

Ji-Haw Industrial, Co., Ltd.
and subsidiaries

Consolidated Financial Statements and Independent
Auditors' Report
First Quarter of June 2023 and 2022

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Independent Auditors' Review Report

To Ji-Haw Industrial, Co., Ltd:

Introduction

The Consolidated Balance Sheet as of March 31, 2023 and 2022, and the Consolidated Comprehensive Income Statement and Changes in Consolidated Equity for the period of March 31, 2023 and 2022 of Ji-Haw Industrial Co., Ltd., and its subsidiaries' financial statements, consolidated cash flow statements, and notes to the consolidated financial statements (including a summary of significant accounting policies) have been reviewed by us. It is the responsibility of the management to prepare the properly expressed consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission.

Scope

Except as stated in the paragraph above, we conducted reviews in accordance with the Standards on Reviews 2410, "Review of Financial Statements". The procedures to be used in reviewing the consolidated financial statements include inquiries (mainly with the person in charge of financial and accounting affairs), analytical procedures, and other review procedures. A review is substantially less in scope than an audit, and therefore does not allow us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Therefore, we do not express an audit opinion.

Basis for a qualified conclusion

As stated in Note 12 to the consolidated financial statements, the financial statements of the non-significant subsidiaries included in the aforementioned consolidated financial statements for the same period have not been reviewed by a certified public accountant, and NT\$84,489,000 and NT\$231,965,000, respectively, accounting for 5.10% and 10.92% of the total consolidated assets. Total liabilities amounted to NT\$133,000 and NT\$ 10,278,000, respectively, accounting for 0.02% and 0.94% of the total consolidated liabilities. The consolidated net income (loss) for

the three months ended March 31, 2022 and 2022 were NT\$366,000 and NT\$1,098,000, accounting for 1.26% and 4.34% of the total consolidated income, respectively. As also stated in Note 13 to the consolidated financial statements, the balances of the investments by using the equity method on March 31, 2023 and 2022 were NT\$ 99,455,000 and NT\$ 101,199,000, respectively. As of March 31, the profit and loss of the affiliate recognized under the equity method were NT\$1,000 and NT\$0,000, respectively. The recognitions were based on the financial statements of the investees during the same period that were not reviewed by a certified public accountant. In addition, the related information disclosed in Note 30 to the consolidated financial statements and the information related to the aforementioned non-significant subsidiaries and invested companies have not been reviewed by the CPAs.

Conclusion with reservation

We did not recognize the abovementioned consolidation, except for the fact that the financial statements of the non-significant subsidiaries and the invested companies described in the basis paragraph of the qualified conclusion may have been adjusted if they had been reviewed by the CPAs. In all material respects, the financial statements failed to expressly fairly convey the Regulations Governing the Preparation of Financial Reports by Securities Firms and International Accounting Standard No. 34 "Interim Financial Reporting" approved and issued into effect by the Financial Supervisory Commission, and consolidated financial position of subsidiaries March 31, 2023 and 2022, and consolidated financial performance and consolidated cash flow from January 1 to March 31, 2023 and 2022.

Deloitte Taiwan

CPA Huang Yao-Lin

CPA Edward Chou, Shih-Chieh

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May 12, 2023

Ji-Haw Industrial, Co., Ltd., and Subsidiaries
Consolidated Balance Sheets
March 31, 2021, December 31, 2023 and March 31, 2022

Unit: NT\$ thousand

Account	Assets	March 31, 2023 (reviewed)		December 31, 2022 (audited)		March 31, 2022 (reviewed)	
		Amount	%	Amount	%	Amount	%
	Current assets						
1100	Cash and cash equivalents (Note 6)	\$ 385,202	23	\$ 397,756	24	\$ 401,261	19
1110	Financial assets at FVTPL – Current (Note 7)	24,021	1	1,265	-	1,315	-
1136	Financial assets at amortized cost – current (Note 9)	4,369	-	26,795	2	90,569	4
1170	Notes and accounts receivable, net (Notes 10 and 22)	373,726	23	386,932	23	684,162	32
130X	Net inventory (Note 11)	330,202	20	324,255	19	373,331	18
1470	Other current assets (Notes 17 and 27)	24,207	2	18,436	1	29,649	1
11XX	Total current assets	<u>1,141,727</u>	<u>69</u>	<u>1,155,439</u>	<u>69</u>	<u>1,580,287</u>	<u>74</u>
	Non-current Assets						
1510	Financial assets at FVTPL – non-current (Note 7)	333	-	336	-	1,097	-
1550	Investment under the equity method (Note 13)	99,455	6	98,965	6	101,199	5
1600	Property, plants, and equipment (Notes 14 and 28)	258,710	16	264,115	16	279,707	13
1755	Right-of-use assets (Notes 15 and 16)	37,673	2	39,044	2	37,016	2
1760	Investment property (Notes 15, 16, and 28)	86,672	5	86,927	5	87,439	4
1840	Deferred income tax assets (Note 4)	28,066	2	28,927	2	32,418	2
1990	Other non-current assets (Note 17)	4,783	-	4,001	-	5,319	-
15XX	Total non-current assets	<u>515,692</u>	<u>31</u>	<u>522,315</u>	<u>31</u>	<u>544,195</u>	<u>26</u>
1XXX	Total assets	<u>\$ 1,657,419</u>	<u>100</u>	<u>\$ 1,677,754</u>	<u>100</u>	<u>\$ 2,124,482</u>	<u>100</u>
	LIABILITIES AND EQUITY						
	Current liabilities						
2100	Short-term borrowings (Notes 18 and 28)	\$ 100,000	6	\$ 100,000	6	\$ 220,000	11
2170	Notes and Accounts Payable	335,786	20	309,023	18	619,666	29
2200	Other payables (note 19)	38,736	3	41,760	3	47,016	2
2230	Current Income Tax Liabilities	-	-	8,944	1	1,720	-
2280	Lease liabilities – current (Note XV)	964	-	935	-	1,821	-
2300	Other current liabilities (Note 27)	83,536	5	87,541	5	86,472	4
21XX	Total current liabilities	<u>559,022</u>	<u>34</u>	<u>548,203</u>	<u>33</u>	<u>976,695</u>	<u>46</u>
	Non-current liabilities						
2570	Deferred income tax liabilities (Note 4)	52,676	3	54,895	3	49,267	2
2580	Lease liabilities – non-current (Note XV)	45,273	3	45,371	3	51,526	3
2640	Net defined benefit liabilities (note 4 and 20)	745	-	823	-	3,720	-
2645	Guarantee deposits	2,206	-	2,203	-	2,293	-
2670	Other non-current liabilities	6,560	-	6,286	-	5,379	-
25XX	Total non-current liabilities	<u>107,460</u>	<u>6</u>	<u>109,578</u>	<u>6</u>	<u>112,185</u>	<u>5</u>
2XXX	Total liabilities	<u>666,482</u>	<u>40</u>	<u>657,781</u>	<u>39</u>	<u>1,088,880</u>	<u>51</u>
	EQUITY						
3100	Share capital – Ordinary shares	1,127,192	68	1,127,192	67	1,127,192	53
3200	Capital surplus	226,697	14	226,697	14	226,697	11
	Accumulated losses						
3310	Appropriated as legal capital reserve	23,586	2	23,586	1	23,586	1
3320	Special reserve	218,029	13	218,029	13	218,029	10
3350	Losses to be offset	(527,420)	(32)	(494,359)	(29)	(491,368)	(23)
3300	Total accumulated losses	(285,805)	(17)	(252,744)	(15)	(249,753)	(12)
3400	Other equity	(77,147)	(5)	(81,172)	(5)	(68,534)	(3)
3XXX	Total equity	<u>990,937</u>	<u>60</u>	<u>1,019,973</u>	<u>61</u>	<u>1,035,602</u>	<u>49</u>
	Total liabilities and equities	<u>\$ 1,657,419</u>	<u>100</u>	<u>\$ 1,677,754</u>	<u>100</u>	<u>\$ 2,124,482</u>	<u>100</u>

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

(Please see the Review Report of Deloitte & Touche on May 12, 2023)

Chairman: Lin Wen-Hwang

Manager: Wu Chia-Hsin

Accounting Supervisor: Judy Chu

Ji-Haw Industrial, Co., Ltd., and Subsidiaries
Consolidated Statements of Comprehensive Income

January 1 to March 31, 2023 and 2022

(For review only, not audited in accordance with auditing standards)

Unit: NT\$1,000, NTD for
Net loss per share in NT\$

Account		For the three months ended March 31, 2023		For the three months ended March 31, 2022	
		Amount	%	Amount	%
4000	Net operating revenue (Note 22)	\$ 268,789	100	\$ 448,312	100
5000	Operating cost (Notes 11 and 23)	<u>238,917</u>	<u>89</u>	<u>399,373</u>	<u>89</u>
5950	Gross profit	<u>29,872</u>	<u>11</u>	<u>48,939</u>	<u>11</u>
	Operating expenses (Notes 10 and 23)				
6100	Selling expenses	19,235	7	19,194	4
6200	Administrative expenses	35,978	13	24,949	6
6300	R&D expenses	13,537	5	13,783	3
6450	Impairment loss (reversal) of expected credit loss	<u>3,785</u>	<u>2</u>	(<u>79</u>)	<u>-</u>
6000	Total operating expenses	<u>72,535</u>	<u>27</u>	<u>57,847</u>	<u>13</u>
6900	Operating loss	(<u>42,663</u>)	(<u>16</u>)	(<u>8,908</u>)	(<u>2</u>)
	Non-operating income and expenses				
7100	Interest revenue (Note 23)	176	-	132	-
7010	Other income (Note 23)	3,843	1	4,735	1
7020	Other gains and losses (Note 23)	(2,402)	(1)	201	-
7050	Finance costs (note 23)	(1,103)	-	(1,232)	-
7060	Share of profit or loss on associates accounted for using the equity method (Note 13)	<u>1</u>	<u>-</u>	<u>-</u>	<u>-</u>
7000	Total non-operating income and expenses	<u>515</u>	<u>-</u>	<u>3,836</u>	<u>1</u>
7900	Loss before tax	(42,148)	(16)	(5,072)	(1)

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Account		For the three months ended March 31, 2023		For the three months ended March 31, 2022	
		Amount	%	Amount	%
7950	Income tax income (expense) (Notes 4 and 24)	<u>\$ 9,087</u>	<u>4</u>	<u>(\$ 3,365)</u>	<u>(1)</u>
8200	Current Net Loss	<u>(33,061)</u>	<u>(12)</u>	<u>(8,437)</u>	<u>(2)</u>
	Other Comprehensive Income for the Current Year				
	Items that may be reclassified subsequently to profit or loss:				
8361	Exchange differences on translation of foreign operations	<u>4,025</u>	<u>1</u>	<u>33,749</u>	<u>8</u>
8300	Other comprehensive income for the period (net after tax)	<u>4,025</u>	<u>1</u>	<u>33,749</u>	<u>8</u>
8500	Total Comprehensive Income for the Current Period	<u>(\$ 29,036)</u>	<u>(11)</u>	<u>\$ 25,312</u>	<u>6</u>
9710	Net loss per share (Note 25) Basic	<u>(\$ 0.29)</u>		<u>(\$ 0.07)</u>	

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

(Please see the Review Report of Deloitte & Touche on May 12, 2023)

Chairman: Lin Wen-Hwang Manager: Wu Chia-Hsin Accounting Supervisor: Judy Chu

Ji-Haw Industrial, Co., Ltd., and Subsidiaries
Consolidated Statements of Changes in Equity
January 1 to March 31, 2023 and 2022
(For review only, not audited in accordance with auditing standards)

Unit: NT\$ thousand

Account		Share capital – Ordinary shares	Capital surplus	Accumulated losses (note 21)			Other Equity Items				
				Appropriated as legal capital reserve	Special reserve	Losses to be offset	Total	Through other consolidated Profit or loss at fair value	Foreign operating organization Translation of financial statements	Assessment of value	Financial assets
		(note 21)	(note 21)					exchange difference	Unrealized gain or loss		
A1	Balance as of January 1, 2022	\$ 1,127,192	\$ 226,697	\$ 23,586	\$ 218,029	(\$ 482,931)	(\$ 241,316)	(\$ 88,283)	(\$ 14,000)	(\$ 102,283)	\$ 1,010,290
D1	Net loss for the three months ended March 31, 2022	-	-	-	-	(8,437)	(8,437)	-	-	-	(8,437)
D3	Other comprehensive net income for the three months ended March 31, 2022	-	-	-	-	-	-	33,749	-	33,749	33,749
D5	Total comprehensive income for the three months ended March 31, 2022	-	-	-	-	(8,437)	(8,437)	33,749	-	33,749	25,312
Z1	Balance on March 31, 2022	\$ 1,127,192	\$ 226,697	\$ 23,586	\$ 218,029	(\$ 491,368)	(\$ 249,753)	(\$ 54,534)	(\$ 14,000)	(\$ 68,534)	\$ 1,035,602
A1	Balance on January 1, 2023	\$ 1,127,192	\$ 226,697	\$ 23,586	\$ 218,029	(\$ 494,359)	(\$ 252,744)	(\$ 67,172)	(\$ 14,000)	(\$ 81,172)	\$ 1,019,973
D1	Net loss for the three months ended March 31, 2023	-	-	-	-	(33,061)	(33,061)	-	-	-	(33,061)
D3	Other comprehensive net income for the three months ended March 31, 2023	-	-	-	-	-	-	4,025	-	4,025	4,025
D5	Total comprehensive income for the three months ended March 31, 2023	-	-	-	-	(33,061)	(33,061)	4,025	-	4,025	(29,036)
Z1	Balance on March 31, 2023	\$ 1,127,192	\$ 226,697	\$ 23,586	\$ 218,029	(\$ 527,420)	(\$ 285,805)	(\$ 63,147)	(\$ 14,000)	(\$ 77,147)	\$ 990,937

The accompanying notes are an integral part of the consolidated financial statements.
(Please see the Review Report of Deloitte & Touche on May 12, 2023)

Chairman: Lin Wen-Hwang

Manager: Wu Chia-Hsin

Accounting Supervisor: Judy Chu

Ji-Haw Industrial, Co., Ltd., and Subsidiaries

Consolidated Statements of Cash Flows

January 1 to March 31, 2023 and 2022

(For review only, not audited in accordance with auditing standards)

		Unit: NT\$ thousand	
<u>Account</u>		<u>January 1, 2023 To March 31</u>	<u>January 1, 2022 To March 31</u>
	Cash flows from operating activities		
A00010	Loss before tax	(\$ 42,148)	(\$ 5,072)
A20010	Adjustments:		
A20100	Depreciation expense	10,874	8,688
A20300	Impairment loss (reversal) of expected credit loss	3,785	(79)
A20900	Finance costs	1,103	1,232
A21200	Interest income	(176)	(132)
A20400	Loss (gain) on financial assets at FVTPL	(244)	60
A22300	Share of profit or loss of affiliates under the equity method	(1)	-
A23700	Reversal of write-down of inventories	(4,860)	(5,661)
A24100	Unrealized foreign currency exchange loss (gain)	2,093	(8,327)
A30000	Changes in operating assets and liabilities		
A31150	Notes and Accounts Receivable	9,288	(36,773)
A31180	Refundable deposits	205	384
A31200	Inventory	(1,718)	(23,355)
A31240	Other current assets	(5,844)	2,919
A32150	Notes and Accounts Payable	25,782	113,907
A32180	Other payables	(2,672)	(6,952)
A32230	Other current liabilities	(4,005)	3,404
A32240	Net defined benefit liabilities	(78)	(139)
A32990	Other operating liabilities	273	347
A33000	Cash generated from operations	(8,343)	44,451
A33300	Interest paid	(1,103)	(1,232)
A33500	Income Tax Paid	(1,162)	(2,612)
AAAA	Net cash inflow (outflow) from operating activities	(10,608)	40,607
	Cash flows from investing activities		
B00040	Acquisition of financial assets at amortized cost	(1)	(124)

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<u>Account</u>	<u>January 1, 2023 To March 31</u>	<u>January 1, 2022 To March 31</u>	
B00050	Proceeds from the disposal of financial assets at amortized cost	\$ 22,614	\$ 592
B00100	Acquisition of financial assets at fair value through profit or loss	(22,614)	(904)
B02300	Proceeds from the disposal of subsidiaries	-	25,489
B02700	Acquisition of property, plants, and equipment	(1,540)	(10)
B06700	Increase in other non-current assets	(987)	(193)
B07500	Interest received	<u>222</u>	<u>485</u>
BBBB	Net Cash Inflow (outflow) From Investing Activities	<u>(2,306)</u>	<u>25,335</u>
	Cash flows from financing activities		
C00100	Decrease in short-term borrowings	-	(59,345)
C03000	Increase in Guarantee Deposits Received	3	22
C04020	Repayment of principal of lease liabilities	<u>(236)</u>	<u>(194)</u>
CCCC	Net Cash Outflow From Financing Activities	<u>(233)</u>	<u>(59,517)</u>
DDDD	Effect of exchange rate changes on cash and cash equivalents	<u>593</u>	<u>12,205</u>
EEEE	Net increase (decrease) in cash and cash equivalents for the period	(12,554)	18,630
E00100	Opening Cash and Cash Equivalents Balance	<u>397,756</u>	<u>382,631</u>
E00200	Closing Cash and Cash Equivalents Balance	<u>\$ 385,202</u>	<u>\$ 401,261</u>

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

(Please see the Review Report of Deloitte & Touche on May 12, 2023)

Chairman: Lin Wen-Hwang

Manager: Wu Chia-Hsin

Accounting Supervisor: Judy Chu

Ji-Haw Industrial, Co., Ltd., and Subsidiaries
Notes to the Consolidated Financial Statements
January 1 to March 31, 2023 and 2022

(For review only, not audited in accordance with the auditing standards)
(expressed in thousands of New Taiwan Dollars unless otherwise specified)

I. Organization and operations

Ji-Haw Industrial, Co., Ltd., (the “Company”) was incorporated on January 11, 1983. The major business activities of the Company are the sale and manufacturing of precision electric ports and sockets, connectors, electric wires and cables, electronics components, and other industrial and commercial services. The Company’s common shares were listed on the Taiwan Stock Exchange (TWSE) in July 2002.

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

II. Approval date and procedures of the consolidated financial statements

The consolidated financial report has been approved by the Board of Directors on May 12, 2023.

III. New standards, amendments, and interpretations adopted

- (I) The first-time adoption of any International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) that have been endorsed and issued into effect by the Financial Supervisory Commission (FSC) "IFRSs")

The initial application of the IFRSs endorsed and issued into effect by the FSC did not have any material impact on the accounting policies of the Company and its subsidiaries (the “Group”).

- (II) IFRSs issued by the International Accounting Standards Board (IASB) but not yet endorsed and issued into effect by the FSC

<u>New IFRSs</u>	<u>Effective Date Announced by IASB (Note 1)</u>
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	To be determined by IASB
Amendments to IFRS 16 “Lease Liabilities under Sale and Leaseback”	January 1, 2024 (Note 2)
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 “Initial Application of IFRS 17 and IFRS 9 – Comparative Information”	January 1, 2023
Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”	January 1, 2024
Amendments to IAS 1 “Non-current Liabilities with Contractual Clauses”	January 1, 2024

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

Note 2: 16 days after the initial application of IFRS, the amendments to IFRS 16 should be applied retroactively for all sales and leaseback transactions signed.

The Consolidated Entity continues to evaluate how revisions of the above standards and interpretations affect its consolidated financial position and business performance as of the publication date of the Consolidated Financial Statements. Outcomes of these assessments will be disclosed upon completion.

IV. Summary of significant accounting policies

(I) Statement of compliance

The consolidated financial statements are prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 “Interim Financial Reporting” endorsed and issued into effect by the FSC. The consolidated financial statements do not include all the information disclosed in IFRSs as required by the consolidated financial statements.

(II) Basis of preparation

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

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

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

(III) 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). Adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Group. All intra-group transactions, balances, income, and expenses are eliminated in full upon consolidation.

For details of subsidiaries, percentage of ownership, and business items, please refer to Note 12 and Tables 5 and 6.

(IV) Other significant accounting policies

Except for the following descriptions, please refer to the consolidated financial statements for the year ended December 31, 2021 for the summary of significant accounting policies.

1. Defined benefit post-retirement benefits

The interim pension costs are calculated on the basis of the year-end to the end using the pension cost rate determined in accordance with the actuarial method at the end of the previous year, and take into account the significant market fluctuations and major plan amendments, settlements, or other significant Adjustments of one-off items.

2. Income tax expenses

Income tax expenses represent the sum of the tax currently payable and deferred tax. The interim income tax is calculated on the interim income before tax using the tax rate applicable to the total expected earnings for the year.

V. Significant accounting assumptions and judgments, and major sources of estimation uncertainty

Please refer to the consolidated financial statements for the year ended December 31, 2021 for the description of significant accounting judgments, main sources of estimation, and uncertainty.

VI. Cash and cash equivalents

	<u>March 31, 2023</u>	<u>December 31, 2022</u>	<u>March 31, 2022</u>
Cash on hand	\$ 1,400	\$ 1,559	\$ 1,475
Checking accounts and demand deposits	243,857	319,032	177,396
Cash equivalents (original maturity date investment within one month)			
Time deposits	<u>139,945</u>	<u>77,165</u>	<u>222,390</u>
	<u>\$ 385,202</u>	<u>\$ 397,756</u>	<u>\$ 401,261</u>

VII. Financial instruments at fair value through profit or loss

	<u>March 31, 2023</u>	<u>December 31, 2022</u>	<u>March 31, 2022</u>
<u>Financial assets – current</u>			
Mandatory measurement at fair value through profit or loss			
Non-derivative financial assets			
- Overseas (OTC) stock	\$ 1,312	\$ 1,265	\$ 1,315
- Fund beneficiary certificate	<u>22,709</u>	<u>-</u>	<u>-</u>
	<u>\$ 24,021</u>	<u>\$ 1,265</u>	<u>\$ 1,315</u>
<u>Financial assets – non-current</u>			
Mandatory measurement at fair value through profit or loss			
Non-derivative financial assets			
- Foreign unlisted (OTC) stock	<u>\$ 333</u>	<u>\$ 336</u>	<u>\$ 1,097</u>

VIII. Financial Assets at Fair Value Through Other Comprehensive Income

These investments in ordinary shares of Chunghwa Picture Tubes, Ltd., Soyo Link Energy Co., Ltd., Li Wang Technology Co., Ltd., and S SQUARE SYSTEM LTD., are held for medium to long-term strategic purposes. The management elected to designate these investments 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.

The Group is unable to recover the investment costs as Chunghwa Picture Tubes, Ltd., Soyo Link Energy Co., Ltd., and Li Wang Technology Co., Ltd., have discontinued their operation and S SQUARE SYSTEM LTD., has been incurring losses for several years. Their fair value was assessed to be zero.

IX. Financial assets at amortized cost

	<u>March 31, 2023</u>	<u>December 31, 2022</u>	<u>March 31, 2022</u>
<u>Current</u>			
Foreign investments			
Time deposits with an original maturity date of more than 3 months	\$ <u>4,369</u>	\$ <u>26,795</u>	\$ <u>90,569</u>

As of March 31, 2023 and December 31 and March 31, 2022, the market interest rate ranges for time deposits with original maturities of more than 3 months were 0.15% to 0.60%, 0.15% to 1.00%, and 0.15% to 0.55% per annum, respectively.

X. Notes and accounts receivable

	<u>March 31, 2023</u>	<u>December 31, 2022</u>	<u>March 31, 2022</u>
<u>Notes receivable</u>			
Measured at amortized cost	\$ <u>-</u>	\$ <u>441</u>	\$ <u>1,434</u>
<u>Accounts receivable</u>			
Measured at amortized cost			
Gross carrying amount	385,077	394,030	695,387
Less: allowance	(<u>11,351</u>)	(<u>7,539</u>)	(<u>12,659</u>)
	<u>373,726</u>	<u>386,491</u>	<u>682,728</u>
Notes and accounts receivable	<u>\$ 373,726</u>	<u>\$ 386,932</u>	<u>\$ 684,162</u>

The Group's average credit period for sales is 30 to 165 days, and the accounts receivable do not accrue interest. The rating of major customers is given by using public financial information that is readily available and historical transaction records. The Group's credit exposures and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty credit limits that are reviewed and approved by the management annually.

In order to reduce the credit risk, the Group assigns a team responsible for the determination and approval of credit limits and takes other monitoring measures to ensure that proper actions have been taken to recover the overdue accounts receivable. Additionally, the Group reviews the recoverable amount of receivables one by one on the balance sheet date to ensure that proper allowances are recognized for unrecoverable receivables. Accordingly, the management of the Company believes that the Group's credit risk has been significantly reduced.

The Group applies the simplified approach to providing for expected credit losses prescribed by IFRS 9, which permits the use of lifetime expected loss provisions for all trade receivables. The expected credit losses on trade receivables are estimated considering the past default experience of the debtor and the debtor's current financial position. 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 accounts receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. For trade receivables that have been written off, the Group continues to engage in enforcement activities to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

The following table details the loss allowance of trade receivables:

March 31, 2023

	<u>Current</u>	<u>Past due 1 to 30 days</u>	<u>Past due 31 to 60 days</u>	<u>Past due 61 to 90 days</u>	<u>Past due More than 91 days</u>	<u>Total</u>
Expected credit loss rate	0.24%	1.03%	5.01%	50.00%	100.00%	
Gross carrying amount	\$365,874	\$ 5,756	\$ 2,334	\$ 1,662	\$ 9,451	\$385,077
Loss allowance (lifetime ECL)	(<u>893</u>)	(<u>59</u>)	(<u>117</u>)	(<u>831</u>)	(<u>9,451</u>)	(<u>11,351</u>)
Amortized cost	<u>\$364,981</u>	<u>\$ 5,697</u>	<u>\$ 2,217</u>	<u>\$ 831</u>	<u>\$ -</u>	<u>\$373,726</u>

December 31, 2022

	<u>Current</u>	<u>Past due 1 to 30 days</u>	<u>Past due 31 to 60 days</u>	<u>Past due 61 to 90 days</u>	<u>Past due More than 91 days</u>	<u>Total</u>
Expected credit loss rate	0.25%	1.01%	4.68%	0.00%	100.00%	
Gross carrying amount	\$371,323	\$ 12,753	\$ 3,655	\$ 1	\$ 6,298	\$394,030
Loss allowance (lifetime ECL)	(<u>941</u>)	(<u>129</u>)	(<u>171</u>)	-	(<u>6,298</u>)	(<u>7,539</u>)
Amortized cost	<u>\$370,382</u>	<u>\$ 12,624</u>	<u>\$ 3,484</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$386,491</u>

March 31, 2022

	<u>Current</u>	<u>Past due 1 to 30 days</u>	<u>Past due 31 to 60 days</u>	<u>Past due 61 to 90 days</u>	<u>Past due More than 91 days</u>	<u>Total</u>
Expected credit loss rate	0.23%	0.94%	5.00%	50.18%	100.00%	
Gross carrying amount	\$663,940	\$ 15,591	\$ 4,697	\$ 853	\$ 10,306	\$695,387
Loss allowance (lifetime ECL)	(<u>1,543</u>)	(<u>147</u>)	(<u>235</u>)	(<u>428</u>)	(<u>10,306</u>)	(<u>12,659</u>)
Amortized cost	<u>\$662,397</u>	<u>\$ 15,444</u>	<u>\$ 4,462</u>	<u>\$ 425</u>	<u>\$ -</u>	<u>\$682,728</u>

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

	<u>January 1, 2023 To March 31</u>	<u>January 1, 2022 To March 31</u>
Beginning Retained Earnings	\$ 7,539	\$ 12,380
Plus: Current provision for impairment	3,785	-
Less: Reversal of impairment loss	-	(79)
Less: Write-offs in current period	-	(91)
Effect of foreign currency exchange difference	27	449
Closing Balance	<u>\$ 11,351</u>	<u>\$ 12,659</u>

XI. Net inventory

	<u>March 31, 2023</u>	<u>December 31, 2022</u>	<u>March 31, 2022</u>
Finished goods	\$ 188,226	\$ 191,745	\$ 219,109
Work in process	42,250	37,035	74,512
Raw materials	<u>99,726</u>	<u>95,475</u>	<u>79,710</u>
	<u>\$ 330,202</u>	<u>\$ 324,255</u>	<u>\$ 373,331</u>

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

	<u>January 1, 2023 To March 31</u>	<u>January 1, 2022 To March 31</u>
Cost of inventories sold	\$243,777	\$405,034
Gains on reversal of inventory valuation (1)	(<u>4,860</u>)	(<u>5,661</u>)
	<u>\$238,917</u>	<u>\$399,373</u>

(1) The gain on recovery of inventories from price decline was due to the recovery of net realizable value.

XII. Subsidiaries

Subsidiaries included in the consolidated financial statements

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

<u>Investor</u>	<u>Name of subsidiary</u>	<u>Nature of business activities</u>	<u>Proportion of Ownership (%)</u>			<u>Remarks</u>
			<u>2023 March 31</u>	<u>2022 December 31</u>	<u>2022 March 31</u>	
Ji-Haw Industrial, Co., Ltd.	JHK Electronics (Kunshan) Co., Ltd. (JHK)	Manufacturing and trading of computer cables or plugs	100.00	100.00	100.00	Note 2
	J.B.T Industrial Co., Ltd. (J.B.T)	Manufacturing and trading of computer cables or plugs	100.00	100.00	100.00	-
	Ji-Haw Opto-Electrical (Kunshan) Co., Ltd. (J.H.P)	Manufacturing and trading of precision ceramics, precision molds, and computer cables and plugs	40.48	40.48	40.48	Note 1
	Ji-Haw Investment Co., Ltd. (J.H.I.)	Investing in overseas financial products and stocks	100.00	100.00	100.00	-
JBT	JHP	Manufacturing and trading of precision ceramics, precision molds, and computer cables and plugs	59.52	59.52	59.52	Note 1

Note 1: 40.48% held directly by the Company and 59.52% held directly by the 100% owned subsidiary, J.B.T.

Note 2: The Consolidated Company's Board of Directors resolved on June 28, 2022 to close the operation of its mainland subsidiary, J.H.K., which had not been completed by March 31, 2023.

For the subsidiaries consolidated into the consolidated financial statements of January 1 to March 31, 2023 and 2022, the financial statements of other non-significant subsidiaries were not reviewed by accountants, except for JBT and JHP, which were reviewed by accountants.

XIII. Investments accounted for using equity method

Investment in associates

	<u>March 31, 2023</u>	<u>December 31, 2022</u>	<u>March 31, 2022</u>
<u>Individual non-significant associates</u>			
Chuzhou Ding Wang Investment and Development Limited (Chuzhou Ding Wang)	<u>\$ 99,455</u>	<u>\$ 98,965</u>	<u>\$ 101,199</u>

The share of profits or losses and other combined profits or losses on investments by the equity method and the consolidated company is recognized based on the financial statements of the affiliated enterprises that have not been reviewed by a certified public accountant during the same period.

XIV. Property, plants, and equipment

	<u>March 31, 2023</u>	<u>December 31, 2022</u>	<u>March 31, 2022</u>
Land	\$ 92,057	\$ 92,044	\$ 91,923
Buildings	61,160	64,029	71,951
Machinery and equipment	87,643	89,475	97,111
Transportation Equipment	4,345	4,662	4,572
Other equipment	<u>13,505</u>	<u>13,905</u>	<u>14,150</u>
	<u>\$ 258,710</u>	<u>\$ 264,115</u>	<u>\$ 279,707</u>

Except for depreciation, the Group did not have significant additions, disposals, and impairment for the three months ended March 31, 2023 and 2022.

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

Buildings	5-24 years
Machinery and equipment	1-20 years
Transportation Equipment	1-20 years
Other equipment	2-33 years

Depreciation is calculated over the estimated useful lives of 5 to 24 years for each material component of buildings which includes the main building, electrical and mechanical construction, and improvements.

Please refer to Note 28 for the amount of property, plants, and equipment pledged for borrowings.

XV. Lease agreement

(I) Right-of-use assets

	<u>March 31, 2023</u>	<u>December 31, 2022</u>	<u>March 31, 2022</u>
Carrying amounts			
Land	<u>\$ 37,673</u>	<u>\$ 39,044</u>	<u>\$ 37,016</u>
	<u>January 1, 2023 To March 31</u>		<u>January 1, 2022 To March 31</u>
Depreciation charge for right-of-use assets			
Land		<u>\$ 371</u>	<u>\$ 311</u>

The land leased by the Group in Thailand is subleased under operating leases. Related right-of-use assets are reported as investment properties and set out in Note 16. Right-of-use assets disclosed above do not include those meeting the definition of investment properties.

(II) Lease liabilities

	<u>March 31, 2023</u>	<u>December 31, 2022</u>	<u>March 31, 2022</u>
Carrying amount			
Current	<u>\$ 964</u>	<u>\$ 935</u>	<u>\$ 1,821</u>
Non-current	<u>\$ 45,273</u>	<u>\$ 45,371</u>	<u>\$ 51,526</u>

Range of discount rates for lease liabilities was as follows:

	<u>March 31, 2023</u>	<u>December 31, 2022</u>	<u>March 31, 2022</u>
Land	4.46%	4.46%	4.46%

(III) Other rental information

Lease arrangements under operating leases for the leasing out of property, plants, and equipment and investment properties are set out in Note 16.

	<u>January 1, 2023 To March 31</u>	<u>January 1, 2022 To March 31</u>
Total cash outflow for leases	<u>(\$ 757)</u>	<u>(\$ 774)</u>

XVI. Investment properties

	<u>March 31, 2023</u>	<u>December 31, 2022</u>	<u>March 31, 2022</u>
Land	\$ 60,240	\$ 60,240	\$ 60,240
Right-of-use assets	16,912	16,851	17,503
Buildings	<u>9,520</u>	<u>9,836</u>	<u>9,696</u>
	<u>\$ 86,672</u>	<u>\$ 86,927</u>	<u>\$ 87,439</u>

The land leased by the Group in Thailand is subleased under operating leases and reported as right-of-use assets in investment properties.

Except for depreciation, the Group's investment property did not have significant additions, disposals, or impairment for the three months ended March 31, 2023 and 2022. Investment property is depreciated on a straight-line basis in accordance with the following years in use :

Right-of-use assets	30-50 years
Buildings	5-24 years

Depreciation is calculated over the estimated useful lives of 5 to 24 years for each material component of buildings which includes the main building, electrical and mechanical construction, and improvements.

The fair value of the Group's investment property situated in Taiwan has been initially valued by an independent valuer and measured with Level 3 input value by the management of the Group on each subsequent balance sheet date. The fair value of the Group's investment properties is regularly evaluated based on the above-mentioned independent appraiser's valuation, taking into account the market evidence of real estate transaction prices in nearby areas. The assessed fair value was as follows:

	<u>March 31, 2023</u>	<u>December 31, 2022</u>	<u>March 31, 2022</u>
Land and buildings held under freehold interests	<u>\$ 304,905</u>	<u>\$ 279,540</u>	<u>\$ 228,405</u>

As the investment property in Thailand is located on state-owned industrial land, there are no active transactions in the comparative market nor alternative reliable measurement of fair value. Therefore, the Group concluded that the fair value of the investment properties is not reliably measurable.

Please refer to Note 28 for the amount of investment property pledged for borrowing.

All lease commitments with lease terms commencing after the balance sheet dates are as follows:

	<u>March 31, 2023</u>	<u>December 31, 2022</u>	<u>March 31, 2022</u>
Lease commitments for investment properties	\$ <u>10,925</u>	\$ <u>14,684</u>	\$ <u>28,093</u>

XVII. Other assets

	<u>March 31, 2023</u>	<u>December 31, 2022</u>	<u>March 31, 2022</u>
Prepayments	\$ 12,461	\$ 7,412	\$ 11,067
Excess VAT paid	9,121	5,635	14,617
Refundable deposits	3,131	3,336	4,472
Other receivables--related parties (Note 27)	2,107	2,097	2,144
Prepayments for equipment	1,652	665	847
Tax refund receivable	398	435	482
Other receivables	<u>120</u>	<u>2,857</u>	<u>1,339</u>
	<u>\$ 28,990</u>	<u>\$ 22,437</u>	<u>\$ 34,968</u>
Current	\$ 24,207	\$ 18,436	\$ 29,649
Non-current	<u>4,783</u>	<u>4,001</u>	<u>5,319</u>
	<u>\$ 28,990</u>	<u>\$ 22,437</u>	<u>\$ 34,968</u>

XVIII. Short-term borrowings

	<u>March 31, 2023</u>	<u>December 31, 2022</u>	<u>March 31, 2022</u>
Secured borrowings (Note 28)			
Bank borrowings	<u>\$ 100,000</u>	<u>\$ 100,000</u>	<u>\$ 220,000</u>

The annual interest rate for bank revolving borrowings was 2.37%, 2.24%, and 1.17% as of March 31, 2023 and December 31, 2022 and March 31, 2022, respectively.

XIX. Other payables

	<u>March 31, 2023</u>	<u>December 31, 2022</u>	<u>March 31, 2022</u>
Payables for expenses	\$ 28,359	\$ 24,284	\$ 22,333
Payables for salaries	9,517	16,582	13,735
Payables for taxes	<u>860</u>	<u>894</u>	<u>10,948</u>
	<u>\$ 38,736</u>	<u>\$ 41,760</u>	<u>\$ 47,016</u>

XX. Post-retirement benefit plan

Recognized pension expenses related to the defined benefit plan for the three months ended March 31, 2023 and 2022 were calculated using the actuarially

determined pension cost discount rate as of December 31, 2022 and 2021 with an amount of NT\$19,000 and NT\$23,000, respectively.

XXI. EQUITY

(I) Common stock share capital

	<u>March 31, 2023</u>	<u>December 31, 2022</u>	<u>March 31, 2022</u>
Number of shares authorized (in thousands)	<u>135,000</u>	<u>135,000</u>	<u>135,000</u>
Amount of shares authorized	<u>\$ 1,350,000</u>	<u>\$ 1,350,000</u>	<u>\$ 1,350,000</u>
Number of shares issued and fully paid (in thousands)	<u>112,719</u>	<u>112,719</u>	<u>112,719</u>
Amount of shares issued	<u>\$ 1,127,192</u>	<u>\$ 1,127,192</u>	<u>\$ 1,127,192</u>

(II) Capital Reserve

	<u>March 31, 2023</u>	<u>December 31, 2022</u>	<u>March 31, 2022</u>
<u>May be used to offset a deficit, distributed as cash dividends, or transferred to share capital</u>			
Additional paid-in capital	\$ 200,025	\$ 200,025	\$ 200,025
Treasury share transactions	25,915	25,915	25,915
Donated assets received	<u>757</u>	<u>757</u>	<u>757</u>
	<u>\$ 226,697</u>	<u>\$ 226,697</u>	<u>\$ 226,697</u>

The capital surplus could be used to offset a deficit and distribute as cash dividends or transfer to capital when the Company has no deficit (limited to a certain percentage of the Company's paid-in capital and once a year).

(III) Retained earnings and dividend policy

Under the dividend policy as set forth in the Articles of Incorporation, where the Company made profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside 10% of the remaining profit as legal reserve, setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Company's Board of Directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for the distribution of dividends and bonuses to shareholders. Please refer to Note 23 (7)

regarding the policy for remuneration to the employees and the directors as stipulated in the Company's Articles of Incorporation.

The distribution of dividends could be done through transferring retained earnings to capital, transferring capital surplus to capital, or through cash dividends, wherein cash dividends may not be less than 10% of the shareholder bonuses. To keep necessary funds, the proportion of stock dividends is determined depending on the Company's needs for future expansion of the operating scale and capital budget, the balance of its earnings per share, and the condition of cash flows and operating earnings. The remaining can be distributed as cash dividends.

Appropriation of earnings to legal reserve could be made until the legal reserve equals the Company's paid-in capital. Legal reserve may be used to offset deficit. If the Company has no deficit and the legal reserve has exceeded 25% of the Company's paid-in capital, the excess may be transferred to capital or distributed in cash.

Proposal for loss supplement for 2022 and 2021 were proposed and resolved in the annual general meeting of shareholders on March 17, 2023 and the annual general meeting of shareholders on June 20, 2022.

XXII. Income

	January 1, 2023 To March 31	January 1, 2022 To March 31
Revenue from contracts with customers		
Revenue from sale of goods	<u>\$268,789</u>	<u>\$448,312</u>

(I) Balance of contract

	March 31, 2023	December 31, 2022	March 31, 2022	January 1, 2022
Accounts receivable (note 10)	<u>\$ 385,077</u>	<u>\$ 394,030</u>	<u>\$ 695,387</u>	<u>\$ 639,838</u>

(II) Description of contracts with customers

Please refer to Note 31 for a breakdown of revenue from contracts with customers.

XXIII. Net profit

(I) Interest income

	January 1, 2023 To March 31	January 1, 2022 To March 31
Bank deposits	<u>\$ 176</u>	<u>\$ 132</u>

(II)	Other income	January 1, 2023 To March 31	January 1, 2022 To March 31
	Rental income	<u>\$ 3,843</u>	<u>\$ 4,735</u>
(III)	Other gains and losses	January 1, 2023 To March 31	January 1, 2022 To March 31
	Foreign currency exchange gain (loss), net	(\$ 5,602)	\$ 1,445
	Gain (loss) arising from financial assets and financial liabilities		
	Financial assets mandatorily classified as at FVTPL	244	(60)
	Others	<u>2,956</u>	<u>(1,184)</u>
		<u>(\$ 2,402)</u>	<u>\$ 201</u>
(IV)	Financial cost	January 1, 2023 To March 31	January 1, 2022 To March 31
	Interest expense from bank borrowings	\$ 582	\$ 652
	Interest expense from lease liabilities	<u>521</u>	<u>580</u>
		<u>\$ 1,103</u>	<u>\$ 1,232</u>
(V)	Depreciation expenses	January 1, 2023 To March 31	January 1, 2022 To March 31
	Analysis of depreciation by function		
	Operating costs	\$ 7,497	\$ 5,636
	Operating expenses	<u>3,377</u>	<u>3,052</u>
		<u>\$ 10,874</u>	<u>\$ 8,688</u>

(VI) Employee welfare expenses

	January 1, 2023 To March 31	January 1, 2022 To March 31
Retirement benefits		
Defined contribution plan	\$ 2,637	\$ 2,483
Defined benefit plans	19	23
Others	<u>70,016</u>	<u>54,484</u>
Total	<u>\$ 72,672</u>	<u>\$ 56,990</u>
Analysis of employee benefits by function		
Operating costs	\$ 33,821	\$ 27,546
Operating expenses	<u>38,851</u>	<u>29,444</u>
	<u>\$ 72,672</u>	<u>\$ 56,990</u>

(VII) Employee remuneration and directors' remuneration

In accordance with the Company's Articles of Incorporation, employee compensation and directors' compensation are provided at a rate of 3% to 12% and not more than 1% to 3%, respectively, of the pre-tax benefit before the distribution of employee and directors' compensation for the year. However, employee compensation and director's compensation are not estimated because of the net loss before tax for January 1, 2023 and March 31, 2022.

If there is a change in the amounts after the annual financial statements are authorized for issue, the difference is recorded as a change in accounting estimates in the next following year.

The Company held Board of Directors' meetings on March 17, 2023 and March 29, 2022. There is no difference from the amounts recognized in the consolidated financial statements for the years ended December 31, 2022 and 2021.

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

(VIII) Gains/losses on foreign currency exchange

	January 1, 2023 To March 31	January 1, 2022 To March 31
Total foreign exchange gain	\$ 9,650	\$ 11,355
Total foreign exchange loss	<u>(15,252)</u>	<u>(9,910)</u>
Net profit or loss	<u>\$ 5,602</u>	<u>\$ 1,445</u>

XXIV. Taxation

(I) Income tax recognized in profit or loss

The main components of income tax profits (expenses) are as follows:

	January 1, 2023 To March 31	January 1, 2022 To March 31
Current tax		
In respect of the current period	\$ -	(\$ 1,682)
Adjustments for prior years	<u>7,835</u>	<u>(2,043)</u>
	<u>7,835</u>	<u>(3,725)</u>
Deferred tax		
In respect of the current period	<u>1,252</u>	<u>360</u>
Income tax gains (expenses) recognized in profit or loss	<u>\$ 9,087</u>	<u>(\$ 3,365)</u>

(II) Authorization of income tax

The Company's business income tax returns up to 2021 have been approved by the tax collection authority.

The income tax return of J.H.K, J.H.P, and J.B.T has been filed within the time limit regulated by local tax authorities.

Since JHI was established in Samoa, there is no relevant income tax burden.

XXV. Net loss per share

The net loss per share and the weighted average number of common shares issued for the calculation of the net loss per share are as follows:

Current Net Loss

	January 1, 2023 To March 31	January 1, 2022 To March 31
Current Net Loss	<u>(\$ 33,061)</u>	<u>(\$ 8,437)</u>

Unit: Thousand shares

	January 1, 2023 To March 31	January 1, 2022 To March 31
Weighted average common stock shares used to calculate basic loss per share	<u>112,719</u>	<u>112,719</u>

XXVI. Financial instruments

(I) Fair value – financial instruments not measured at fair value

The Group believes the carrying amounts of financial assets and financial liabilities that are not measured at fair value approximated their fair values.

(II) Fair value – financial instruments at fair value on a recurring basis

1. Fair value hierarchy

March 31, 2023

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Financial Assets at Fair Value</u>				
<u>Through Profit or Loss</u>				
Investments in equity instruments				
– Foreign listed securities	\$ 1,312	\$ -	\$ -	\$ 1,312
– Foreign unlisted securities	-	-	333	333
- Fund beneficiary certificates	<u>22,709</u>	<u>-</u>	<u>-</u>	<u>22,709</u>
	<u>\$ 24,021</u>	<u>\$ -</u>	<u>\$ 333</u>	<u>\$ 24,354</u>

December 31, 2022

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Financial Assets at Fair Value</u>				
<u>Through Profit or Loss</u>				
Investments in equity instruments				
– Foreign listed securities	\$ 1,265	\$ -	\$ -	\$ 1,265
– Foreign unlisted securities	-	-	336	336
	<u>\$ 1,265</u>	<u>\$ -</u>	<u>\$ 336</u>	<u>\$ 1,601</u>

March 31, 2022

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Financial Assets at Fair Value</u>				
<u>Through Profit or Loss</u>				
Investments in equity instruments				
– Foreign listed securities	\$ 1,315	\$ -	\$ -	\$ 1,315
– Foreign unlisted securities	-	-	1,097	1,097
	<u>\$ 1,315</u>	<u>\$ -</u>	<u>\$ 1,097</u>	<u>\$ 2,412</u>

There were no transfers between Level 1 and Level 2 fair value measurements during the three months ended March 31, 2023 and 2022.

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

For the three months ended March 31, 2023

<u>Financial assets</u>	<u>Financial assets Valuation</u>
	<u>Equity instruments</u>
Beginning Retained Earnings	\$ 336
Foreign exchange rate effect	(3)
Closing Balance	<u>\$ 333</u>

For the three months ended March 31, 2022

<u>Financial assets</u>	<u>Financial assets Valuation</u>
	<u>Equity instruments</u>
Beginning Retained Earnings	\$ 1,061
Foreign exchange rate effect	36
Closing Balance	<u>\$ 1,097</u>

3. Valuation techniques and inputs for Level 3 fair value measurement

For foreign unlisted shares, their fair values were measured under the asset-based approach

(III) Types of financial instruments

	<u>March 31, 2023</u>	<u>December 31, 2022</u>	<u>March 31, 2022</u>
<u>Financial assets</u>			
FVTPL			
Financial assets mandatorily classified as at FVTPL	\$ 24,354	\$ 1,601	\$ 2,412
Financial assets at amortized cost (note 1)	768,655	819,773	1,183,946
<u>Financial liabilities</u>			
Measured at amortized cost (note 2)	466,352	411,226	841,959

Note 1: The balance includes cash and cash equivalents, financial assets measured at amortized cost, notes receivable and accounts receivables, other Financial assets measured at amortized cost such as refundable deposits (stated under other non-current assets).

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

(IV) Financial risk management objectives and policies

The Group's operating activities require the use of multiple financial instruments, including equity investments, accounts receivable, accounts payable, and bank

borrowings. However, due to the aforementioned financial instruments and operating activities, the Group is exposed to risks such as credit risks, liquidity risks, and market risks.

To avoid the possible adverse impacts from the aforementioned financial risks on the Group, the Group has been dedicated to analyzing, identifying, and evaluating relevant financial risks. The financial risk management framework of the Group is supervised by the Board of Directors. The accounting department establishes and follows financial risk management policies. Financial risk control procedures are regularly and irregularly reviewed by the internal auditors and related results are reported to the Board of Directors on a regular basis. The Group is committed to developing a disciplined and constructive control environment to reduce the potential adverse impact of the aforementioned risks on the Group.

1. Market risk

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

There were no changes in the exposures of financial instruments to market risk and the management and measurement of such exposures.

(1) Exchange rate risk

The Group had foreign currency sales and purchases, which exposed the Group to foreign currency risk. Exchange rate exposures were managed by hedging which was not for the purpose of making profits. Foreign currency inflows and outflows resulted in natural hedging effects in the long run, and exchange rate changes had little impact on the Company's operations. Therefore, the Company only adjusted the cash reserves of foreign currency deposits and did not use accounts receivable/payable as derivative products for hedging. However, the hedging for exchange rate risk will be carried out through relevant commodities in a timely manner based on the exchange rate movement and the evaluation report of financial institutions.

The Group stated the carrying amounts of monetary assets and liabilities denominated in currencies other than the functional currency on the balance sheet date (including monetary items denominated in the non-functional currency that were eliminated in the consolidated financial statements). Please refer to Note 29 for details.

Sensitivity Analysis

The Group is primarily affected by fluctuations in the U.S. dollar exchange rate.

The following schedule details the sensitivity analysis of the Group when the New Taiwan Dollar (functional currency) strengthens or weakens by 1% against the relevant foreign currencies. 1% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible changes in foreign exchange rates. The sensitivity analysis includes only the outstanding monetary items in foreign currency. Also, the translation at the period-end is adjusted in accordance with the changes of exchange rates by 1%. The positive numbers in the following table represent the amount by which the net loss before tax would be reduced when the New Taiwan Dollar depreciates by 1% against the relevant foreign currencies, and the effect on the net loss before tax when the New Taiwan Dollar appreciates by 1% against the relevant foreign currencies. It will be a negative number of the same amount.

	USD impact	
	January 1, 2023 To March 31	January 1, 2022 To March 31
Profit or loss	\$ 3,776	\$ 4,519

This was mainly due to the Group's bank deposits and receivables and payables denominated in U.S. dollars that were outstanding and not cash flow hedged at the balance sheet date.

(2) Interest rate risk

The carrying amounts of the Group's financial assets and financial liabilities exposed to interest rate risk as of the balance sheet date were as follows:

	March 31, 2023	December 31, 2022	March 31, 2022
<u>Fair value interest rate risk</u>			
Financial assets	\$ 144,314	\$ 103,960	\$ 312,959
Financial liabilities	46,237	46,306	53,347

Risk of cash flow changes due to interest

<u>rate</u>			
Financial assets	243,585	318,133	176,939
Financial liabilities	100,000	100,000	220,000

Sensitivity Analysis

The sensitivity analyses below have been determined on the basis of the exposure to interest rates for non-derivative instruments on balance sheet dates. For floating rate assets and liabilities, the analysis is prepared assuming the amount of the asset and liability outstanding on the balance sheet dates outstanding for the entire period. A 100 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If the interest rate increased/decreased by 100 basis points, with all other variables remaining unchanged, the Group's net loss before tax for the three months ended March 31, 2023 and 2022 would have decreased by \$359,000 and increased by \$108,000, respectively amount in NT\$, mainly due to the consolidated company's net positions of variable interest rate deposits and variable interest rate borrowings.

(3) Other pricing risks

The Group was exposed to equity price risk through its investments in domestic and foreign listed equity securities. The Group does not actively trade these investments. Relevant personnel have been assigned to the supervision of price risk and assessment of the timing of increasing the hedging.

As the amount of equity investment was not material, there was no significant price risk of changes in equity price.

2. Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. As of the balance sheet date, the Group's maximum exposure to credit risk resulting from the counterparty's default on its contractual obligations and the Group's provision of financial guarantee is the carrying amount of the financial assets on the consolidated balance sheets.

To mitigate the impact of credit risk, the Group considers the default risk by industries and countries of each customer, as well as the nature of the counterparty (capital scale, loan status, etc), based on which credit policies, payment terms, and trade terms were established by the accounting department. If necessary, a third-party risk assessment institution is engaged to assess its risk. Relevant terms are reviewed and audited by the audit office regularly.

Given that most of the major customers are well-known domestic listed (TWSE/TPEX) companies with normal transaction records, the default risks are quite low. The risk from new small customers is managed by only receiving advance payments or cash. After the transaction basis becomes stable, the credit limit is updated by referring to external information. Hence, there is a limited impact of credit risk on the Group. Furthermore, the Group has established a provision policy, set an allowance account, and presented in the statement to reflect the estimation of the potential loss resulting from the credit risk.

3. Liquidity risk

Liquidity risk refers to the risk that relevant obligations are not fulfilled due to the Group's failure to settle the financial liabilities in cash or other financial assets. The share capital and working capital of the Group is sufficient, therefore there is no liquidity risk from the inability to raise capital for fulfilling contractual obligations. Bank borrowing is an important source of liquidity for the Group. As of March 31, 2023 and December 31, 2022, and March 31, 2022, the Group's undrawn short-term banking facilities were NT\$320,000,000, NT\$320,000,000, and NT\$200,000,000, respectively.

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

The analysis for the Group's remaining contractual maturities for its non-derivative financial liabilities with agreed repayment periods has been drawn up based on the undiscounted cash flows (including both the principal and estimated interests) of financial liabilities from the earliest date on which the Group can be required to pay. Specifically, bank loans with a repayment on demand clauses 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 the agreed repayment dates.

The undiscounted interest payment relating to borrowings with variable interest rates was extrapolated based on the yield curve as of the end of the reporting period.

March 31, 2023

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	More than 5 Years
<u>Non-derivative Financial Liabilities</u>					
Non-interest bearing liabilities	\$ 47,063	\$ 48,684	\$ 240,061	\$ 2,206	\$ -
Lease liabilities	-	-	3,609	14,435	71,274
Variable interest rate liabilities	194	583	103,578	-	-
	<u>\$ 47,257</u>	<u>\$ 49,267</u>	<u>\$ 347,248</u>	<u>\$ 16,641</u>	<u>\$ 71,274</u>

Further information on the analysis for contractual maturities for lease liabilities was as follows:

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years	More than 20 Years
Lease liabilities	<u>\$ 3,609</u>	<u>\$ 14,435</u>	<u>\$ 18,044</u>	<u>\$ 18,044</u>	<u>\$ 18,044</u>	<u>\$ 17,142</u>

December 31, 2022

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	More than 5 Years
<u>Non-derivative Financial Liabilities</u>					
Non-interest bearing liabilities	\$ 71,034	\$ 149,239	\$ 88,749	\$ 2,203	\$ -
Lease liabilities	-	-	3,596	14,384	71,920
Variable interest rate liabilities	-	-	100,111	-	-
	<u>\$ 71,034</u>	<u>\$ 149,239</u>	<u>\$ 192,456</u>	<u>\$ 16,587</u>	<u>\$ 71,920</u>

Further information on the analysis for contractual maturities for lease liabilities was as follows:

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years	More than 20 Years
Lease liabilities	<u>\$ 3,596</u>	<u>\$ 14,384</u>	<u>\$ 17,980</u>	<u>\$ 17,980</u>	<u>\$ 17,980</u>	<u>\$ 17,980</u>

March 31, 2022

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	More than 5 Years
<u>Non-derivative Financial Liabilities</u>					
Non-interest bearing liabilities	\$ 72,882	\$ 57,274	\$ 489,510	\$ 2,293	\$ -
Lease liabilities	-	-	3,393	17,397	73,937
Variable interest rate liabilities	208	624	221,289	-	-

liabilities	<u>\$ 73,090</u>	<u>\$ 57,898</u>	<u>\$ 714,192</u>	<u>\$ 19,690</u>	<u>\$ 73,937</u>
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Further information on the analysis for contractual maturities for lease liabilities was as follows:

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years	More than 20 Years
Lease liabilities	<u>\$ 3,393</u>	<u>\$ 17,397</u>	<u>\$ 17,397</u>	<u>\$ 17,397</u>	<u>\$ 17,397</u>	<u>\$ 21,746</u>

The amounts included above for variable interest rate instruments for non-derivative financial liabilities were subject to change if changes in variable interest rates were to differ from those estimates of interest rates determined at the end of the reporting period.

XXVII. Related-party transactions

Transactions, balances, revenues, and expenses between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. The transactions between the Group and other related parties are as follows.

(I) Names of related parties and their relationships

<u>Related Party Name</u>	<u>Related Party Category</u>
Chuzhou Ding Wang	Associate

(II) Receivables from related parties

<u>Account Item</u>	<u>Related Party Category</u>	<u>March 31, 2023</u>	<u>December 31, 2022</u>	<u>March 31, 2022</u>
Other receivables – related parties (included in other current assets)	Associate	<u>\$ 2,107</u>	<u>\$ 2,097</u>	<u>\$ 2,144</u>

The short-term loans provided by the merged company and the borrowing rates of affiliated enterprises and substantial related parties are equivalent to market rates. The loans made by the merged company to affiliated enterprises and substantial related parties are unsecured loans.

As of March 31, 2023 and December 31 and March 31, 2022, all of the above Consolidated Company's other receivables from affiliates – related parties were interest receivable.

(III) Transactions with other related parties

<u>Account Item</u>	<u>Related Party Name</u>	<u>March 31, 2023</u>	<u>December 31, 2022</u>	<u>March 31, 2022</u>
Temporary receipts (included in other current liabilities)	Chuzhou Ding Wang	<u>\$ 80,845</u>	<u>\$ 80,447</u>	<u>\$ 82,267</u>

The resolution of capital reduction of Chuzhou Ding Wang by 78% has been passed by the shareholders' meeting in November 2020. The Group received a full refund of capital reduction in November 2020. As Chuzhou Ding Wang has not completed the relevant procedures for changes of registration, the refund received was recognized in other current liabilities.

(IV) Remuneration to the management

	<u>January 1, 2023 To March 31</u>	<u>January 1, 2022 To March 31</u>
Short-term employee benefits	<u>\$ 2,277</u>	<u>\$ 2,108</u>
Retirement benefits	<u>85</u>	<u>85</u>
	<u>\$ 2,362</u>	<u>\$ 2,193</u>

The remuneration to directors and key management was determined by the remuneration committee based on individual performance and market.

XXVIII. Pledged assets

The following assets have been provided as collateral for financing loans:

	<u>March 31, 2023</u>	<u>December 31, 2022</u>	<u>March 31, 2022</u>
Property, plants, and equipment, net	<u>\$ 91,851</u>	<u>\$ 92,038</u>	<u>\$ 92,600</u>
Investment properties, net	<u>66,045</u>	<u>66,374</u>	<u>67,362</u>
	<u>\$ 157,896</u>	<u>\$ 158,412</u>	<u>\$ 159,962</u>

XXIX. Significant Assets and Liabilities Denominated in Foreign Currencies

The following information is aggregated by foreign currencies other than the functional currencies of the Group. The exchange rates disclosed refer to the rates at which the foreign currencies were converted into functional currencies. The significant assets and liabilities denominated in foreign currencies were as follows:

March 31, 2023

	<u>Foreign currencies</u>	<u>Exchange Rate</u>	<u>Carrying Amount</u>
<u>Financial assets</u>			
<u>Monetary Item</u>			
USD	\$ 12,988	30.45 (USD:NTD)	\$ 395,485
USD	13,693	6.8717 (USD:CNY)	416,952
USD	65	33.9351 (USD:THB)	1,979
<u>Financial Liabilities</u>			
<u>Monetary Item</u>			
USD	11,609	30.45 (USD:NTD)	353,494
USD	2,670	6.8717 (USD:CNY)	81,302
USD	65	33.9351 (USD:THB)	1,979

December 31, 2022

	<u>Foreign currencies</u>	<u>Exchange Rate</u>	<u>Carrying Amount</u>
<u>Financial assets</u>			
<u>Monetary Item</u>			
USD	\$ 10,969	30.71 (USD:NTD)	\$ 336,858
USD	11,195	6.9647 (USD:CNY)	343,798
USD	20	34.3474 (USD:THB)	614
<u>Financial Liabilities</u>			
<u>Monetary Item</u>			
USD	8,353	30.71 (USD:NTD)	256,521
USD	2,928	6.9647 (USD:CNY)	89,919
USD	223	34.3474 (USD:THB)	6,848

March 31, 2022

	<u>Foreign currencies</u>	<u>Exchange Rate</u>	<u>Carrying Amount</u>
<u>Financial assets</u>			
<u>Monetary Item</u>			
USD	\$ 15,118	28.625 (USD:NTD)	\$ 432,753
USD	15,998	6.3482 (USD:CNY)	457,943
USD	85	33.0887 (USD:THB)	2,433
<u>Financial Liabilities</u>			
<u>Monetary Item</u>			
USD	11,615	28.625 (USD:NTD)	332,479
USD	3,309	6.3482 (USD:CNY)	94,720
USD	490	33.0887 (USD:THB)	14,026

The Group was mainly subject to the foreign exchange risk of USD. The following information is summarized based on the entity holding foreign currencies and expressed in functional currency. The exchange rates disclosed are used to translate the functional currencies into the expressing currency. Foreign exchange gains and losses with material influence (including realized and unrealized) are as follows:

Functional currency	<u>For the three months ended March 31, 2023</u>		<u>For the three months ended March 31, 2022</u>	
	<u>Functional currency Exchange/expressin g currency</u>	<u>Net exchange gains (losses)</u>	<u>Functional currency Exchange/expressin g currency</u>	<u>Net exchange gains (losses)</u>
THB	0.90 (THB:NTD)	\$ 181	0.87 (THB:NTD)	\$ 152
NTD	1 (NTD: NTD)	(163)	1 (NTD: NTD)	3,499
CNY	4.43 (CNY: NTD)	(<u>5,620</u>) (<u>\$ 5,602</u>)	4.51 (CNY: NTD)	(<u>2,206</u>) (<u>\$ 1,445</u>)

XXX. Other Disclosures

(I) Information about significant transactions:

1. Loaning of funds to others (None)
2. Making endorsements/guarantees for others. (None)

3. Marketable securities held at the end of the period (excluding investments in subsidiaries and affiliates) (Table 1)
4. The cumulative amount of buying or selling the same securities reaches NT\$300 million or more than 20% of the paid-in capital. (None)
5. The amount of real estate acquisition reaches NT\$300 million or more than 20% of the paid-in capital. (None)
6. The amount of property disposed of at or above NT\$300 million or 20% of the paid-in capital. (None)
7. Total purchases from and sales to related parties reaching 100 million NTD or more than 20% of the Paid-in capital. (Table 2)
8. Accounts receivable from related parties reaching at least NT\$100 million or 20% of the paid-in capital. (Table 3)
9. Trading in derivative instruments. (None)
10. Others: The business relationship between the parent and its subsidiaries and between each subsidiary and the circumstances and amounts of any significant transactions or transactions between them. (Table 4)

(II) Information on invested businesses (Table 5)

(III) Investment information in Mainland China

1. The name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, investment income or loss, carrying amount of the investment, repatriations of investment income, and limit of investment in mainland China of the investee company in mainland China, including the name, main business activities, and amount of principal business activities in mainland China. (Table 6)
2. Any of the following significant transactions with the investee in Mainland China, either directly or indirectly through a third region, and their prices, terms of payment, and unrealized gain or loss: (None)
 - (1) The amount and percentage of purchases, and the ending balance and percentage.
 - (2) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period.
 - (3) The amount of property transactions and the amount of the resultant gains or losses.

- (4) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes.
 - (5) The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds.
 - (6) 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 receipt of services.
- (IV) Information on major shareholders: the names of shareholders with a shareholding ratio of more than 5%, the number and percentage of shareholdings. (Table 7)

XXXI. Segment information

(I) Segment revenue and operating result

The following was an analysis of revenue and results of the continuing operation of the Group by the reporting segment.

	Segment Revenue		Segment Income (Loss)	
	For the three months ended March 31, 2023	For the three months ended March 31, 2022	For the three months ended March 31, 2023	For the three months ended March 31, 2022
Connection cable	\$ 257,008	\$ 432,363	(\$ 3,213)	\$ 6,489
Optical fiber	<u>11,781</u>	<u>15,949</u>	<u>313</u>	<u>9,472</u>
Operating Segment, net	<u>\$ 268,789</u>	<u>\$ 448,312</u>	(2,900)	15,961
Interest income			176	132
Other income			3,843	4,735
Other gains and losses			(2,402)	201
Finance costs			(1,103)	(1,232)
Share of profit or loss of affiliates under the equity method			1	-
Administrative expenses			(35,978)	(24,949)
Impairment loss (reversal) of expected credit loss			(<u>3,785</u>)	<u>79</u>
Loss before tax			(<u>\$ 42,148</u>)	(<u>\$ 5,072</u>)

The above revenue were generated through transactions with external customers. There were no inter-segment sales for the three months ended March 31, 2023 and 2022.

Segment profit is the profit of each segment, excluding interest income, other income, other profits and losses, financial costs, share of profit or loss of affiliated companies using the equity method, administrative expenses, expected credit impairment loss (reversal income), and income tax benefit (expense). This is the measure reported to the Group's chief operating decision maker to allocate resources to each segment and evaluate its performance.

(II) Segment assets

The Group's measure of assets is not provided to the chief operating decision maker. Thus, measurement of assets is disclosed as zero.

Ji-Haw Industrial, Co., Ltd., and Subsidiaries
 Marketable Securities Held
 March 31, 2023

Table 1

Unit: Including those stated otherwise
 , in thousands of NTD

Holding Company Name	Marketable Securities Type and Name	Relationship with the issuer of securities	Financial Statement Account	End of the period				Remarks
				Shares/Units	Carrying Amount	Shareholding ratio	Fair value	
Ji-Haw Industrial, Co., Ltd.	<u>shares</u>							
	Chunghwa Picture Tubes, Ltd.	—	Current financial assets at fair value through other comprehensive income	604	\$ -	-	\$ -	Note 2
	Soyo Link Energy Co., Ltd.	—	Non-current financial assets at fair value through other comprehensive income	300,000	-	7.14	-	Note 2
	Li Wang Technology Co., Ltd.	—	Non-current financial assets at fair value through other comprehensive income	185,185	-	6.90	-	Note 2
	S SQUARE SYSTEM LTD.	—	Non-current financial assets at fair value through other comprehensive income	747	-	3.19	-	Note 2
J.H.I	<u>shares</u>							
	Vision Works Inc.	—	Non-current financial assets at fair value through profit or loss	190,000	333	19.00	333	Note 2
	ING Group N.V.	—	Current financial assets at fair value through profit or loss	3,000	1,082	-	1,082	Note 2
	TESLA MORTORS INC	—	Current financial assets at fair value through profit or loss	30	190	-	190	Note 2
	BEYOND MEAT INC	—	Current financial assets at fair value through profit or loss	80	40	-	40	Note 2
J.B.T	<u>Fund beneficiary certificate</u> KTFFE127	—	Current financial assets at fair value through profit or loss	2,510,237.832	22,709	-	22,709	Note 2

Note 1: Marketable securities stated in this table refer to stocks within the scope of IFRS 9 "Financial Instruments".

Note 2: Not provided as collateral, pledged, or restricted in other ways.

Ji-Haw Industrial, Co., Ltd., and Subsidiaries

Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital

January 1 to March 31, 2023

Table 2

Unit: Including those stated otherwise
, in thousands of NTD

Purchase (Sale) of	Related Party	Relationship	Transaction Details				Trading terms different from general trading and the reasons		Notes/Accounts Receivable (Payable)		Remarks
			Purchase (Sale)	Amount	Proportion to total purchase (sales) and inventory (%)	Collection/Paym ent terms	Unit Price	Collection/Paym ent terms	Ending Balance	Proportion to total accounts/notes receivable (payable) (%)	
Ji-Haw Industrial, Co., Ltd.	J.H.P	Subsidiaries	Processing expense	\$ 120,684	96	Note 2	Note 1	Note 2	(\$ 346,269)	98	—
J.H.P	Ji-Haw Industrial, Co., Ltd.	Parent	Processing revenue	(120,684)	48	Note 2	Note 1	Note 2	346,269	67	—

Note 1: Charged based on the difference between final sales price of the finished goods and raw material at markup.

Note 2: 150 days from the end of month after accounts receivable and payable netting.

Note 3: All transactions listed above have been eliminated in the consolidated financial statements.

Ji-Haw Industrial, Co., Ltd., and Subsidiaries
 Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital
 March 31, 2023

Table 3

Unit: Including those stated otherwise
 , in thousands of NTD

Company Name	Related Party	Relationship	Accounts receivable from related parties Balance of payment	Turnover Rate	Overdue		Receivables from related parties Amount recovered after the period	Allowance to be provided Amount of loss
					Amount	Actions Taken		
J.H.P	Ji-Haw Industrial, Co., Ltd.	Parent	\$ 346,269	0.65	\$ -	—	Note 1	\$ -

Note 1: Netting of accounts receivable and payable.

Note 2: All transactions listed above have been eliminated in the consolidated financial statements.

Ji-Haw Industrial, Co., Ltd., and Subsidiaries

The business relationship between the parent and the subsidiaries and significant transactions between them

January 1 to March 31, 2023

Table 4

Unit: Including those stated otherwise
, in thousands of NTD

No. (Note 1)	Investee Company	Counterparty	Relationship (Note2)	Transaction Details			
				Financial Statement Accounts	Amount	Payment Terms	As a percentage of total consolidated revenue or ratio of total assets (%) (Note 3)
0	Ji-Haw Industrial, Co., Ltd.	J.H.P	1	Processing expense	\$ 120,684	By contract terms	45
		J.H.P	1	Accounts payable	346,269	150 days from the end of month	21

Note 1: "0" stands for the parent company. Subsidiaries are numbered from "1".

Note 2: "1" means from the parent company to a subsidiary.

Note 3: Regarding calculation of the percentage of transaction amount to the total consolidated revenue or assets, for assets and liabilities, amounts are shown as a percentage to consolidated total assets as of December 31, 2022, while revenues, costs, and expenses are shown as a percentage to consolidated total operating revenues for the year ended December 31, 2022.

Note 4: All transactions listed above have been eliminated in the consolidated financial statements.

Ji-Haw Industrial, Co., Ltd., and Subsidiaries
Information on investees
January 1 to March 31, 2023

Table 5

Unit: Including those stated otherwise
, in thousands of NTD

Investor	Investee	Location	Main business or production items	Initial investment amount		Balance as of December 31, 2022			Investee Current profit and loss	Recognized in the current period investment income of (Note 1)	Remarks
				March 31, 2023	December 31, 2022	No. of shares	Percentage of ownership (%)	Carrying Amount			
Ji-Haw Industrial, Co., Ltd.	J.B.T	227, M003, Laem Chabang Industrial Estate, Sukhumvit Road, Thungsukla, Sriracha, Chonburi 20230 Thailand	Manufacturing and trading of computer cables or plugs	\$ 207,215	\$ 207,215	18,600,000	100.00	\$ 517,810	(\$ 8,568)	(\$ 8,568)	—
	J.H.I	Sertus Chambers, P.O. Box 603, Apia, Samoa.	Investing in overseas financial products and stocks	9,649	9,649	300,000	100.00	4,307	65	65	—

Note 1: The JBT financial statements of the major subsidiary were audited and the JHI was calculated based on the financial statements of the same period that were not reviewed by a certified public accountant.

Note 2: Refer to Table 6 for information on investment in mainland China.

Note 3: Investment income, investment accounting for using equity method, and the net asset value of the investee showed on the table above have been eliminated from consolidation.

Ji-Haw Industrial, Co., Ltd., and Subsidiaries
Information on investment in mainland China
January 1 to March 31, 2023

Table 6

Unit: Including those stated otherwise
, in thousands of NTD

Investees in Mainland China Investee	Main business or production items	Paid-in capital	Method of Investment	From Taiwan Accumulated investment amount outward	Remittance of Funds		From Taiwan Accumulated investment amount outward	Investee Current profit and loss (Note 1)	Percentage of Ownership of Direct or Indirect Investment	Recognized in the current period Investment income (loss) (Note 1)	Investment at end of period Book value (Note 1)	As of current period Investment income received	Remarks
					Outward	Inward							
J.H.K	Manufacturing and trading of computer cables or plugs	US\$100,000	Direct investment with 100% ownership	\$3,045 (US\$ 100,000)	\$ -	\$ -	\$3,045 (US\$ 100,000)	\$ 301	100%	\$ 301	\$ 80,049	\$ 277,250	-
J.H.P	Manufacturing and trading of precision ceramics, precision molds, and computer cables and plugs	US\$12,600,000	40.48% held directly by the Company and 59.52% held directly by the 100% owned subsidiary, J.B.T.	292,320 (US\$9,600,000)	-	-	292,320 (US\$9,600,000)	(7,144)	100%	(7,144)	629,032	-	Note 3
Chuzhou Ding Wang	Investment development	CNY60,180,000	Held directly by the 100% owned subsidiary, J.H.P.	-	-	-	-	2	39%	1	99,455	-	-

Accumulated investment from Taiwan to Mainland China at the end of the period	Investment Amount Approved by Investment Commission, MOEA	Approved by the Investment Commission, MOEA
\$ 295,365 (US\$9,700,000)	\$ 386,715 (US\$12,700,000)	594,562 (Note 4)

Note 1: Calculations are based on the unreviewed financial statements of the investees, except for JHP that has been reviewed by a certified public accountant.

Note 2: Except for the investee's income and investment income recognized in the current period, which were calculated using the average exchange rates from January 1 to March 31, 2023, all others were calculated using the spot exchange rate at the end of March 2023.

Note 3: For the investment loss of NT\$7,144,000 recognized in the current period, except for the investment loss of NT\$2,892,000 recognized based on the 40.48% shareholding of the Company, the remaining investment loss of NT\$4,252,000 was acquired through 100% owned subsidiary JBT.

Note 4: Calculated pursuant to Article 3 of "Principle of investment or Technical Cooperation in Mainland China", MOEA, which was the higher of the net worth of the entity or 60% of the consolidated net worth.

Note 5: The above table shows the investment profit and loss of the reinvestments, the investment of the investing company using the equity method and the net equity value of the invested companies. Except for Chuzhou Ding Wang, has been written off when the consolidated financial statements are prepared.

Ji-Haw Industrial, Co., Ltd.
Information on major shareholders
March 31, 2023

Table 7

Name of The Major Shareholder	Shares	
	Number of Shares Owned	Shareholding ratio
Lin Wen-Hwang	5,852,901	5.19%

Note: The information of major shareholders presented in this table is provided by the Taiwan Depository & Clearing Corporation based on the number of ordinary shares and preference shares held by shareholders with ownership of 5% or greater, that have been issued without physical registration (including treasury shares) by the Company as of the last business day for the current quarter. The share capital in the consolidated financial statements may differ from the actual number of shares that have been issued without physical registration because of a different preparation basis.