (Shenzhen) Co., Ltd.	Sales	\$ 72,698	0.86%	No significant difference	No significant difference	No significant difference	Accounts receivable \$56,618	0.76%	\$ 7
Promate Electronic (Shanghai) Co., Ltd	Sales	61,403	0.73%	"	"	"	Accounts receivable \$41,712	0.56%	324

1. Endorsements, guarantees or collateral directly and indirectly provided by investee companies in mainland China through businesses in a third area: Table 1.
2. Financial intermediation directly and indirectly provided by investee companies in mainland China through a third area: None.
3. Other transactions that have a material impact on current profit or loss or financial status: None.

PROMATE ELECTRONIC CO., LTD. AND SUBSIDIARIES**INFORMATION OF MAJOR SHAREHOLDERS****AS OF MARCH 31, 2022****(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
None	-	-

Note: The percentage of ownership of major shareholders included in the table should be more than 5%, which was calculated based on the total number of ordinary shares, preference shares and treasury shares owned in the last trading day of the quarter that were traded in and registered electronically and was prepared by the Taiwan Depository & Clearing Corporation. In addition, the share capital and the actual number of traded shares with the completion of electronic registration stated in the consolidated financial statements might vary due to different calculation basis.