

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

**Consolidated Financial Statements
and Independent Auditors' Report
Q2 of 2023 and 2022**

Address: No. 53, Baoxing Road, Xindian District, New
Taipei City
Tel: (02)29189189

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Independent Auditors' Review Report

To Ji-Haw Industrial, Co., Ltd. :

Introduction

The consolidated balance sheets of Ji-Haw Industrial Co., Ltd., and its subsidiaries as of 2023 and June 30, 2022, along with the consolidated statements of comprehensive income for the periods from 2023 and April 1 to June 30, 2022, and 2023 and January 1 to June 30, 2022, the consolidated statements of changes in equity for the periods from 2023 and January 1 to June 30, 2022, the consolidated statements of cash flows, and the 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\$82,615,000 and NT\$224,530,000, respectively, accounting for 4.85% and 11.11% of the total consolidated assets. Total liabilities amounted to NT\$129,000 and NT\$37,002,000, respectively, accounting

for 0.02% and 3.65% of the total consolidated liabilities. The consolidated net income (loss) for 2023 and April 1 to June 30, 2022 and January 1 to June 30, 2022 were NT\$224,000, (NT\$25,911,000), NT\$590,000, and (NT\$27,009,000) accounting for (4.05%), 91.71%, (1.71%) and 918.36% 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 2023 and June 30, 2022 were NT\$96,726,000 and NT\$99,387,000, respectively. As of 2023 and April 1 to June 30, 2022 and January 1 to June 30, 2022, the profit and loss of the affiliate recognized under the equity method were NT\$1,000, NT\$2,000, NT\$2,000 and NT\$2,000, 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

Based on the results of the CPA review, except for the financial statements of non-material subsidiaries and investee companies as described in the introductory section of the basis of conclusion, which may have an impact on the adjusted presentation of the consolidated financial statements upon completion of the audit by the accountants, no significant deviations were found in all material aspects of the aforementioned consolidated financial statements that would prevent us from expressing a reasonable opinion, as prepared in accordance with the Financial Reporting Standards for Issuers of Securities Firms and the International Accounting Standard No. 34 "Interim Financial Reporting," approved and issued by the Financial Supervisory Commission, regarding the consolidated financial position of Ji-Haw Industrial Co., Ltd. and its subsidiaries as of 2023 and June 30, 2022, and the consolidated financial performance for 2023 and April 1 to June 30, 2022, and the consolidated cash flows for 2023 and January 1 to June 30, 2022

Deloitte Taiwan

CPA Huang Yao Lin

CPA Chou Shih Chieh

FSC approval reference number
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Aug 10, 2023

Ji-Haw Industrial, Co., Ltd. and Subsidiaries
Consolidated Balance Sheets
June 30, 2023, December 31, 2022 and June 30, 2022

Unit: NT\$ thousand

Account	Assets	June 30, 2023		December 31, 2022		June 30, 2022	
		Amount	%	Amount	%	Amount	%
	Current assets						
1100	Cash and cash equivalents (Note 6)	\$ 376,894	22	\$ 397,756	24	\$ 489,817	24
1110	Financial assets at FVTPL – Current (Note 7)	23,885	1	1,265	-	1,142	-
1136	Financial assets at amortized cost – current (Note 9)	26,333	2	26,795	2	65,829	3
1170	Notes and accounts receivable, net (Notes 10 and 22)	441,216	26	386,932	23	542,594	27
130X	Net inventory (Note 11)	317,518	19	324,255	19	354,811	18
1470	Other current assets (Notes 17 and 27)	17,923	1	18,436	1	34,291	2
11XX	Total current assets	<u>1,203,769</u>	<u>71</u>	<u>1,155,439</u>	<u>69</u>	<u>1,488,484</u>	<u>74</u>
	Non-current Assets						
1510	Financial assets at FVTPL – non-current (Note 7)	341	-	336	-	1,139	-
1550	Investment under the equity method (Note 13)	96,726	6	98,965	6	99,387	5
1600	Property, plants, and equipment (Notes 14 and 28)	249,009	15	264,115	16	270,631	13
1755	Right-of-use assets (Notes 15 and 16)	35,676	2	39,044	2	35,719	2
1760	Investment property (Notes 15, 16, and 28)	85,982	5	86,927	5	86,688	4
1840	Deferred income tax assets (Note 4)	26,607	1	28,927	2	35,541	2
1990	Other non-current assets (Note 17)	4,785	-	4,001	-	3,954	-
15XX	Total non-current assets	<u>499,126</u>	<u>29</u>	<u>522,315</u>	<u>31</u>	<u>533,059</u>	<u>26</u>
1XXX	Total assets	<u>\$ 1,702,895</u>	<u>100</u>	<u>\$ 1,677,754</u>	<u>100</u>	<u>\$ 2,021,543</u>	<u>100</u>
	LIABILITIES AND EQUITY						
	Current liabilities						
2100	Short-term borrowings (Notes 18 and 28)	\$ 100,000	6	\$ 100,000	6	\$ 195,000	10
2170	Notes and Accounts Payable	403,306	24	309,023	18	540,302	27
2200	Other payables (note 19)	31,985	2	41,760	3	49,685	2
2230	Income tax liabilities for the current period (Note 4)	-	-	8,944	1	33,807	2
2280	Lease liabilities – current (Note XV)	972	-	935	-	2,012	-
2300	Other current liabilities (Note 27)	89,898	5	87,541	5	83,679	4
21XX	Total current liabilities	<u>626,161</u>	<u>37</u>	<u>548,203</u>	<u>33</u>	<u>904,485</u>	<u>45</u>
	Non-current liabilities						
2570	Deferred income tax liabilities (Note 4)	37,574	2	54,895	3	48,339	2
2580	Lease liabilities – non-current (Note 15)	44,225	3	45,371	3	50,168	3
2640	Net defined benefit liabilities (note 4 and 20)	678	-	823	-	3,584	-
2645	Guarantee deposits	2,195	-	2,203	-	2,170	-
2670	Other non-current liabilities	6,658	-	6,286	-	5,448	-
25XX	Total non-current liabilities	<u>91,330</u>	<u>5</u>	<u>109,578</u>	<u>6</u>	<u>109,709</u>	<u>5</u>
2XXX	Total liabilities	<u>717,491</u>	<u>42</u>	<u>657,781</u>	<u>39</u>	<u>1,014,194</u>	<u>50</u>
	Equity (note 21)						
3100	Share capital - Ordinary shares	1,127,192	66	1,127,192	67	1,127,192	56
3200	Capital surplus	226,697	14	226,697	14	226,697	11
	Accumulated losses						
3310	Appropriated as legal capital reserve	23,586	1	23,586	1	23,586	1
3320	Special reserve	218,029	13	218,029	13	218,029	11
3350	Losses to be offset	(510,634)	(30)	(494,359)	(29)	(502,500)	(25)
3300	Total accumulated losses	<u>(269,019)</u>	<u>(16)</u>	<u>(252,744)</u>	<u>(15)</u>	<u>(260,885)</u>	<u>(13)</u>
3400	Other equity	(99,466)	(6)	(81,172)	(5)	(85,655)	(4)
3XXX	Total equity	<u>985,404</u>	<u>58</u>	<u>1,019,973</u>	<u>61</u>	<u>1,007,349</u>	<u>50</u>
	Total liabilities and equities	<u>\$ 1,702,895</u>	<u>100</u>	<u>\$ 1,677,754</u>	<u>100</u>	<u>\$ 2,021,543</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 Aug 10, 2023)

Chairman: Hao-Ji Shih

Manager: Wu Chia-Shin

Head of Accounting: Chen Po Jung

Ji-Haw Industrial, Co., Ltd. and Subsidiaries
Consolidated Statements of Comprehensive Income
2023 and April 1 to June 30, 2022 and January 1 to June 30, 2022

Unit: NTD thousands, except for earnings (loss) per share (NTD)

Account	April 1 to June 30, 2023		April 1 to June 30, 2022		January 1 to June 30, 2023		January 1 to June 30, 2022		
	Amount	%	Amount	%	Amount	%	Amount	%	
4000	Net operating revenue (Note 22)	\$ 312,007	100	\$ 386,729	100	\$ 580,796	100	\$ 835,041	100
5000	Operating cost (Notes 11 and 23)	262,848	85	343,672	89	501,765	87	743,045	89
5950	Gross profit	49,159	15	43,057	11	79,031	13	91,996	11
	Operating expenses (Notes 10 and 23)								
6100	Selling expenses	17,189	6	12,929	3	36,424	6	32,123	4
6200	Administrative expenses	32,218	10	29,373	8	68,196	12	54,322	7
6300	R&D expenses	17,097	5	14,433	4	30,634	5	28,216	3
6450	Expected Credit Impairment/Gain	2,520	1	633	-	6,305	1	554	-
6000	Total operating expenses	69,024	22	57,368	15	141,559	24	115,215	14
6900	Operating loss	(19,865)	(7)	(14,311)	(4)	(62,528)	(11)	(23,219)	(3)
	Non-operating income and expenses								
7100	Interest revenue (Note 23)	1,359	1	213	-	1,535	-	345	-
7010	Other income (Note 23)	3,939	1	4,506	1	7,782	1	9,241	1
7020	Other gains and losses (Note 23)	16,593	5	28,208	7	14,191	3	28,409	4
7050	Finance costs (note 23)	(1,092)	-	(1,283)	-	(2,195)	-	(2,515)	-
7060	Share of profit or loss on associates accounted for using the equity method (Note 13)	1	-	2	-	2	-	2	-
7000	Total non-operating income and expenses	20,800	7	31,646	8	21,315	4	35,482	5
7900	Profit (loss) before tax	935	-	17,335	4	(41,213)	(7)	12,263	2
7950	Income tax income (expense) (Notes 4 and 24)	15,851	5	(28,467)	(7)	24,938	4	(31,832)	(4)
8200	Net income (loss) for the period	16,786	5	(11,132)	(3)	(16,275)	(3)	(19,569)	(2)
	Other comprehensive income								
8360	Items that may be reclassified subsequently to profit or loss:								
8361	Exchange differences on translation of foreign operations	(22,319)	(7)	(17,121)	(4)	(18,294)	(3)	16,628	2
8300	Other comprehensive income for the period (net after tax)	(22,319)	(7)	(17,121)	(4)	(18,294)	(3)	16,628	2
8500	Total Comprehensive Income for the Current Period	(\$ 5,533)	(2)	(\$ 28,253)	(7)	(\$ 34,569)	(6)	(\$ 2,941)	-
	Earnings (losses) per share (Note XXV)								
9710	Basic	\$ 0.15		(\$ 0.10)		(\$ 0.14)		(\$ 0.17)	

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

(Please see the Review Report of Deloitte & Touche on Aug 10, 2023)

Chairman: Hao-Ji Shih

Manager: Wu Chia-Shin

Head of Accounting: Chen Po Jung

Ji-Haw Industrial, Co., Ltd. and Subsidiaries
Consolidated Statements of Changes in Equity
2023 and January 1 to June 30, 2022

Unit: NT\$ thousand

Account		Share capital - Ordinary shares	Capital surplus	Accumulated losses			Other Equity Items		Total	Total equity	
				Appropriated as legal capital reserve	Special reserve	Losses to be offset	Exchange differences on translation of foreign operations	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income			
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 January 1 to June 30, 2022	-	-	-	-	(19,569)	(19,569)	-	-	-	(19,569)
D3	Other comprehensive net income for January 1 to June 30, 2022	-	-	-	-	-	-	16,628	-	16,628	16,628
D5	Total comprehensive income for January 1 to June 30, 2022	-	-	-	-	(19,569)	(19,569)	16,628	-	16,628	(2,941)
Z1	Balance as of June 30, 2022	\$ 1,127,192	\$ 226,697	\$ 23,586	\$ 218,029	(\$ 502,500)	(\$ 260,885)	(\$ 71,655)	(\$ 14,000)	(\$ 85,655)	\$ 1,007,349
A1	Balance as of 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 January 1 to June 30, 2023	-	-	-	-	(16,275)	(16,275)	-	-	-	(16,275)
D3	Other comprehensive net income for January 1 to June 30, 2023	-	-	-	-	-	-	(18,294)	-	(18,294)	(18,294)
D5	Total comprehensive income for January 1 to June 30, 2023	-	-	-	-	(16,275)	(16,275)	(18,294)	-	(18,294)	(34,569)
Z1	Balance as of June 30, 2023	\$ 1,127,192	\$ 226,697	\$ 23,586	\$ 218,029	(\$ 510,634)	(\$ 269,019)	(\$ 85,466)	(\$ 14,000)	(\$ 99,466)	\$ 985,404

The accompanying notes are an integral part of the consolidated financial statements.
(Please see the Review Report of Deloitte & Touche on Aug 10, 2023)

Chairman: Hao-Ji Shih

Manager: Wu Chia-Shin

Head of Accounting: Chen Po Jung

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

Consolidated Statements of Cash Flows

2023 and January 1 to June 30, 2022

Unit: NT\$ thousand

<u>Account</u>	<u>January 1 to June 30, 2023</u>	<u>January 1 to June 30, 2022</u>
Cash flows from operating activities		
A00010	(\$ 41,213)	\$ 12,263
A20010	Income and Expense Items:	
A20100	17,494	17,594
A20300	Depreciation expense	
	6,305	554
A20900	2,195	2,515
A21200	(1,535)	(345)
A20400	Loss (gain) on financial assets at FVTPL	
	(472)	199
A22300	Share of profit or loss of affiliates under the equity method	
	(2)	(2)
A22500	Loss (gain) on disposal of property, plant and equipment	
	36	(433)
A23700	Write-down (reversal) of inventories	
	(15,008)	3,321
A24100	Unrealized Gain on Currency Exchange	
	(13,121)	(9,311)
A30000	Changes in operating assets and liabilities	
A31150	(57,190)	96,311
A31180	(1,046)	1,918
A31200	24,351	(11,328)
A31240	470	(1,947)
A32150	98,975	37,318
A32180	(9,775)	(4,217)
A32230	2,357	611
A32240	(145)	(275)
A32990	371	416
A33000	13,047	145,162
A33300	(2,195)	(2,515)
A33500	(1,341)	(2,739)
AAAA	<u>9,511</u>	<u>139,908</u>

Cash flows from investing activities
(Continued next page)

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<u>Account</u>	<u>January 1 to June 30, 2023</u>	<u>January 1 to June 30, 2022</u>
B00040	Acquisition of financial assets at amortized cost	(\$ 22,467) (\$ 4,430)
B00050	Proceeds from the disposal of financial assets at amortized cost	22,556 28,090
B00100	Acquisition of financial assets at fair value through profit or loss	(22,556) (927)
B02300	Proceeds from the disposal of subsidiaries	- 25,489
B02700	Acquisition of Property, Plants, and Equipment	(3,483) (2,028)
B02800	Proceeds from disposal of property, plant and equipment	- 433
B06700	Decrease in other non-current assets	262 (362)
B07500	Interest received	<u>1,583</u> <u>934</u>
BBBB	Net Cash Inflow (outflow) From Investing Activities	(<u>24,105</u>) <u>47,199</u>
	Cash flows from financing activities	
C00100	Decrease in short-term borrowings	- (84,345)
C03000	Decrease in guarantee deposits	(8) (101)
C04020	Repayment of principal of lease liabilities	(<u>472</u>) (<u>242</u>)
CCCC	Cash flows from financing activities	(<u>480</u>) (<u>84,688</u>)
DDDD	Effect of exchange rate changes on cash and cash equivalents	(<u>5,788</u>) <u>4,767</u>
EEEE	Net increase (decrease) in cash and cash equivalents for the period	(20,862) 107,186
E00100	Opening Cash and Cash Equivalents Balance	<u>397,756</u> <u>382,631</u>
E00200	Closing Cash and Cash Equivalents Balance	<u>\$ 376,894</u> <u>\$ 489,817</u>

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

(Please see the Review Report of Deloitte & Touche on Aug 10, 2023)

Chairman: Hao-Ji Shih

Manager: Wu Chia-Shin

Head of Accounting: Chen Po Jung

Ji-Haw Industrial, Co., Ltd. and Subsidiaries
Notes to the Consolidated Financial Statements
2023 and January 1 to June 30, 2022
(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 August 10, 2023.

III. New standards, amendments, and interpretations adopted

(I) Initial application of 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 the Financial Supervisory Commission (FSC)

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

<u>New standards/ amendments/ interpretations adopted</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
Amendments to IFRS 16 Regarding "Lease Liability in A Sale and Leaseback"	January 1, 2024 (Note 2)
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 “Initial Application of IFRS 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
IAS 7 and amendments to IFRS 7 “Supplier Finance Arrangements”	January 1, 2024
<u>New standards/ amendments/ interpretations adopted</u>	<u>Effective Date Announced</u>
Amendments to IAS 12 “International Tax Reform Pillar Two Model Rules”	by IASB (Note 1) Note 3

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

Note 2: For sale-and-leaseback arrangements that are signed after first-time adoption of IFRS 16, the seller and lessee are required to apply IFRS 16 amendments retrospectively.

Note 3: Following the issuance of these amendments, exceptions and disclosures that have been applicable shall take effect immediately and be retrospectively applied as per IAS 8. Other disclosure requirements will apply to annual reporting periods beginning on or after January 1, 2023. Interim financial reporting ending before December 31, 2023, is not subject to these additional disclosure requirements.

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

	June 30, 2023	December 31, 2022	June 30, 2022
Cash on hand	\$ 1,425	\$ 1,559	\$ 1,460
Checking accounts and demand deposits	298,577	319,032	269,959
Cash equivalents (investments with original maturities of less than 3 months)			
Time deposits	<u>76,892</u>	<u>77,165</u>	<u>218,398</u>
	<u>\$ 376,894</u>	<u>\$ 397,756</u>	<u>\$ 489,817</u>

VII. Financial instruments at fair value through profit or loss

	June 30, 2023	December 31, 2022	June 30, 2022
<u>Financial assets – current</u>			
Financial assets mandatorily classified as at FVTPL			
Non-derivative financial assets			
- Overseas (OTC) stock	\$ 1,536	\$ 1,265	\$ 1,142
- Fund beneficiary certificate	<u>22,349</u>	<u>-</u>	<u>-</u>
	<u>\$ 23,885</u>	<u>\$ 1,265</u>	<u>\$ 1,142</u>
<u>Financial assets – non-current</u>			
Financial assets mandatorily classified as at FVTPL			
Non-derivative financial assets			
- Foreign unlisted (OTC) stock	<u>\$ 341</u>	<u>\$ 336</u>	<u>\$ 1,139</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 Chungwa 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

	June 30, 2023	December 31, 2022	June 30, 2022
<u>Current</u>			
Foreign investments			
Time deposits with original maturities of more than 3 months	\$ 26,333	\$ 26,795	\$ 65,829

As of June 30, 2023 and December 31 and June 30, 2022, the market interest rate ranges for time deposits with original maturities of more than 3 months were 0.15% to 1.70%, 0.15% to 1.00%, and 0.15% to 0.55% per annum, respectively.

X. Notes and accounts receivable

	June 30, 2023	December 31, 2022	June 30, 2022
<u>Notes receivable</u>			
Measured at amortized cost	\$ -	\$ 441	\$ 209
<u>Accounts receivable</u>			
Measured at amortized cost			
Gross carrying amount	454,747	394,030	555,447
Less: allowance	(13,531)	(7,539)	(13,062)
	<u>441,216</u>	<u>386,491</u>	<u>542,385</u>
Notes and accounts receivable	\$ <u>441,216</u>	\$ <u>386,932</u>	\$ <u>542,594</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:

June 30, 2023

	Current	1 to 30 days past due	31 to 60 days past due	61 to 90 days past due	More than 91 days past	Total
Expected credit loss rate	0.80%	1.02%	3.78%	45.26%	100.00%	
Gross carrying amount	\$ 410,963	\$ 25,972	\$ 8,042	\$ 190	\$ 9,580	\$ 454,747
Loss allowance (lifetime ECL)	(3,296)	(265)	(304)	(86)	(9,580)	(13,531)
Amortized cost	<u>\$ 407,667</u>	<u>\$ 25,707</u>	<u>\$ 7,738</u>	<u>\$ 104</u>	<u>\$ -</u>	<u>\$ 441,216</u>

December 31, 2022

	Current	1 to 30 days past due	31 to 60 days past due	61 to 90 days past due	More than 91 days past	Total
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)	(941)	(129)	(171)	-	(6,298)	(7,539)
Amortized cost	<u>\$ 370,382</u>	<u>\$ 12,624</u>	<u>\$ 3,484</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ 386,491</u>

June 30, 2022

	Current	1 to 30 days past due	31 to 60 days past due	61 to 90 days past due	More than 91 days past	Total
Expected credit loss rate	0.25%	0.99%	4.99%	49.93%	100.00%	
Gross carrying amount	\$ 525,958	\$ 16,132	\$ 1,043	\$ 1,526	\$ 10,788	\$ 555,447
Loss allowance (lifetime ECL)	(<u>1,300</u>)	(<u>160</u>)	(<u>52</u>)	(<u>762</u>)	(<u>10,788</u>)	(<u>13,062</u>)
Amortized cost	<u>\$ 524,658</u>	<u>\$ 15,972</u>	<u>\$ 991</u>	<u>\$ 764</u>	<u>\$ -</u>	<u>\$ 542,385</u>

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

	January 1 to June 30, 2023	January 1 to June 30, 2022
Beginning Retained Earnings	\$ 7,539	\$ 12,380
Plus: Current provision for impairment	6,305	554
Less: Write-offs in current period	-	(93)
Effect of foreign currency exchange difference	(<u>313</u>)	<u>221</u>
Closing Balance	<u>\$ 13,531</u>	<u>\$ 13,062</u>

XI. Net inventory

	June 30, 2023	December 31, 2022	June 30, 2022
Finished goods	\$ 189,466	\$ 191,745	\$ 207,975
Work in process	45,275	37,035	65,032
Raw materials	<u>82,777</u>	<u>95,475</u>	<u>81,804</u>
	<u>\$ 317,518</u>	<u>\$ 324,255</u>	<u>\$ 354,811</u>

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

	April 1 to June 30, 2023	April 1 to June 30, 2022	January 1 to June 30, 2023	January 1 to June 30, 2022
Cost of inventories sold	\$ 272,996	\$ 334,690	\$ 516,773	\$ 739,724
Write-down (reversal) of inventories	(<u>10,148</u>)	<u>8,982</u>	(<u>15,008</u>)	<u>3,321</u>
(1)	<u>\$ 262,848</u>	<u>\$ 343,672</u>	<u>\$ 501,765</u>	<u>\$ 743,045</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:

Investor	Name of subsidiary	Nature of business activities	Proportion of Ownership (%)			Remarks
			June 30, 2023	December 31, 2022	June 30, 2022	
Ji-Haw Industrial, Co., Ltd.	Ji-Haw Electronics (Kunshan) Co., Ltd. (J.H.K)	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
JBT	Ji-Haw Investment Co., Ltd. (J.H.I.)	Investing in overseas financial products and stocks	100.00	100.00	100.00	-
	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 June 30, 2023.

For the subsidiaries consolidated into the consolidated financial statements of 2023 and January 1 to June 30, 2022, the financial statements of other non-significant subsidiaries were not reviewed by accountants, except for JHP, which were reviewed by accountants.

XIII. Investments accounted for using equity method

Investment in associates

	June 30, 2023	December 31, 2022	June 30, 2022
<u>Individual non-significant associates</u>			
Chuzhou Ding Wang Investment and Development Limited (Chuzhou Ding Wang)	\$ 96,726	\$ 98,965	\$ 99,387

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

	June 30, 2023	December 31, 2022	June 30, 2022
Land	\$ 91,992	\$ 92,044	\$ 91,847
Buildings	56,542	64,029	68,375
Machinery and equipment	83,105	89,475	92,598
Transportation Equipment	4,671	4,662	4,105
Other equipment	12,699	13,905	13,706
	\$ 249,009	\$ 264,115	\$ 270,631

Except for depreciation, the Group did not have significant additions, disposals, and impairment for 2023 and January 1 to June 30, 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>June 30, 2023</u>	<u>December 31, 2022</u>	<u>June 30, 2022</u>
Carrying amounts			
Land	<u>\$ 35,676</u>	<u>\$ 39,044</u>	<u>\$ 35,719</u>
	<u>April 1 to June 30, 2023</u>	<u>April 1 to June 30, 2022</u>	<u>January 1 to June 30, 2023</u>
Depreciation charge for right-of-use assets			<u>January 1 to June 30, 2022</u>
Land	<u>\$ 320</u>	<u>\$ 317</u>	<u>\$ 691</u>
			<u>\$ 628</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>June 30, 2023</u>	<u>December 31, 2022</u>	<u>June 30, 2022</u>
Carrying amount			
Current	<u>\$ 972</u>	<u>\$ 935</u>	<u>\$ 2,012</u>
Non-current	<u>\$ 44,225</u>	<u>\$ 45,371</u>	<u>\$ 50,168</u>

Range of discount rates for lease liabilities was as follows:

	<u>June 30, 2023</u>	<u>December 31, 2022</u>	<u>June 30, 2022</u>
Land	4.46%	4.46%	4.46%

(III) Other lease 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>April 1 to June 30, 2023</u>	<u>April 1 to June 30, 2022</u>	<u>January 1 to June 30, 2023</u>	<u>January 1 to June 30, 2022</u>
Total cash outflow for leases	(\$ <u>753</u>)	(\$ <u>641</u>)	(\$ <u>1,510</u>)	(\$ <u>1,415</u>)

XVI. Investment properties

	<u>June 30, 2023</u>	<u>December 31, 2022</u>	<u>June 30, 2022</u>
Land	\$ 60,240	\$ 60,240	\$ 60,240
Right-of-use assets	16,616	16,851	17,135
Buildings	<u>9,126</u>	<u>9,836</u>	<u>9,313</u>
	<u>\$ 85,982</u>	<u>\$ 86,927</u>	<u>\$ 86,688</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 2023 and January 1 to June 30, 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:

	June 30, 2023	December 31, 2022	June 30, 2022
Land and buildings held under freehold interests	<u>\$ 304,905</u>	<u>\$ 279,540</u>	<u>\$ 202,606</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:

	June 30, 2023	December 31, 2022	June 30, 2022
Lease commitments for investment properties	<u>\$ 16,870</u>	<u>\$ 14,684</u>	<u>\$ 23,572</u>

XVII. Other assets

	June 30, 2023	December 31, 2022	June 30, 2022
Excess VAT paid	\$ 7,380	\$ 5,635	\$ 15,351
Prepayments	7,073	7,412	12,009
Refundable deposits	4,382	3,336	2,938
Other receivables--related parties (Note 27)	2,049	2,097	2,106
Tax refund receivable	488	435	532
Prepayments for equipment	403	665	1,016
Other receivables	<u>933</u>	<u>2,857</u>	<u>4,293</u>
	<u>\$ 22,708</u>	<u>\$ 22,437</u>	<u>\$ 38,245</u>
Current	\$ 17,923	\$ 18,436	\$ 34,291
Non-current	<u>4,785</u>	<u>4,001</u>	<u>3,954</u>
	<u>\$ 22,708</u>	<u>\$ 22,437</u>	<u>\$ 38,245</u>

XVIII. Short-term borrowings

	June 30, 2023	December 31, 2022	June 30, 2022
Secured borrowings (Note 28)			
Bank borrowings	<u>\$ 100,000</u>	<u>\$ 100,000</u>	<u>\$ 195,000</u>

The annual interest rate for bank revolving borrowings was 2.19%, 2.24%, and 1.17% as of June 30, 2023 and December 31, 2022 and June 30, 2022.

XIX. Other payables

	June 30, 2023	December 31, 2022	June 30, 2022
Payables for salaries	\$ 15,806	\$ 16,582	\$ 14,751
Payables for expenses	15,204	24,284	23,722
Payables for taxes	<u>975</u>	<u>894</u>	<u>11,212</u>
	<u>\$ 31,985</u>	<u>\$ 41,760</u>	<u>\$ 49,685</u>

XX. Post-retirement benefit plan

Recognized pension expenses related to the defined benefit plan for the three months ended 2023 and April 1 to June 30, 2022 and January 1 to June 30, 2022 were calculated using the actuarially determined pension cost discount rate as of 2022 and December 31, 2021 with an amount of NT\$19,000, NT\$23,000, NT\$38,000 and NT\$46,000, respectively.

XXI. EQUITY

(I) Share capital - Ordinary shares

	June 30, 2023	December 31, 2022	June 30, 2022
Number of shares authorized (in thousands)	<u>180,000</u>	<u>135,000</u>	<u>135,000</u>
Amount of shares authorized	<u>\$ 1,800,000</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>

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. The reserved shares for the issuance of employee stock options in the authorized share capital amount to 27,000,000 shares.

(II) Capital surplus

	June 30, 2023	December 31, 2022	June 30, 2022
<u>May be used to offset a deficit, distributed as cash dividends, or transferred to share capital</u>			
Additional paid-in capital in excess of par issued	\$ 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.

The deficit offsetting proposals for 2022 and 2021 were resolved by the shareholders in their general meetings on June 29, 2023 and June 20, 2022, respectively.

XXII. Revenue

	<u>April 1 to June 30, 2023</u>	<u>April 1 to June 30, 2022</u>	<u>January 1 to June 30, 2023</u>	<u>January 1 to June 30, 2022</u>
Revenue from contracts with customers				
Revenue from sale of goods	<u>\$ 312,007</u>	<u>\$ 386,729</u>	<u>\$ 580,796</u>	<u>\$ 835,041</u>
(I) Contract balances				
	<u>June 30, 2023</u>	<u>December 31, 2022</u>	<u>June 30, 2022</u>	<u>January 1, 2022</u>
Accounts receivable (note 10)	<u>\$ 454,747</u>	<u>\$ 394,030</u>	<u>\$ 555,447</u>	<u>\$ 639,838</u>
(II) Explanation on contracts with customers				

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

XXIII. Net profit

(I) Interest income

	April 1 to June 30, 2023	April 1 to June 30, 2022	January 1 to June 30, 2023	January 1 to June 30, 2022
Bank deposits	<u>\$ 1,359</u>	<u>\$ 213</u>	<u>\$ 1,535</u>	<u>\$ 345</u>

(II) Other income

	April 1 to June 30, 2023	April 1 to June 30, 2022	January 1 to June 30, 2023	January 1 to June 30, 2022
Rental income	<u>\$ 3,939</u>	<u>\$ 4,506</u>	<u>\$ 7,782</u>	<u>\$ 9,241</u>

(III) Other gains and losses

	April 1 to June 30, 2023	April 1 to June 30, 2022	January 1 to June 30, 2023	January 1 to June 30, 2022
Total foreign exchange gain	\$ 16,634	\$ 26,159	\$ 11,032	\$ 27,604
Gain (loss) arising from financial assets and financial liabilities				
Financial assets mandatorily classified as at FVTPL	228	(139)	472	(199)
Others	(<u>269</u>)	<u>2,188</u>	<u>2,687</u>	<u>1,004</u>
	<u>\$ 16,593</u>	<u>\$ 28,208</u>	<u>\$ 14,191</u>	<u>\$ 28,409</u>

(IV) Finance costs

	April 1 to June 30, 2023	April 1 to June 30, 2022	January 1 to June 30, 2023	January 1 to June 30, 2022
Interest expense from bank borrowings	\$ 575	\$ 690	\$ 1,157	\$ 1,342
Interest expense from lease liabilities	<u>517</u>	<u>593</u>	<u>1,038</u>	<u>1,173</u>
	<u>\$ 1,092</u>	<u>\$ 1,283</u>	<u>\$ 2,195</u>	<u>\$ 2,515</u>

(V) Depreciation expense

	April 1 to June 30, 2023	April 1 to June 30, 2022	January 1 to June 30, 2023	January 1 to June 30, 2022
Analysis of depreciation by function				
Operating costs	\$ 3,825	\$ 5,797	\$ 11,322	\$ 11,433
Operating expenses	<u>2,795</u>	<u>3,109</u>	<u>6,172</u>	<u>6,161</u>
	<u>\$ 6,620</u>	<u>\$ 8,906</u>	<u>\$ 17,494</u>	<u>\$ 17,594</u>

(VI) Employee benefits

	April 1 to June 30, 2023	April 1 to June 30, 2022	January 1 to June 30, 2023	January 1 to June 30, 2022
Retirement benefits				
Defined contribution plan	\$ 2,673	\$ 2,674	\$ 5,310	\$ 5,157
Defined benefit plans	19	23	38	46
Others	<u>51,868</u>	<u>52,151</u>	<u>121,884</u>	<u>106,635</u>
Total	<u>\$ 54,560</u>	<u>\$ 54,848</u>	<u>\$ 127,232</u>	<u>\$ 111,838</u>

Analysis of employee benefits by function				
Operating costs	\$ 20,881	\$ 24,395	\$ 54,702	\$ 51,941
Operating expenses	<u>33,679</u>	<u>30,453</u>	<u>72,530</u>	<u>59,897</u>
	<u>\$ 54,560</u>	<u>\$ 54,848</u>	<u>\$ 127,232</u>	<u>\$ 111,838</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 15% 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 2023 and January 1 to June 30, 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. Resolution passed to withhold distribution of employee remuneration and director's fees for 2022 and 2021. There is no difference from the amounts recognized in the consolidated financial statements for the years 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) Foreign exchange gains/losses

	<u>April 1 to June 30, 2023</u>	<u>April 1 to June 30, 2022</u>	<u>January 1 to June 30, 2023</u>	<u>January 1 to June 30, 2022</u>
Total foreign exchange gain	\$ 34,416	\$ 57,385	\$ 44,066	\$ 68,740
Total foreign exchange loss	(<u>17,782</u>)	(<u>31,226</u>)	(<u>33,034</u>)	(<u>41,136</u>)
Net profit or loss	<u>\$ 16,634</u>	<u>\$ 26,159</u>	<u>\$ 11,032</u>	<u>\$ 27,604</u>

XXIV. Taxation

(I) Income tax recognized in profit or loss

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

	<u>April 1 to June 30, 2023</u>	<u>April 1 to June 30, 2022</u>	<u>January 1 to June 30, 2023</u>	<u>January 1 to June 30, 2022</u>
Current tax				
In respect of the current period	\$ 1,684	(\$ 6,161)	\$ 1,684	(\$ 7,843)
Adjustments for prior years	(<u>55</u>)	(<u>26,850</u>)	<u>7,780</u>	(<u>28,893</u>)
	<u>1,629</u>	(<u>33,011</u>)	<u>9,464</u>	(<u>36,736</u>)
Deferred tax				

In respect of the current period	(4,328)	5,372	(3,076)	5,732
Adjustments for prior years	<u>18,550</u>	<u>(828)</u>	<u>18,550</u>	<u>(828)</u>
	<u>14,222</u>	<u>4,544</u>	<u>15,474</u>	<u>4,904</u>
Income tax gains (expenses) recognized in profit or loss	<u>\$ 15,851</u>	<u>(\$ 28,467)</u>	<u>\$ 24,938</u>	<u>(\$ 31,832)</u>
(II) Income tax assessments				

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. Earnings (losses) per share

The net profit (loss) and the weighted average number of ordinary shares outstanding used for the computation of earnings (losses) per share were as follows:

Net income (loss) for the period

	<u>April 1 to June 30, 2023</u>	<u>April 1 to June 30, 2022</u>	<u>January 1 to June 30, 2023</u>	<u>January 1 to June 30, 2022</u>
Net income (loss) for the period	<u>\$ 16,786</u>	<u>(\$ 11,132)</u>	<u>(\$ 16,275)</u>	<u>(\$ 19,569)</u>

No. of shares

	Unit: thousands of shares			
	<u>April 1 to June 30, 2023</u>	<u>April 1 to June 30, 2022</u>	<u>January 1 to June 30, 2023</u>	<u>January 1 to June 30, 2022</u>
Weighted average common stock shares used to calculate basic earnings (loss) per share	<u>112,719</u>	<u>112,719</u>	<u>112,719</u>	<u>112,719</u>

XXVI. Financial instruments

(I) Fair value of financial instruments that are 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 of financial instruments that are measured at fair value on a recurring basis

1. Fair value hierarchy

June 30, 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	\$ 1,536	\$ -	\$ -	\$ 1,536
– Foreign unlisted securities	-	-	341	341
- Fund beneficiary certificates	<u>22,349</u>	<u>-</u>	<u>-</u>	<u>22,349</u>
	<u>\$ 23,885</u>	<u>\$ -</u>	<u>\$ 341</u>	<u>\$ 24,226</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>

June 30, 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	\$ 1,142	\$ -	\$ -	\$ 1,142
– Foreign unlisted securities	-	-	1,139	1,139
	<u>\$ 1,142</u>	<u>\$ -</u>	<u>\$ 1,139</u>	<u>\$ 2,281</u>

There were no transfers between Level 1 and Level 2 fair value measurements during 2023 and January 1 to June 30, 2022.

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

January 1 to June 30, 2023

<u>Financial assets</u>	<u>FVTPL</u> <u>Equity instruments</u>
Beginning Retained Earnings	\$ 336
Foreign exchange rate effect	<u>5</u>
Closing Balance	<u>\$ 341</u>

January 1 to June 30, 2022

<u>Financial assets</u>	<u>FVTPL</u>
	<u>Equity instruments</u>
Beginning Retained Earnings	\$ 1,061
Foreign exchange rate effect	<u>78</u>
Closing Balance	<u>\$ 1,139</u>

3. Valuation techniques and inputs for Level fair value measurement

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

(III) Categories of financial instruments

	<u>June 30, 2023</u>	<u>December 31, 2022</u>	<u>June 30, 2022</u>
<u>Financial assets</u>			
FVTPL			
Financial assets mandatorily classified as at FVTPL	\$ 24,226	\$ 1,601	\$ 2,281
Financial assets at amortized cost (note 1)	851,807	819,773	1,107,577
<u>Financial liabilities</u>			
Measured at amortized cost (note 2)	520,705	411,226	761,194

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) Foreign currency 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.

	<u>USD impact</u>	
	<u>January 1 to June 30, 2023</u>	<u>January 1 to June 30, 2022</u>
Profit or loss	\$ 3,378	\$ 4,782

Effect of foreign currency on profit or loss as listed above 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:

	<u>June 30, 2023</u>	<u>December 31, 2022</u>	<u>June 30, 2022</u>
<u>Fair value interest rate risk</u>			
Financial assets	\$ 103,225	\$ 103,960	\$ 284,227
Financial liabilities	45,197	46,306	52,180
<u>Risk of cash flow changes due to interest rate</u>			
Financial assets	298,490	318,133	269,844
Financial liabilities	100,000	100,000	195,000

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 2023 and January 1 to June 30, 2022 would have decreased by \$992,000 and increased by \$374,000, 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 price risk

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 June 30, 2023 and December 31, 2022, and June 30, 2022, the Group's undrawn short-term banking facilities were NT\$320,000,000, NT\$320,000,000, and NT\$225,000,000, 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.

June 30, 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</u>					
<u>Financial Liabilities</u>					
Non-interest bearing liabilities	\$ 41,489	\$ 64,299	\$ 297,684	\$ 2,195	\$ -
Lease liabilities	-	-	3,546	14,183	69,140
Variable interest rate liabilities	180	541	102,770	-	-
	<u>\$ 41,669</u>	<u>\$ 64,840</u>	<u>\$ 404,000</u>	<u>\$ 16,378</u>	<u>\$ 69,140</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>\$ 3,546</u>	<u>\$ 14,183</u>	<u>\$ 17,728</u>	<u>\$ 17,728</u>	<u>\$ 17,728</u>	<u>\$ 15,956</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</u>					
<u>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>

June 30, 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</u>					
<u>Financial Liabilities</u>					
Non-interest bearing liabilities	\$ 55,121	\$ 64,386	\$ 420,795	\$ 2,170	\$ -
Lease liabilities	-	-	3,406	13,625	69,827
Variable interest rate liabilities	184	553	195,584	-	-
	<u>\$ 55,305</u>	<u>\$ 64,939</u>	<u>\$ 619,785</u>	<u>\$ 15,795</u>	<u>\$ 69,827</u>

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

	<u>Less than 1 Year</u>	<u>1-5 Years</u>	<u>5-10 Years</u>	<u>10-15 Years</u>	<u>15-20 Years</u>	<u>More than 20 Years</u>
Lease liabilities	<u>\$ 3,406</u>	<u>\$ 13,625</u>	<u>\$ 17,031</u>	<u>\$ 17,031</u>	<u>\$ 17,031</u>	<u>\$ 18,734</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) Related party name and category

<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>June 30, 2023</u>	<u>December 31, 2022</u>	<u>June 30, 2022</u>
Other receivables – related parties (included in other current assets)	Associate	<u>\$ 2,049</u>	<u>\$ 2,097</u>	<u>\$ 2,106</u>

The interest rate of short-term loans to related parties was equal to the market rate. The loans provided by the Group to related parties are unsecured loans.

As of June 30, 2023 and December 31 and June 30, 2022, all of the above Consolidated Company's other receivables from affiliates – related parties were interest receivable.

(III) Others

<u>Account Item</u>	<u>Related Party Name</u>	<u>June 30, 2023</u>	<u>December 31, 2022</u>	<u>June 30, 2022</u>
Temporary receipts (included in other current liabilities)	Chuzhou Ding Wang	<u>\$ 78,625</u>	<u>\$ 80,447</u>	<u>\$ 80,791</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) Compensation to key management of the Group

	<u>April 1 to June 30, 2023</u>	<u>April 1 to June 30, 2022</u>	<u>January 1 to June 30, 2023</u>	<u>January 1 to June 30, 2022</u>
Short-term employee benefits	\$ 1,497	\$ 1,476	\$ 3,774	\$ 3,584
Retirement benefits	<u>85</u>	<u>84</u>	<u>170</u>	<u>169</u>
	<u>\$ 1,582</u>	<u>\$ 1,560</u>	<u>\$ 3,944</u>	<u>\$ 3,753</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>June 30, 2023</u>	<u>December 31, 2022</u>	<u>June 30, 2022</u>
Property, plants, and equipment, net	\$ 91,664	\$ 92,038	\$ 92,413
Investment properties, net	<u>65,716</u>	<u>66,374</u>	<u>67,032</u>
	<u>\$ 157,380</u>	<u>\$ 158,412</u>	<u>\$ 159,445</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:

June 30, 2023

	<u>Foreign currencies</u>	<u>Exchange Rate</u>	<u>Carrying Amount</u>
<u>Financial assets</u>			
<u>Monetary Item</u>			
USD	\$ 10,671	31.14 (USD:NTD)	\$ 332,295
USD	13,631	7.2258 (USD:CNY)	424,469
USD	147	35.3221 (USD:THB)	4,578
<u>Financial Liabilities</u>			
<u>Monetary Item</u>			
USD	10,017	31.14 (USD:NTD)	311,929
USD	3,463	7.2258 (USD:CNY)	107,838
USD	120	35.3221 (USD:THB)	3,737

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

June 30, 2022

	<u>Foreign currencies</u>	<u>Exchange Rate</u>	<u>Carrying Amount</u>
<u>Financial assets</u>			
<u>Monetary Item</u>			
USD	\$ 16,137	29.72 (USD:NTD)	\$ 479,592
USD	16,503	6.7114 (USD:CNY)	490,469
USD	4	35.0927 (USD:THB)	119
<u>Financial Liabilities</u>			
<u>Monetary Item</u>			
USD	13,963	29.72 (USD:NTD)	414,980
USD	2,410	6.7114 (USD:CNY)	71,625
USD	181	35.0927 (USD:THB)	5,379

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:

<u>Functional currency</u>	<u>April 1 to June 30, 2023</u>		<u>April 1 to June 30, 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)	\$ 32	0.86 (THB:NTD)	(\$ 668)
NTD	1 (NTD: NTD)	481	1 (NTD: NTD)	2,596
CNY	4.38 (CNY: NTD)	16,121	4.46 (CNY: NTD)	24,231
		<u>\$ 16,634</u>		<u>\$ 26,159</u>

Functional currency	January 1 to June 30, 2023		January 1 to June 30, 2022	
	Exchange/expressing currency	Net exchange gains (losses)	Exchange/expressing currency	Net exchange gains (losses)
THB	0.90 (THB:NTD)	\$ 213	0.86 (THB:NTD)	(\$ 516)
NTD	1 (NTD: NTD)	318	1 (NTD: NTD)	6,095
CNY	4.41 (CNY: NTD)	10,501	4.43 (CNY: NTD)	22,025
		<u>\$ 11,032</u>		<u>\$ 27,604</u>

XXX. Other Disclosures

(I) Information on significant transactions:

1. Financing provided to others. (None)
2. Endorsements/guarantees provided. (None)
3. Marketable securities held (excluding investments in subsidiaries and associates). (Table 1)
4. Marketable securities acquired or disposed of at costs or prices at least NT\$300 million or 20% of the paid-in capital. (None)
5. Acquisition of individual real estate at costs of at least NT\$300 million or 20% of the paid-in capital. (None)
6. Disposal of individual real estate at prices of at least NT\$300 million or 20% of the paid-in capital. (None)
7. Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital. (Table 2)
8. Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital. (Table 3)
9. Trading in derivative instruments. (None)
10. Other: The business relationship between the parent and the subsidiaries and significant transactions between them. (Table 4)

(II) Information on investees (Table 5)

(III) Information on investment 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, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area. (Table 6)
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: (None)
 - (1) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period.
 - (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 of major shareholders: List all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder. (Table 7)

XXXI. Segment information

(I) Segment revenue and results

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)	
	January 1 to June 30, 2023	January 1 to June 30, 2022	January 1 to June 30, 2023	January 1 to June 30, 2022
Connection cables	\$ 560,191	\$ 819,218	\$ 10,903	\$ 32,235
Others	<u>20,605</u>	<u>15,823</u>	<u>1,070</u>	<u>(578)</u>
Operating Segment, net	<u>\$ 580,796</u>	<u>\$ 835,041</u>	11,973	31,657
Interest income			1,535	345
Other income			7,782	9,241
Other gains and losses			14,191	28,409
Share of profit or loss of affiliates under the equity method			2	2
Finance costs			(2,195)	(2,515)
Administrative expenses			(68,196)	(54,322)
Expected Credit Impairment/Gain			<u>(6,305)</u>	<u>(554)</u>
Profit (loss) before tax			<u>(\$ 41,213)</u>	<u>\$ 12,263</u>

The above revenue were generated through transactions with external customers. There were no inter-segment sales for 2023 and January 1 to June 30, 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 reversal benefit and income tax 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
June 30, 2023

Table 1

Unit: thousands of New Taiwan Dollar unless otherwise specified

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	341	19.00	341	Note 2
	ING Group N.V.	—	Current financial assets at fair value through profit or loss	3,000	1,259	-	1,259	Note 2
	TESLA MORTORS INC	—	Current financial assets at fair value through profit or loss	30	245	-	245	Note 2
	BEYOND MEAT INC	—	Current financial assets at fair value through profit or loss	80	32	-	32	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	22,349	-	22,349	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 June 30, 2023

Table 2

Unit: thousands of New Taiwan Dollar unless otherwise specified

Buyer (Seller)	Related Party	Relationship	Transaction Details				Trading terms different from general trading and the reasons		Notes/Accounts Receivable (Payable)		Remarks
			Purchase (Sale)	Amount	Percentage to Total Sales (Purchases) (%)	Collection/Payment terms	Unit Price	Collection/Payment terms	Ending Balance	Percentage to Total Notes/Accounts Receivable (Payable) (%)	
Ji-Haw Industrial, Co., Ltd.	J.H.P	Subsidiaries	Processing expense	\$ 268,286	96	Note 2	Note 1	Note 2	(\$ 306,173)	98	—
JHP	Ji-Haw Industrial, Co., Ltd.	Parent	Processing revenue	(268,286)	50	Note 2	Note 1	Note 2	306,173	58	—

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
 June 30, 2023

Table 3

Unit: thousands of New Taiwan Dollar unless otherwise specified

Company Recording Accounts Receivable	Related Party	Relationship	Balance of Receivables from Related Parties	Turnover Rate	Overdue		Amount Collected from Related Party Receivables After the Period	Allowance for Impairment Loss
					Amount	Actions Taken		
J.H.P	Ji-Haw Industrial, Co., Ltd.	Parent	\$ 306,173	2.05	\$ -	—	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 June 30, 2023

Table 4

Unit: thousands of New Taiwan Dollar unless otherwise specified

No. (Note 1)	Investee Company	Counterparty	Relationship (Note2)	Transaction Details			
				Financial Statement Accounts	Amount	Payment Terms	Percentage to Total Sales or Assets (%) (Note 3)
0	Ji-Haw Industrial, Co., Ltd.	J.H.P	1	Processing expense	\$ 268,286	Agreed upon contract price	46
		J.H.P	1	Accounts payable	306,173	150 days from the end of month	18

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: Calculation for transaction sum as a percentage of total consolidated revenues or total assets is explained as follows: for balance sheet items, percentage of end-of-period balance is calculated relative to consolidated total assets; for profit and loss items, percentage of cumulative amount is calculated relative to consolidated total revenues.

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

Ji-Haw Industrial, Co., Ltd. and Subsidiaries
Information on investees, Location, etc
January 1 to June 30, 2023

Table 5

Unit: thousands of New Taiwan Dollar unless otherwise specified

Investor	Investee	Location	Main business or production items	Initial investment amount		As of the end of the period			Net profit (loss) of the investee	Investment income (loss) recognized by the Company for the period (Note 1)	Remarks
				June 30, 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, Thungskla, Sriracha, Chonburi 20230 Thailand	Manufacturing and trading of computer cables or plugs	\$ 207,215	\$ 207,215	18,600,000	100.00	\$ 513,503	\$ 156	\$ 156	—
	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	4,633	289	289	—

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 June 30, 2023

Table 6

Unit: thousands of New Taiwan Dollar unless otherwise specified

Mainland China Invested Company Name	Main business or production items	Paid-in capital	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of the period.	The outward or inward amount of investments as of the period.		Accumulated Outward Remittance for Investment from Taiwan as of the period.	Profit or loss of investees (Note 1)	Percentage of Ownership of Direct or Indirect Investment	Investment income (loss) recognized by the Company for the period (Note 1)	Book value of investments at the end of the period (Note 1)	Accumulated Repatriation of Investment Income as of the period	Remarks
					Outward	Inward							
J.H.K	Manufacturing and trading of computer cables or plugs	US\$100,000	Direct investment with 100% ownership	\$ 3,114 (US\$ 100,000)	\$ -	\$ -	\$ 3,114 (US\$ 100,000)	\$ 301	100%	\$ 301	\$ 77,853	\$ 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.	298,944 (US\$9,600,000)	-	-	298,944 (US\$9,600,000)	13,339	100%	13,339	631,744	-	Note 3
Chuzhou Ding Wang	Investment development	CNY60,180,000	Held directly by the 100% owned subsidiary, J.H.P.	-	-	-	-	5	39%	2	96,726	-	—

Accumulated Outward Remittance for Investment in Mainland China as of the period	Investment Amounts Authorized by Investment Commission, MOEA	Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
\$ 302,058 (US\$9,700,000)	\$ 395,478 (US\$12,700,000)	\$ 591,242 (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 June 30, 2023, all others were calculated using the spot exchange rate at the end of June 2023.

Note 3: Among the recognized investment benefits of \$13,339 thousand, 5,399 thousand was recognized based on the shareholding ratio of 40.48% by the Company and the remaining 7,940 thousand was recognized based on the shareholding ratio of 59.52% by the 100% owned subsidiary, J.B.T.

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
June 30, 2023

Table 7

Name of The Major Shareholder	Shares	
	Number of Shares Owned	Shareholding ratio
Hou Chia Chang	6,500,000	5.76%

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.