

**MARKETECH INTERNATIONAL CORP.
AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REVIEW REPORT
JUNE 30, 2023 AND 2022**

For the convenience of readers and for information purpose only, the auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two versions, the Chinese-language auditors' report and financial statements shall prevail.

INDEPENDENT AUDITORS' REVIEW REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of Marketech International Corp.

Introduction

We have reviewed the accompanying consolidated balance sheets of Marketech International Corp. and subsidiaries (the "Group") as at June 30, 2023 and 2022, and the related consolidated statements of comprehensive income for the three months and six months then ended, as well as the consolidated statements of changes in equity and of cash flows for the six months then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" that came into effect as endorsed by the Financial Supervisory Commission. Our responsibility is to express a conclusion on these consolidated financial statements based on our reviews.

Scope of Review

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

Basis for Qualified Conclusion

As explained in Notes 4(3) and 6(6), we did not review the financial statements of certain insignificant consolidated subsidiaries and investments accounted for using equity method, which statements reflect total assets (including investments accounted for using equity method) of NT\$1,393,290 thousand and NT\$2,745,982 thousand, constituting 3% and 8% of the consolidated total assets, and total liabilities of NT\$366,161 thousand and NT\$1,579,314 thousand, constituting 1% and 6% of the consolidated total liabilities as at June 30, 2023 and 2022, respectively, and total comprehensive income (loss) of (NT\$76,636) thousand, NT\$69,533 thousand, (NT\$144,033) thousand and NT\$61,817 thousand, constituting (10%), 15%, (12%) and 7% of the consolidated total comprehensive income for the three months and six months then ended, respectively. These amounts were based solely on the unreviewed financial statements of these companies as of June 30, 2023 and 2022.

Qualified Conclusion

Except for the adjustments to the consolidated financial statements, if any, as might have been determined to be necessary had the financial statements of certain insignificant consolidated subsidiaries and investments accounted for using equity method been reviewed by independent auditors, that we might have become aware of had it not been for the situation described above, based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as at June 30, 2023 and 2022, and of its consolidated financial performance and its consolidated cash flows for the three months and six months then ended and its consolidated cash flows for the six months then ended in accordance with “Regulations Governing the Preparation of Financial Reports by Securities Issuers” and International Accounting Standard 34, “Interim Financial Reporting” that came into effect as endorsed by the Financial Supervisory Commission.

SUNG-TSE WANG

Lin, Chun-Yao

For and on Behalf of PricewaterhouseCoopers, Taiwan

August 2, 2023

The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

MARKETECH INTERNATIONAL CORP. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
JUNE 30, 2023, DECEMBER 31, 2022, JUNE 30, 2022 AND JANUARY 1, 2022
(Expressed in thousands of New Taiwan dollars)

	Assets	Notes	June 30, 2023		(adjusted) December 31, 2022		(adjusted) June 30, 2022		(adjusted) January 1, 2022	
			AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%
1100	Current assets									
1100	Cash and cash equivalents	6(1)	\$ 6,396,929	16	\$ 6,481,297	18	\$ 4,343,524	13	\$ 4,187,655	15
1110	Financial assets at fair value through profit or loss - current	6(2)	96,935	-	103,087	-	72,583	-	175,306	1
1136	Current financial assets at amortized cost	8	25,473	-	803	-	784	-	747	-
1140	Current contract assets	6(18)	11,421,598	29	9,059,781	26	7,721,894	24	8,510,574	30
1150	Notes receivable, net	6(3)	108,934	-	29,193	-	30,361	-	52,866	-
1160	Notes receivable - related parties	6(3) and 7	82	-	158	-	80	-	113	-
1170	Accounts receivable, net	6(3)(4)	6,193,444	16	6,232,983	18	7,243,706	22	4,805,260	17
1180	Accounts receivable - related parties, net	6(3) and 7	76,130	-	89,331	-	123,189	1	122,384	-
1200	Other receivables		102,766	-	27,043	-	27,776	-	201,074	1
130X	Inventories, net	6(5)	7,346,818	18	6,267,875	18	6,282,394	19	3,562,479	13
1410	Prepayments		1,763,707	4	1,421,484	4	1,166,082	4	1,026,464	4
1470	Other current assets	8	360,223	1	385,679	1	486,551	2	300,806	1
11XX	Total current assets		<u>33,893,039</u>	<u>84</u>	<u>30,098,714</u>	<u>85</u>	<u>27,498,924</u>	<u>85</u>	<u>22,945,728</u>	<u>82</u>
1510	Non-current assets									
1510	Financial assets at fair value through profit or loss - non-current	6(2)	1,053,312	3	653,075	2	759,030	2	802,715	3
1535	Non-current financial assets at amortized cost	8	15,693	-	16,199	-	12,717	-	42,119	-
1550	Investments accounted for using equity method	6(6)	103,631	-	104,090	-	75,236	-	75,386	-
1600	Property, plant and equipment, net	6(7), 7 and 8	2,450,953	6	2,441,994	7	2,349,437	7	2,366,042	9
1755	Right-of-use assets	6(8) and 7	1,868,293	5	1,624,507	5	1,322,875	4	1,255,415	5
1780	Intangible assets	7	105,369	-	109,186	-	99,809	-	106,822	-
1840	Deferred tax assets		411,350	1	313,266	1	212,906	1	207,214	1
1900	Other non-current assets	6(2)(6) and 8	243,133	1	94,256	-	185,098	1	108,507	-
15XX	Total non-current assets		<u>6,251,734</u>	<u>16</u>	<u>5,356,573</u>	<u>15</u>	<u>5,017,108</u>	<u>15</u>	<u>4,964,220</u>	<u>18</u>
1XXX	Total Assets		<u>\$ 40,144,773</u>	<u>100</u>	<u>\$ 35,455,287</u>	<u>100</u>	<u>\$ 32,516,032</u>	<u>100</u>	<u>\$ 27,909,948</u>	<u>100</u>
Liabilities and Equity										
2100	Current liabilities									
2100	Short-term borrowings	6(9) and 8	\$ 6,381,629	16	\$ 5,349,747	15	\$ 3,586,749	11	\$ 3,568,994	13
2130	Current contract liabilities	6(18)	7,557,066	19	6,889,495	19	6,375,991	20	4,684,990	17
2150	Notes payable		1,696,248	4	2,159,902	6	2,593,381	8	1,721,874	6
2160	Notes payable - related parties	7	4,189	-	7,487	-	10,628	-	15,218	-
2170	Accounts payable		6,505,570	16	7,075,213	20	7,270,317	22	6,363,401	23
2180	Accounts payable - related parties	7	23,495	-	22,366	-	13,325	-	12,409	-
2200	Other payables	6(10)	2,138,509	6	1,112,753	3	1,717,483	5	853,528	3
2230	Current tax liabilities		389,213	1	390,985	1	241,545	1	173,703	1
2280	Current lease liabilities	7	298,286	1	236,604	1	167,400	1	146,794	-

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MARKETECH INTERNATIONAL CORP. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
JUNE 30, 2023, DECEMBER 31, 2022, JUNE 30, 2022 AND JANUARY 1, 2022
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity		Notes	June 30, 2023		(adjusted) December 31, 2022		(adjusted) June 30, 2022		(adjusted) January 1, 2022	
			AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%
2320	Long-term liabilities, current portion	6(11)	\$ 531,605	1	\$ 644,880	2	\$ -	-	\$ -	-
2399	Other current liabilities		55,721	-	56,775	-	69,752	-	71,612	-
21XX	Total current liabilities		<u>25,581,531</u>	<u>64</u>	<u>23,946,207</u>	<u>67</u>	<u>22,046,571</u>	<u>68</u>	<u>17,612,523</u>	<u>63</u>
Non-current liabilities										
2530	Bonds payable	6(11)	2,370,350	6	-	-	642,662	2	885,747	3
2540	Long-term borrowings	6(12)	220,000	-	200,000	1	200,000	1	200,000	1
2570	Deferred tax liabilities		350,787	1	283,781	1	214,896	1	143,168	-
2580	Non-current lease liabilities	7	1,610,144	4	1,396,335	4	1,165,739	3	1,098,869	4
2640	Net defined benefit liability - non-current		136,831	-	138,106	-	162,014	-	163,688	1
2670	Other non-current liabilities	6(6)	5,397	-	4,710	-	4,052	-	3,145	-
25XX	Total non-current liabilities		<u>4,693,509</u>	<u>11</u>	<u>2,022,932</u>	<u>6</u>	<u>2,389,363</u>	<u>7</u>	<u>2,494,617</u>	<u>9</u>
2XXX	Total Liabilities		<u>30,275,040</u>	<u>75</u>	<u>25,969,139</u>	<u>73</u>	<u>24,435,934</u>	<u>75</u>	<u>20,107,140</u>	<u>72</u>
Equity										
Share capital		6(15)								
3110	Ordinary shares		1,961,248	5	1,950,284	6	1,950,181	6	1,927,562	7
Capital surplus		6(14)(16)								
3200	Capital surplus		2,018,852	5	1,787,330	5	1,785,914	6	1,562,207	6
Retained earnings		6(17)								
3310	Legal reserve		1,310,579	3	1,087,737	3	1,087,737	3	932,127	3
3320	Special reserve		182,589	-	256,244	1	256,244	1	167,098	1
3350	Unappropriated retained earnings		4,479,642	11	4,461,219	13	3,089,034	10	3,340,475	12
Other equity interest										
3400	Other equity interest		(209,005)	-	(182,589)	(1)	(191,279)	(1)	(256,244)	(1)
31XX	Total equity attributable to owners of parent		<u>9,743,905</u>	<u>24</u>	<u>9,360,225</u>	<u>27</u>	<u>7,977,831</u>	<u>25</u>	<u>7,673,225</u>	<u>28</u>
36XX	Non-controlling interests	4(3)	<u>125,828</u>	<u>1</u>	<u>125,923</u>	<u>-</u>	<u>102,267</u>	<u>-</u>	<u>129,583</u>	<u>-</u>
3XXX	Total Equity		<u>9,869,733</u>	<u>25</u>	<u>9,486,148</u>	<u>27</u>	<u>8,080,098</u>	<u>25</u>	<u>7,802,808</u>	<u>28</u>
Significant contingent liabilities and unrecognized contract commitments		9								
3X2X	Total Liabilities and Equity		<u>\$ 40,144,773</u>	<u>100</u>	<u>\$ 35,455,287</u>	<u>100</u>	<u>\$ 32,516,032</u>	<u>100</u>	<u>\$ 27,909,948</u>	<u>100</u>

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

MARKETECH INTERNATIONAL CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
SIX MONTHS ENDED JUNE 30, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

Items	Notes	Three months ended June 30,				Six months ended June 30,			
		2023		2022 (adjusted)		2023		2022 (adjusted)	
		AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%
4000 Operating Revenue	6(18) and 7	\$ 13,622,365	100	\$ 11,823,579	100	\$ 27,508,126	100	\$ 21,491,469	100
5000 Operating Costs	6(5)(21) and 7	(12,250,336)	(90)	(10,561,214)	(89)	(24,856,915)	(90)	(19,131,066)	(89)
5900 Gross Profit		<u>1,372,029</u>	<u>10</u>	<u>1,262,365</u>	<u>11</u>	<u>2,651,211</u>	<u>10</u>	<u>2,360,403</u>	<u>11</u>
Operating Expenses	6(21)								
6100 Sales and marketing expenses		(200,246)	(1)	(158,420)	(1)	(375,334)	(1)	(318,122)	(1)
6200 General and administrative expenses		(398,469)	(3)	(305,887)	(3)	(719,278)	(3)	(576,448)	(3)
6300 Research and development expenses		(73,147)	(1)	(67,738)	(1)	(130,715)	(1)	(126,106)	(1)
6450 Expected credit gain (loss)	12(2)	<u>7,241</u>	<u>-</u>	<u>(57,155)</u>	<u>-</u>	<u>(111,974)</u>	<u>-</u>	<u>(119,453)</u>	<u>-</u>
6000 Total operating expenses		<u>(664,621)</u>	<u>(5)</u>	<u>(589,200)</u>	<u>(5)</u>	<u>(1,337,301)</u>	<u>(5)</u>	<u>(1,140,129)</u>	<u>(5)</u>
6900 Operating Profit		<u>707,408</u>	<u>5</u>	<u>673,165</u>	<u>6</u>	<u>1,313,910</u>	<u>5</u>	<u>1,220,274</u>	<u>6</u>
Non-operating Income and Expenses									
7100 Interest income		38,762	-	4,328	-	49,299	-	8,127	-
7010 Other income	6(19)	27,668	-	13,519	-	43,877	-	23,161	-
7020 Other gains and losses	6(2)(20)	349,124	3	16,736	-	387,973	1	(10,100)	-
7050 Finance costs	7	(74,358)	-	(19,497)	-	(124,954)	-	(36,487)	-
7060 Share of profit (loss) of associates and joint ventures accounted for using equity method	6(6)	<u>1,828</u>	<u>-</u>	<u>170</u>	<u>-</u>	<u>(1,199)</u>	<u>-</u>	<u>(1,502)</u>	<u>-</u>
7000 Total non-operating income and expenses		<u>343,024</u>	<u>3</u>	<u>15,256</u>	<u>-</u>	<u>354,996</u>	<u>1</u>	<u>(16,801)</u>	<u>-</u>
7900 Profit before Income Tax		<u>1,050,432</u>	<u>8</u>	<u>688,421</u>	<u>6</u>	<u>1,668,906</u>	<u>6</u>	<u>1,203,473</u>	<u>6</u>
7950 Income tax expense	6(22)	<u>(246,283)</u>	<u>(2)</u>	<u>(213,175)</u>	<u>(2)</u>	<u>(423,171)</u>	<u>(2)</u>	<u>(370,839)</u>	<u>(2)</u>
8200 Net Income		<u>\$ 804,149</u>	<u>6</u>	<u>\$ 475,246</u>	<u>4</u>	<u>\$ 1,245,735</u>	<u>4</u>	<u>\$ 832,634</u>	<u>4</u>

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MARKETECH INTERNATIONAL CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
SIX MONTHS ENDED JUNE 30, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

Items		Notes	Three months ended June 30,				Six months ended June 30,			
			2023		2022 (adjusted)		2023		2022 (adjusted)	
			AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%
Other Comprehensive Income										
Components of other comprehensive income that will be reclassified to profit or loss										
8361	Exchange differences on translation of foreign operations		(\$ 28,295)	-	(\$ 2,193)	-	(\$ 32,915)	-	\$ 81,247	-
8370	Share of other comprehensive income of associates and joint ventures accounted for using equity method	6(6)	72	-	282	-	54	-	444	-
8399	Income tax relating to components of other comprehensive income that will be reclassified to profit or loss	6(22)	5,630	-	312	-	6,604	-	(16,241)	-
8360	Other comprehensive income (loss) that will be reclassified to profit or loss		(22,593)	-	(1,599)	-	(26,257)	-	65,450	-
8300	Other comprehensive income (loss), net of tax		(\$ 22,593)	-	(\$ 1,599)	-	(\$ 26,257)	-	\$ 65,450	-
8500	Total Comprehensive Income		<u>\$ 781,556</u>	<u>6</u>	<u>\$ 473,647</u>	<u>4</u>	<u>\$ 1,219,478</u>	<u>4</u>	<u>\$ 898,084</u>	<u>4</u>
Profit (loss) attributable to:										
8610	Owners of the parent		\$ 818,186	6	\$ 491,331	4	\$ 1,273,421	4	\$ 860,718	4
8620	Non-controlling interests		(14,037)	-	(16,085)	-	(27,686)	-	(28,084)	-
	Total		<u>\$ 804,149</u>	<u>6</u>	<u>\$ 475,246</u>	<u>4</u>	<u>\$ 1,245,735</u>	<u>4</u>	<u>\$ 832,634</u>	<u>4</u>
Comprehensive income (loss) attributable to:										
8710	Owners of the parent		\$ 795,664	6	\$ 490,083	4	\$ 1,247,005	4	\$ 925,683	4
8720	Non-controlling interests		(14,108)	-	(16,436)	-	(27,527)	-	(27,599)	-
	Total		<u>\$ 781,556</u>	<u>6</u>	<u>\$ 473,647</u>	<u>4</u>	<u>\$ 1,219,478</u>	<u>4</u>	<u>\$ 898,084</u>	<u>4</u>
9750	Basic earnings per share (in dollars)	6(23)	<u>\$ 4.18</u>		<u>\$ 2.52</u>		<u>\$ 6.51</u>		<u>\$ 4.42</u>	
9850	Diluted earnings per share (in dollars)	6(23)	<u>\$ 4.03</u>		<u>\$ 2.44</u>		<u>\$ 6.25</u>		<u>\$ 4.27</u>	

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

MARKETECH INTERNATIONAL CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
SIX MONTHS ENDED JUNE 30, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

		Equity attributable to owners of the parent									
		Capital Reserves			Retained Earnings			Other Equity			
		Share capital -	Capital Surplus -	Capital Surplus -			Unappropriated retained	Financial statements			
		ordinary shares	share premium	others	Legal reserve	Special reserve	earnings	translation			
								differences of foreign	Total	Non-controlling interests	
								operations		Total equity	
Notes											
<u>Six months ended June 30, 2022</u>											
Balance at January 1, 2022		\$ 1,927,562	\$ 1,530,365	\$ 31,842	\$ 932,127	\$ 167,098	\$ 3,339,807	(\$ 256,244)	\$ 7,672,557	\$ 129,583	\$ 7,802,140
Effect of retrospective application and retrospective restatement		-	-	-	-	-	668	-	668	-	668
Balance at January 1 after adjustments		<u>1,927,562</u>	<u>1,530,365</u>	<u>31,842</u>	<u>932,127</u>	<u>167,098</u>	<u>3,340,475</u>	<u>(256,244)</u>	<u>7,673,225</u>	<u>129,583</u>	<u>7,802,808</u>
Profit (loss) for the period		-	-	-	-	-	860,718	-	860,718	(28,084)	832,634
Other comprehensive income for the period		-	-	-	-	-	-	64,965	64,965	485	65,450
Total comprehensive income (loss)		-	-	-	-	-	860,718	64,965	925,683	(27,599)	898,084
Appropriations and distribution of 2021 retained earnings:		6(17)									
Legal reserve		-	-	-	155,610	-	(155,610)	-	-	-	-
Special reserve		-	-	-	-	89,146	(89,146)	-	-	-	-
Cash dividends		-	-	-	-	-	(867,403)	-	(867,403)	-	(867,403)
Share-based payment		6(14)	-	-	-	-	-	-	-	89	89
Changes in ownership interest in subsidiaries		6(16)	-	(47)	-	-	-	-	(47)	47	-
Conversion of convertible bonds		6(11)(15)(16)	22,619	230,992	(7,238)	-	-	-	246,373	-	246,373
Change in non-controlling interests			-	-	-	-	-	-	-	147	147
Balance at June 30, 2022		<u>\$ 1,950,181</u>	<u>\$ 1,761,357</u>	<u>\$ 24,557</u>	<u>\$ 1,087,737</u>	<u>\$ 256,244</u>	<u>\$ 3,089,034</u>	<u>(\$ 191,279)</u>	<u>\$ 7,977,831</u>	<u>\$ 102,267</u>	<u>\$ 8,080,098</u>
<u>Six months ended June 30, 2023</u>											
Balance at January 1, 2023		<u>\$ 1,950,284</u>	<u>\$ 1,762,375</u>	<u>\$ 24,955</u>	<u>\$ 1,087,737</u>	<u>\$ 256,244</u>	<u>\$ 4,461,219</u>	<u>(\$ 182,589)</u>	<u>\$ 9,360,225</u>	<u>\$ 125,923</u>	<u>\$ 9,486,148</u>
Profit (loss) for the period		-	-	-	-	-	1,273,421	-	1,273,421	(27,686)	1,245,735
Other comprehensive income (loss) for the period		-	-	-	-	-	-	(26,416)	(26,416)	159	(26,257)
Total comprehensive income (loss)		-	-	-	-	-	1,273,421	(26,416)	1,247,005	(27,527)	1,219,478
Appropriations and distribution of 2022 retained earnings:		6(17)									
Legal reserve		-	-	-	222,842	-	(222,842)	-	-	-	-
Special reserve		-	-	-	-	(73,655)	73,655	-	-	-	-
Cash dividends		-	-	-	-	-	(1,105,811)	-	(1,105,811)	-	(1,105,811)
Conversion of convertible bonds		6(11)(15)(16)	10,964	108,648	(3,373)	-	-	-	116,239	-	116,239
Due to recognition of equity component of convertible bonds issued		6(11)(16)	-	-	126,247	-	-	-	126,247	-	126,247
Change in non-controlling interests			-	-	-	-	-	-	-	27,432	27,432
Balance at June 30, 2023		<u>\$ 1,961,248</u>	<u>\$ 1,871,023</u>	<u>\$ 147,829</u>	<u>\$ 1,310,579</u>	<u>\$ 182,589</u>	<u>\$ 4,479,642</u>	<u>(\$ 209,005)</u>	<u>\$ 9,743,905</u>	<u>\$ 125,828</u>	<u>\$ 9,869,733</u>

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

MARKETECH INTERNATIONAL CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
SIX MONTHS ENDED JUNE 30, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

	Notes	Six months ended June 30,	
		2023	2022
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Profit before tax		\$ 1,668,906	\$ 1,203,473
Adjustments			
Adjustments to reconcile profit (loss)			
Net (gain) loss on financial assets at fair value through profit or loss	6(2)(20)	(318,298)	165,474
Expected credit loss	12(2)	111,974	119,453
Share of loss of associates and joint ventures accounted for using equity method	6(6)	1,199	1,502
Depreciation	6(7)(8)(21)	271,258	194,716
Amortization	6(21)	18,017	14,721
Loss (gain) on disposal of property, plant and equipment	6(20)	241	(28,161)
Compensation cost of share-based payments	6(14)(21)	-	89
Loss on lease modification	6(8)	2	169
Interest income		(49,299)	(8,127)
Interest expense		124,954	36,487
Dividend income	6(19)	(202)	(341)
Changes in operating assets and liabilities			
Changes in operating assets			
Contract assets – current		(2,361,817)	788,679
Notes receivable, net		(79,741)	22,505
Notes receivable – related parties, net		76	33
Accounts receivable, net		(74,490)	(2,487,998)
Accounts receivable – related parties, net		11,902	(27,027)
Other receivables		(23,155)	9,382
Inventories		(1,104,130)	(2,701,912)
Prepayments		(342,223)	(139,416)
Other current assets		(5,282)	(204,290)
Changes in operating liabilities			
Contract liabilities – current		667,571	1,691,002
Notes payable		(463,654)	871,507
Notes payable – related parties		(3,298)	(4,591)
Accounts payable		(518,746)	845,794
Accounts payable – related parties		1,129	916
Other payables		(72,637)	(17,481)
Other current liabilities		(1,056)	(1,860)
Other non-current liabilities		(1,275)	(1,674)
Cash (outflow) inflow generated from operations		(2,542,074)	343,024
Interest received		49,493	8,123
Dividends received		202	341
Interest paid		(123,017)	(32,513)
Income tax paid		(501,913)	(269,910)
Net cash flows (used in) from operating activities		(3,117,309)	49,065

(Continued)

MARKETECH INTERNATIONAL CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
SIX MONTHS ENDED JUNE 30, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

	Notes	Six months ended June 30, 2023	2022
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Acquisition of financial assets at fair value through profit or loss		(\$ 105,184)	(\$ 44,964)
Proceeds from disposal of financial assets at fair value through profit or loss		30,849	209,674
Acquisition of financial assets at amortized cost		(25,473)	(8,066)
Proceeds from disposal of financial assets at amortized cost		858	38,387
Acquisition of property, plant and equipment	6(7)	(139,951)	(132,158)
Proceeds from disposal of property, plant and equipment	6(7)	55	72,137
Acquisition of right-of-use assets		(2,035)	(432)
Acquisition of intangible assets		(12,760)	(7,629)
Decrease in refundable deposits		33,765	14,764
Increase in other non-current assets		(150,292)	(70,770)
Net cash flows (used in) from investing activities		(370,168)	70,943
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Increase in short-term borrowings	6(25)	1,001,380	11,512
Increase in long-term borrowings	6(25)	20,000	-
Repayments of lease principal	6(8)(25)	(109,702)	(59,332)
Proceeds from issuance of bonds	6(11)(25)	2,495,000	-
Changes in non-controlling interests		27,432	147
Net cash flows from (used in) financing activities		3,434,110	(47,673)
Effect of exchange rate changes on cash and cash equivalents		(31,001)	83,534
Net (decrease) increase in cash and cash equivalents		(84,368)	155,869
Cash and cash equivalents at beginning of period	6(1)	6,481,297	4,187,655
Cash and cash equivalents at end of period	6(1)	\$ 6,396,929	\$ 4,343,524

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

MARKETECH INTERNATIONAL CORP. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2023 AND 2022

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

(Reviewed, not audited)

1. ORGANIZATION AND OPERATIONS

Marketch International Corp. (the “Company”) was incorporated in the Republic of China (R.O.C) on December 27, 1988. On October 17, 2002, the Company’s common shares were officially listed on the Taiwan Over-The-Counter Securities Exchange and on May 24, 2004, the shares were transferred to be listed on the Taiwan Stock Exchange. The Company and its subsidiaries (collectively referred herein as the “Group”) are mainly engaged in (i) import and trade of various integrated circuits, semiconductors, electrical equipment and materials, chemicals, gas, components; (ii) factory affair and mechatronic system including clean room, automatic supply system of (specialty) gas and chemicals, monitoring system, Turn-key and Hook-up Project services and (iii) design and manufacturing of customized equipment. Ennoconn International Investment Co., Ltd. owns 42.55% of the shares of the Company. The ultimate parent company of the Company is Ennoconn Corporation.

2. THE DATE OF AUTHORIZATION FOR ISSUANCE OF THE CONSOLIDATED FINANCIAL STATEMENTS AND PROCEDURES FOR AUTHORIZATION

The consolidated financial statements were approved and authorized for issuance by the Board of Directors on August 2, 2023.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards (“IFRS”) that came into effect as endorsed by the Financial Supervisory Commission (“FSC”)

New standards, interpretations and amendments endorsed by the FSC and became effective from 2023 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IAS 1, ‘Disclosure of accounting policies’	January 1, 2023
Amendments to IAS 8, ‘Definition of accounting estimates’	January 1, 2023
Amendments to IAS 12, ‘Deferred tax related to assets and liabilities arising from a single transaction’	January 1, 2023

Except for the following, the above standards and interpretations have no significant impact to the Group’s financial condition and financial performance based on the Group’s assessment.

Amendments to IAS 12, ‘Deferred tax related to assets and liabilities arising from a single transaction’

The amendments require an entity to recognize deferred tax on particular transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences.

Upon adoption, the Group expects to recognize a deferred tax asset and liability for all deductible and taxable temporary differences associated with right-of-use assets and lease liabilities, and all deductible and taxable temporary differences are recognized retrospectively as of January 1, 2022. The potential impacts of these amendments are an increase in deferred tax assets by \$200,690, \$49,414, \$55,712 and \$128,229 and deferred tax liabilities by \$189,444, \$48,746, \$52,880 and \$123,083 as of June 30, 2023, January 1, 2022, June 30, 2022 and December 31, 2022, respectively, and a decrease in income tax expense by \$2,164 and \$6,100, and an increase in earnings per share by \$0.01 (in dollars) and \$0.03 (in dollars), for the 2nd quarter ended in 2023 and 2022, respectively.

(2) Effect of new issuances of or amendments to IFRSs as endorsed by the FSC but not yet adopted by the Group

None.

(3) IFRSs issued by IASB but not yet endorsed by the FSC

New standards, interpretations and amendments issued by IASB but not yet included in the IFRSs as endorsed by the FSC are as follows:

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</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 International Accounting Standards Board
Amendments to IFRS 16, 'Lease liability in a sale and leaseback'	January 1, 2024
IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IFRS 17, 'Insurance contracts'	January 1, 2023
Amendment 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 covenants'	January 1, 2024
Amendments to IAS 7 and IFRS 7, 'Supplier finance arrangements'	January 1, 2024
Amendments to IAS 12, 'International tax reform - pillar two model rules'	May 23, 2023

The above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted are consistent with Note 4 in the consolidated financial statements for the year ended December 31, 2022, except for the compliance statement, basis of preparation, basis of consolidation and additional policies as set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

A. The consolidated financial statements of the Group have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34, 'Interim Financial Reporting' that came into effect as endorsed by the FSC.

B. These consolidated financial statements should be read along with the consolidated financial statements as of and for the year ended December 31, 2022.

(2) Basis of preparation

A. Except for the following items, the consolidated financial statements have been prepared under the historical cost convention:

(a) Financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.

(b) Defined benefit liabilities recognized based on the net amount of pension fund assets less

B. The preparation of financial statements in conformity with International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the FSC (collectively referred herein as the “IFRSs”) requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Basis of consolidation

A. Basis for preparation of consolidated financial statements:

The basis for preparation of these consolidated financial statements is the same as that for the preparation of the consolidated financial statements as of and for the year ended December 31, 2022.

B. Subsidiaries included in the consolidated financial statements:

Name of investor	Name of subsidiary	Main business activities	Percentage of Ownership (%)			Note
			June 30, 2023	December 31, 2022	June 30, 2022	
Marketech International Corp.	Marketech Integrated Pte. Ltd.	Contracting for semiconductor automatic supply system	100	100	100	Note 1
Marketech International Corp.	Headquarter International Ltd.	Investment holdings and reinvestment	100	100	100	Note 1
Marketech International Corp.	Tiger United Finance Ltd.	Investment holdings and reinvestment	100	100	100	Note 1
Marketech International Corp.	Market Go Profits Ltd.	Investment holdings and reinvestment	100	100	100	-
Marketech International Corp.	MIC-Tech Global Corp.	International trade	100	100	100	Note 1

Name of investor	Name of subsidiary	Main business activities	Percentage of Ownership (%)			Note
			June 30, 2023	December 31, 2022	June 30, 2022	
Marketech International Corp.	MIC-Tech Viet Nam Co., Ltd.	Trading, installation and repair of various machinery equipment and its peripherals; consulting service and software execution service associated with computer hardware installation	100	100	100	Note 1
Marketech International Corp.	Marketech Engineering Pte. Ltd.	Contracting for electrical installation construction	100	100	100	Note 1
Marketech International Corp.	eZoom Information, Inc. (eZoom)	Research, trading and consulting of information system software and hardware appliance	100	100	100	Note 1
Marketech International Corp.	Marketech Co., Ltd.	Specialized contracting and related repair services; equipment sales and repair, sales of cosmetics and daily necessities; production, development and implementation of software and providing coding service; providing installation service of industrial machine and equipment	100	100	100	Note 1
Marketech International Corp.	Marketech Integrated Manufacturing Company Limited	Design, manufacturing, installation of automatic production equipment and its parts	100	100	100	Note 1
Marketech International Corp.	Marketech International Sdn. Bhd.	Specialized contracting and related repair services; sales of medical devices	100	100	100	Note 1
Marketech International Corp.	PT Marketech International Indonesia	Trading of machine equipment and parts	99.92	99.92	99.92	Note 1
Marketech International Corp.	Marketech Netherlands B.V.	International trade of machine and components and technical service	100	100	100	Note 1
Marketech International Corp.	ADAT Technology CO., LTD. (ADAT)	Research, development, application, and service of software; supply of electronic information and data processing service	25.62	25.62	25.64	Note 1 and 2
Marketech International Corp.	Marketech International Corporation USA	Specialized contracting and related repair services	100	100	100	-

Name of investor	Name of subsidiary	Main business activities	Percentage of Ownership (%)			Note
			June 30, 2023	December 31, 2022	June 30, 2022	
Marketech International Corp.	Spiro Technology Systems Inc.	International trade	100	100	100	Note 1
Marketech International Corp.	Taiwan Radisen HealthCare Co., Ltd. (Taiwan Radisen)	Smart medical consulting services and investment	100	100	100	Note 1
Marketech International Corp.	MIC Healthcare Korea Co., Ltd.	R&D, sales and professional technical services of medical device and its parts; international trade and import and export business	100	100	100	Note 1
Marketech International Corp.	Vertex System Corporation (Vertex System)	Trading of equipment for private 5G wireless communication networks (picocells and core networks) and IoT intelligent control gateway; maintenance and operations of device management platform (DMP), and provision of services in software management platform and vertical integration of information technology (IT) and communication technology (CT)	61.35	61.35	61.35	Note 1
Marketech International Corp.	Marketech International Corp. Japan	International trade	100	100	100	Note 1
Marketech International Corp.	Advanced Technology Matrix United Corp.	Warehousing logistics services; sales agent of semiconductor equipment, components and consumables and semiconductor materials	68.97	-	-	Note 1
Market Go Profits Ltd.	MIC-Tech Ventures Asia Pacific Inc.	Investment holdings and reinvestment	100	100	100	-
MIC-Tech Ventures Asia Pacific Inc.	Rusky H.K. Limited	Investment holdings and reinvestment	100	100	100	-
MIC-Tech Ventures Asia Pacific Inc.	MICT International Limited	Investment holdings and reinvestment	60	60	60	-
MIC-Tech Ventures Asia Pacific Inc.	Frontken MIC Co., Limited	Investment holdings and reinvestment	-	100	100	Note 4

Name of investor	Name of subsidiary	Main business activities	Percentage of Ownership (%)			Note
			June 30, 2023	December 31, 2022	June 30, 2022	
MIC-Tech Ventures Asia Pacific Inc.	MIC-Tech (WuXi) Co., Ltd.	Manufacturing and sales of semiconductor devices, intelligent storage equipments, illuminators, masks and labor protective products; manufacturing of package special equipments	100	100	100	-
MIC-Tech Ventures Asia Pacific Inc.	MIC-Tech (Shanghai) Corp.	Wholesale, commission agency, maintenance, repairment, manufacture, import and export of semiconductor production and its consumables; trading agency and consulting services in customs bonded area	100	100	100	-
MIC-Tech Ventures Asia Pacific Inc.	MIC-Tech Electronics Engineering Corp.	Installation and construction of mechanical and electrical systems; professional building renovation and decoration services; design and construction of smart buildings; construction of electronic projects and related technical services and consulting materials	100	100	100	-
MIC-Tech Ventures Asia Pacific Inc.	Fuzhou Jiwei System Integrated Co., Ltd.	Installation and complete services of clean room, mechanical system, street pipe system	-	-	100	Note 3
MIC-Tech Ventures Asia Pacific Inc.	MIC-Tech China Trading (Shanghai) Co., Ltd.	Wholesale, commission agency and import and export of chemical products, semiconductors, inspection equipment and its consumables, solar equipment consumables, trading and trading agency among enterprises in customs bonded area	100	100	100	-
Rusky H.K. Limited	Shanghai Maohua Electronics Engineering Co., Ltd.	Production of scrubber bins for semiconductor manufacturers; design, installation, debugging and technology services of tunnel system; equipment repair for semiconductor manufacturers	87	87	87	-
Rusky H.K. Limited	PT Marketech International Indonesia	Trading of machine equipment and parts	0.08	0.08	0.08	Note 1

Name of investor	Name of subsidiary	Main business activities	Percentage of Ownership (%)			Note
			June 30, 2023	December 31, 2022	June 30, 2022	
MICT International Limited	Integrated Manufacturing & Services Co., Ltd.	Development of special equipment for solar cell production, manufacture of optical engine, cleaning and regeneration of new electrical device	60	60	60	-
Marketch Engineering Pte. Ltd.	Marketch Integrated Construction Co., Ltd.	Specialized contracting for electrical installation construction	98.33	97.69	97.69	Note 1

Note 1 : The financial statements of the entity as of and for the six months ended June 30, 2023 and 2022 were not reviewed by independent auditors as the entity did not meet the definition of significant subsidiary.

Note 2 : The Company holds less than 50% share ownership in ADAT Technology CO., LTD. However, as the definition of control is met, the subsidiary was included in the consolidated entities.

Note 3 : Fuzhou Jiwei System Integrated Co., Ltd. completed the liquidation procedure in September 2022.

Note 4 : Frontken MIC Co., Limited completed the liquidation procedure in April 2023.

C. Subsidiaries not included in the consolidated financial statements: None.

D. Adjustments for subsidiaries with different balance sheet dates: None.

E. Significant restrictions: None.

F. Subsidiaries that have non-controlling interests that are material to the Group: As of June 30, 2023, December 31, 2022 and June 30, 2022, the non-controlling interests amounted to \$125,828, \$125,923 and \$102,267, respectively. Subsidiaries that have non-controlling interests are not material to the Group.

(4) Income tax

If a change in tax rate is enacted or substantively enacted in an interim period, the Group recognises the effect of the change immediately in the interim period in which the change occurs. The effect of the change on items recognised outside profit or loss is recognised in other comprehensive income or equity while the effect of the change on items recognised in profit or loss is recognised in profit or loss.

5. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND KEY SOURCES OF ASSUMPTION UNCERTAINTY

There was no significant change in the reporting period. Please refer to Note 5 in the consolidated financial statements as of and for the year ended December 31, 2022.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	<u>June 30, 2023</u>	<u>December 31, 2022</u>	<u>June 30, 2022</u>
Cash on hand	\$ 17,106	\$ 15,227	\$ 15,145
Checking accounts and demand deposits	6,379,823	6,465,683	4,328,001
Time deposits	-	387	378
Total	<u>\$ 6,396,929</u>	<u>\$ 6,481,297</u>	<u>\$ 4,343,524</u>

A. The Group transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.

B. Except for the cash and cash equivalents pledged to others as shown in Note 8 that was transferred to ‘financial assets at amortized cost’, the Group has no cash and cash equivalents pledged to others.

(2) Financial assets at fair value through profit or loss

	<u>June 30, 2023</u>	<u>December 31, 2022</u>	<u>June 30, 2022</u>
Current items:			
Financial assets mandatorily measured at fair value through profit or loss			
Listed stocks	\$ 4,373	\$ 4,373	\$ 4,373
Hybrid instruments-call provision of convertible corporate bonds (Note 6(11))	1,107	195	457
	<u>5,480</u>	<u>4,568</u>	<u>4,830</u>
Valuation adjustment	91,455	98,519	67,753
Total	<u>\$ 96,935</u>	<u>\$ 103,087</u>	<u>\$ 72,583</u>
Non-current items:			
Financial assets mandatorily measured at fair value through profit or loss			
Listed stocks	\$ 26,293	\$ 12,474	\$ 12,474
Unlisted stocks	597,528	518,470	520,445
Private funds	49,165	43,105	38,256
Hybrid instruments-convertible corporate bonds	52,748	52,748	52,748
	<u>725,734</u>	<u>626,797</u>	<u>623,923</u>
Valuation adjustment	327,578	26,278	135,107
Total	<u>\$ 1,053,312</u>	<u>\$ 653,075</u>	<u>\$ 759,030</u>
Prepayments to investments (listed as ‘other non-current assets’)			
Unlisted stocks	<u>\$ 150,292</u>	<u>\$ -</u>	<u>\$ -</u>

A. Amounts recognized in profit or loss in relation to financial assets at fair value through profit or loss are listed below:

	Three months ended June 30,	
	2023	2022
Financial assets mandatorily measured at fair value through profit or loss		
Equity instruments	\$ 220,424	(\$ 54,461)
Hybrid instruments	39,428	(2,152)
	<u>\$ 259,852</u>	<u>(\$ 56,613)</u>
	Six months ended June 30,	
	2023	2022
Financial assets mandatorily measured at fair value through profit or loss		
Equity instruments	\$ 278,832	(\$ 161,865)
Hybrid instruments	39,466	(3,609)
	<u>\$ 318,298</u>	<u>(\$ 165,474)</u>

B. The Group has no financial assets at fair value through profit or loss pledged to others.

(3) Notes and accounts receivable

	June 30, 2023	December 31, 2022	June 30, 2022
Notes receivable	<u>\$ 108,934</u>	<u>\$ 29,193</u>	<u>\$ 30,361</u>
	June 30, 2023	December 31, 2022	June 30, 2022
Accounts receivable	\$ 6,915,660	\$ 6,904,025	\$ 7,841,307
Less: Loss allowance	(722,216)	(671,042)	(597,601)
Total	<u>\$ 6,193,444</u>	<u>\$ 6,232,983</u>	<u>\$ 7,243,706</u>

The above accounts receivable and notes receivable were all from contracts with customers.

A. The ageing analysis of notes and accounts receivable (including related parties) that were past due but not impaired is as follows:

(a) Notes receivable

	June 30, 2023	December 31, 2022	June 30, 2022
Not past due	<u>\$ 109,016</u>	<u>\$ 29,351</u>	<u>\$ 30,441</u>

(b) Accounts receivable

	June 30, 2023	December 31, 2022	June 30, 2022
Not past due	\$ 5,075,835	\$ 4,931,701	\$ 5,869,839
Up to 90 days	589,238	841,498	976,083
91 to 180 days	323,690	260,855	231,197
181 to 365 days	305,263	237,095	160,852
Over 365 days	703,859	727,003	754,876
	<u>\$ 6,997,885</u>	<u>\$ 6,998,152</u>	<u>\$ 7,992,847</u>

The above ageing analysis was based on past due date.

- B. As of June 30, 2023, December 31, 2022 and June 30, 2022, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the Group's notes receivable (including related parties) were \$109,016, \$29,351 and \$30,441, respectively. As of June 30, 2023, December 31, 2022 and June 30, 2022, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the Group's accounts receivable (including related parties) were \$6,269,574, \$6,322,314 and \$7,366,895, respectively.
- C. The Group does not hold any collateral as security.
- D. On June 30, 2023 and December 31, 2022, the amount of the Group's accounts receivable expected to be factored were \$290,882 and \$67,875, respectively, and belonged to financial assets at fair value through other comprehensive income which was shown as accounts receivable. Refer to Note 6(4) for information on transfer of financial assets.
- E. Information relating to credit risk is provided in Note 12(2).

(4) Transfer of financial assets

Transferred financial assets that are derecognised in their entirety

- A. The Group entered into a factoring agreement with the bank to sell its accounts receivable. Under the agreement, the Group is not obligated to bear the default risk of the transferred accounts receivable, but is liable for the losses incurred on any business dispute. The Group does not have any continuing involvement in the transferred accounts receivable. Thus, the Group derecognised the transferred accounts receivable, and the related information is as follows:

	June 30, 2023	December 31, 2022
Accounts receivable transferred (Amount derecognized)	\$ 371,850	\$ 948,939
Amount advanced	\$ 371,850	\$ 948,939
Unpaid amount advanced	\$ -	\$ -

- B. As of June 30, 2023 and December 31, 2022, the Group's interest rate of amount advanced ranged from 4.43%~5.77% and 4.43%~4.93%, respectively.
- C. On June 30, 2022, the Group had no transferred accounts receivable.

(5) Inventories

June 30, 2023			
	Cost	Allowance for valuation loss and loss on obsolete and slow-moving inventories	Book value
Materials	\$ 2,271,608	(\$ 36,075)	\$ 2,235,533
Merchandise inventory	1,285,721	(45,986)	1,239,735
Raw materials	2,467,914	(19,922)	2,447,992
Supplies	118,999	(3,674)	115,325
Work in process	867,811	(14,544)	853,267
Semi-finished goods and finished goods	485,027	(30,061)	454,966
Total	<u>\$ 7,497,080</u>	<u>(\$ 150,262)</u>	<u>\$ 7,346,818</u>
December 31, 2022			
	Cost	Allowance for valuation loss and loss on obsolete and slow-moving inventories	Book value
Materials	\$ 2,038,938	(\$ 31,772)	\$ 2,007,166
Merchandise inventory	1,182,304	(56,909)	1,125,395
Raw materials	2,001,472	(15,831)	1,985,641
Supplies	99,374	(2,653)	96,721
Work in process	729,525	(13,269)	716,256
Semi-finished goods and finished goods	365,430	(28,734)	336,696
Total	<u>\$ 6,417,043</u>	<u>(\$ 149,168)</u>	<u>\$ 6,267,875</u>
June 30, 2022			
	Cost	Allowance for valuation loss and loss on obsolete and slow-moving inventories	Book value
Materials	\$ 1,963,434	(\$ 33,441)	\$ 1,929,993
Merchandise inventory	1,520,292	(56,452)	1,463,840
Raw materials	1,757,163	(35,299)	1,721,864
Supplies	93,935	(3,779)	90,156
Work in process	855,180	(18,106)	837,074
Semi-finished goods and finished goods	266,883	(27,416)	239,467
Total	<u>\$ 6,456,887</u>	<u>(\$ 174,493)</u>	<u>\$ 6,282,394</u>

A. Relevant expenses of inventories recognized as operating costs for the three months and six months ended June 30, 2023 and 2022 are as follows:

	Three months ended June 30,	
	2023	2022
Construction cost	\$ 8,472,283	\$ 7,040,249
Cost of sales	3,242,089	3,165,467
Other operating cost	545,679	355,319
(Gain on reserval of) loss on market value decline and obsolete and slow-moving inventories (Note) (9,715)	179
Total	<u>\$ 12,250,336</u>	<u>\$ 10,561,214</u>

	Six months ended June 30,	
	2023	2022
Construction cost	\$ 17,731,554	\$ 12,081,771
Cost of sales	6,034,991	6,310,338
Other operating cost	1,087,284	739,722
Loss on (gain on reserval of) market value decline and obsolete and slow-moving inventories (Note) (3,086	765)
Total	<u>\$ 24,856,915</u>	<u>\$ 19,131,066</u>

Note: The Group reversed a previous inventory write-down which was accounted for as reduction of cost of goods sold because the Group sold inventories, which had been previously provided with inventory valuation loss.

B. The Group has no inventories pledged to others.

(6) Investments accounted for using equity method

A. Details of investments accounted for using equity method:

	June 30, 2023		December 31, 2022	
	Carrying amount	% interest held	Carrying amount	% interest held
Glory Technology Service Inc.	\$ 74,416	29.24%	\$ 68,926	29.24%
Fortune Blessing Co., Limited	6,687	27.78%	6,711	27.78%
MIC Techno Co., Ltd.	1,809	20%	1,807	20%
Leader Fortune Enterprise Co., Ltd.	(5,318)	31.43%	(4,632)	31.43%
Bolite Co., Ltd	20,719	32%	26,646	32%
	<u>98,313</u>		<u>99,458</u>	
Add: Credit balance of long-term equity investment transferred to 'other non-current liabilities'	<u>5,318</u>		<u>4,632</u>	
Total	<u>\$ 103,631</u>		<u>\$ 104,090</u>	
Prepayments for long-term investments (listed as 'other non-current assets')				
Unlisted stocks	<u>\$ 1,557</u>		<u>\$ 1,536</u>	
			June 30, 2022	
			Carrying amount	% interest held
Glory Technology Service Inc.			\$ 66,062	29.24%
Fortune Blessing Co., Limited			7,363	27.78%
MIC Techno Co., Ltd.			1,811	20%
Leader Fortune Enterprise Co., Ltd.			(3,974)	31.43%
			<u>71,262</u>	
Add: Credit balance of long-term equity investment transferred to 'other non-current liabilities'			<u>3,974</u>	
Total			<u>\$ 75,236</u>	
Prepayments for long-term investments (listed as 'other non-current assets')				
Unlisted stocks			<u>\$ 29,720</u>	

B. Associates

Associates accounted for using equity method are all individually immaterial and the Group's share of the operating results are summarized below:

	Three months ended June 30,	
	2023	2022
Profit for the period from continuing operations	\$ 1,828	\$ 170
Other comprehensive income - net of tax	72	282
Total comprehensive loss	<u>\$ 1,900</u>	<u>\$ 452</u>
	Six months ended June 30,	
	2023	2022
Loss for the period from continuing operations	(\$ 1,199)	(\$ 1,502)
Other comprehensive income - net of tax	54	444
Total comprehensive loss	<u>(\$ 1,145)</u>	<u>(\$ 1,058)</u>

- C. The investment accounted for using equity method for the six months ended June 30, 2023 and 2022 were evaluated based on the financial statements of the entity which were not reviewed by independent auditors. The investments accounted for using equity method for the year ended December 31, 2022 was evaluated based on the financial statements of the entities which were audited by independent auditors.
- D. The Group is the single largest shareholder of Glory Technology Service Inc. with a 29.24% equity interest. Given that the remaining 70.76% of Glory Technology Service Inc.'s equity is concentrated in investors from other parties, the number of votes for the minority voting rights holders to act together has surpassed that of the Group, Therefore, the Group has no control over the company and only has significant influence on Glory Technology Service Inc.
- E. The Group is the single largest shareholder of Bolite Co., Ltd. with a 32% equity interest. Given that the remaining 68% of Bolite's equity is concentrated in investors from other parties, the number of votes for the minority voting rights holders to act together has surpassed that of the Group, Therefore, the Group has no control over the company and only has significant influence on Bolite Co., Ltd.

(7) Property, plant and equipment

	2023					
	Land	Buildings	Machinery and equipment	Office equipment	Others	Total
<u>At January 1</u>						
Cost	\$ 217,661	\$ 3,206,003	\$ 811,969	\$ 345,328	\$ 155,934	\$ 4,736,895
Accumulated depreciation and impairment	-	(1,481,121)	(563,469)	(227,786)	(22,525)	(2,294,901)
Book value	<u>\$ 217,661</u>	<u>\$ 1,724,882</u>	<u>\$ 248,500</u>	<u>\$ 117,542</u>	<u>\$ 133,409</u>	<u>\$ 2,441,994</u>
<u>Six months ended June 30</u>						
Opening net book amount	\$ 217,661	\$ 1,724,882	\$ 248,500	\$ 117,542	\$ 133,409	\$ 2,441,994
Additions	-	5,632	10,949	28,832	94,538	139,951
Transfers (Note)	-	35,602	-	10,502	(47,511)	(1,407)
Disposals	-	-	(97)	(199)	-	(296)
Depreciation	-	(78,478)	(25,742)	(20,954)	(3,766)	(128,940)
Net exchange differences	478	474	(1,066)	(342)	107	(349)
Closing net book amount	<u>\$ 218,139</u>	<u>\$ 1,688,112</u>	<u>\$ 232,544</u>	<u>\$ 135,381</u>	<u>\$ 176,777</u>	<u>\$ 2,450,953</u>
<u>At June 30</u>						
Cost	\$ 218,139	\$ 3,245,638	\$ 815,086	\$ 374,615	\$ 203,042	\$ 4,856,520
Accumulated depreciation and impairment	-	(1,557,526)	(582,542)	(239,234)	(26,265)	(2,405,567)
Book value	<u>\$ 218,139</u>	<u>\$ 1,688,112</u>	<u>\$ 232,544</u>	<u>\$ 135,381</u>	<u>\$ 176,777</u>	<u>\$ 2,450,953</u>

	2022					
	Land	Buildings	Machinery and equipment	Office equipment	Others	Total
<u>At January 1</u>						
Cost	\$ 213,512	\$ 3,046,857	\$ 777,755	\$ 294,069	\$ 98,541	\$ 4,430,734
Accumulated depreciation and impairment	-	(1,321,703)	(517,094)	(206,879)	(19,016)	(2,064,692)
Book value	<u>\$ 213,512</u>	<u>\$ 1,725,154</u>	<u>\$ 260,661</u>	<u>\$ 87,190</u>	<u>\$ 79,525</u>	<u>\$ 2,366,042</u>
<u>Six months ended June 30</u>						
Opening net book amount	\$ 213,512	\$ 1,725,154	\$ 260,661	\$ 87,190	\$ 79,525	\$ 2,366,042
Additions	-	45,512	21,972	21,102	46,567	135,153
Transfers (Note)	-	83,662	-	4,614	(91,271)	(2,995)
Disposals	(32,178)	(10,612)	(2,388)	(196)	(57)	(45,431)
Depreciation	-	(70,888)	(26,599)	(16,332)	(1,391)	(115,210)
Net exchange differences	2,208	8,038	982	412	238	11,878
Closing net book amount	<u>\$ 183,542</u>	<u>\$ 1,780,866</u>	<u>\$ 254,628</u>	<u>\$ 96,790</u>	<u>\$ 33,611</u>	<u>\$ 2,349,437</u>
<u>At June 30</u>						
Cost	\$ 183,542	\$ 3,185,176	\$ 799,950	\$ 314,726	\$ 53,669	\$ 4,537,063
Accumulated depreciation and impairment	-	(1,404,310)	(545,322)	(217,936)	(20,058)	(2,187,626)
Book value	<u>\$ 183,542</u>	<u>\$ 1,780,866</u>	<u>\$ 254,628</u>	<u>\$ 96,790</u>	<u>\$ 33,611</u>	<u>\$ 2,349,437</u>

Note: Transfers during the period pertain to certain previously unfinished constructions which had completed acceptance checked and transferred to buildings and office equipment.

A. The above property, plant and equipment are all owner-occupied.

B. The Group has no interest capitalised to property, plant and equipment.

C. Information about the property, plant and equipment that were pledged to others as collateral is provided in Note 8.

(8) Leasing arrangements — lessee

- A. The Group leases various assets including land, buildings, machinery and equipment, office equipment, and other equipment. Rental contracts are typically made for periods of 1 to 75 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased assets may not be used as security for borrowing purposes.
- B. Short-term leases with a lease term of 12 months or less comprise buildings, machinery and equipment, office equipment, and other equipment. Consequently, those leases are not included in right-of-use assets.
- C. The carrying amount of right-of-use assets and the depreciation charge are as follows:

	June 30, 2023	December 31, 2022	June 30, 2022
	Carrying amount	Carrying amount	Carrying amount
Land	\$ 870,115	\$ 864,153	\$ 878,442
Buildings	926,307	689,891	373,172
Machinery and equipment	1,267	927	-
Office equipment	1,076	1,337	1,035
Other equipment	69,528	68,199	70,226
	<u>\$ 1,868,293</u>	<u>\$ 1,624,507</u>	<u>\$ 1,322,875</u>

	Three months ended June 30,	
	2023	2022
	Depreciation charge	Depreciation charge
Land	\$ 6,615	\$ 6,157
Buildings	57,544	27,028
Machinery and equipment	103	-
Office equipment	199	127
Other equipment	8,482	8,765
	<u>\$ 72,943</u>	<u>\$ 42,077</u>

	Six months ended June 30,	
	2023	2022
	Depreciation charge	Depreciation charge
Land	\$ 12,774	\$ 12,132
Buildings	111,850	50,145
Machinery and equipment	173	-
Office equipment	406	172
Other equipment	17,115	17,057
	<u>\$ 142,318</u>	<u>\$ 79,506</u>

- D. For the six months ended June 30, 2023 and 2022, the additions to right-of-use assets were \$382,835 and \$ 137,589, respectively.

E. The information on profit and loss accounts relating to lease contracts is as follows:

	Three months ended June 30,	
	2023	2022
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 11,714	\$ 5,552
Expense on short-term lease contracts	\$ 50,481	\$ 28,716
Loss on lease modification	(\$ 2)	(\$ 199)
	Six months ended June 30,	
	2023	2022
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 22,428	\$ 11,825
Expense on short-term lease contracts	\$ 97,215	\$ 54,048
Loss on lease modification	(\$ 2)	(\$ 169)

F. For the six months ended June 30, 2023 and 2022, the Group's total cash outflow for leases were \$229,345 and \$125,205, respectively.

G. Extension options

- (a) Extension options are included in approximately 36% of the Group's lease contracts pertaining to land. These options are expected to be exercised for maximizing optional flexibility in terms of managing contracts.
- (b) In determining the lease term, the Group takes into consideration all facts and circumstances that create an economic incentive to exercise an extension option. The assessment of lease period is reviewed if a significant event occurs which affects the assessment.

(9) Short-term borrowings

	June 30, 2023	Interest rate range	Collateral
<u>Bank borrowings</u>			
Credit borrowings	\$ 6,331,117	1.395%~7.997%	None
Mortgage loan	50,512	5.48%~6.13%	Buildings
	<u>\$ 6,381,629</u>		
	December 31, 2022	Interest rate range	Collateral
<u>Bank borrowings</u>			
Credit borrowings	\$ 5,292,547	1.27%~8.17%	None
Mortgage loan	57,200	5.28%~6.28%	Buildings
	<u>\$ 5,349,747</u>		
	June 30, 2022	Interest rate range	Collateral
<u>Bank borrowings</u>			
Credit borrowings	\$ 3,533,324	0.92%~4.00%	None
Mortgage loan	53,425	2.72%~3.25%	Buildings
	<u>\$ 3,586,749</u>		

Details of mortgage loan are provided in Note 8.

(10) Other payables

	June 30, 2023	December 31, 2022	June 30, 2022
Salaries and bonus payable	\$ 447,075	\$ 719,679	\$ 404,867
Accrued employees' compensation and directors' remuneration	512,729	332,080	370,883
Dividends payable	1,105,811	-	867,403
Others	72,894	60,994	74,330
	<u>\$ 2,138,509</u>	<u>\$ 1,112,753</u>	<u>\$ 1,717,483</u>

(11) Bonds payable

	June 30, 2023	December 31, 2022	June 30, 2022
Bonds payable	\$ 3,034,100	\$ 651,200	\$ 652,300
Less: Discount on bonds payable	(132,145)	(6,320)	(9,638)
	2,901,955	644,880	642,662
Bonds payable of current portion (recorded as "Long-term liabilities, current portion")	(531,605)	(644,880)	-
	<u>\$ 2,370,350</u>	<u>\$ -</u>	<u>\$ 642,662</u>

A. The fourth unsecured convertible corporate bonds in 2020

(a) The Company issued the 4th domestic unsecured convertible bonds, as approved by the regulatory authority on November 27, 2020. The terms and conditions are as follows:

- i. Total issuance amount: NT\$1,500,000.
- ii. Issuance period: 3 years, and a circulation period from December 15, 2020 to December 15, 2023.
- iii. Coupon rate: 0%
- iv. Conversion period: The bondholders have the right to ask for conversion of the bonds into common shares of the Company during the period from the date after three months of the bonds before the maturity date, except the stop transfer period as specified in the terms of the bonds or the laws/regulations. The rights and obligations of the new shares converted from the bonds are the same as the issued and outstanding common shares.
- v. The conversion price of the bonds is set up based on the pricing model in the terms of the bonds, and is subject to adjustments if the condition of the anti-dilution provisions occurs subsequently. The conversion price will be reset based on the pricing model in the terms of the bonds on each effective date regulated by the terms. If the reset conversion price is higher than the conversion price before the reset, the conversion price will not be adjusted.
- vi. Redemption method:
 - (i) Redemption on the maturity date: Redeemed in cash at face value at the maturity date.
 - (ii) Redemption before the maturity date: The Company may repurchase all the bonds outstanding in cash at the bonds' face value at any time after the following events occur:

- (i) the closing price of the Company's common shares is above the then conversion price by 30% for 30 consecutive trading days during the period from the date after one month of the bonds issue to 40 days before the maturity date, or (ii) the outstanding balance of the bonds is less than 10% of total initial issue amount during the period from the date after one month of the bonds issue to 40 days before the maturity date.
 - (iii) Under the terms of the bonds, all bonds redeemed, matured and converted are retired and not to be re-issued; all rights and obligations attached to the bonds are also extinguished.
 - vii. For the six months ended June 30, 2023, the bonds totaling \$117,100 had been converted into 1,096 thousand shares of common stock. Accordingly, the Group recognized capital surplus of \$108,648 and reduced capital surplus - stock option by \$3,373.
 - viii. As of June 30, 2023, the bonds totaling \$965,900 had been converted into \$8,736 thousand shares of common stock. Accordingly, the Group recognized capital surplus of \$887,969 and reduced capital surplus - stock option by \$27,822.
 - (b) Regarding the issuance of convertible bonds, the equity conversion options amounting to \$43,206 were separated from the liability component and were recognized in 'capital surplus—stock warrants' in accordance with IAS 32. The call options embedded in bonds payable were separated from their host contracts and were recognized in 'financial assets or liabilities at fair value through profit or loss' in net amount in accordance with IAS 39 because the economic characteristics and risks of the embedded derivatives were not closely related to those of the host contracts. The effective interest rate of the bonds payable after such separation is 1.0255%.
- B. The fifth unsecured convertible corporate bonds in 2023
- (a) The Company issued the 5th domestic unsecured convertible bonds, as approved by the regulatory authority on June 27, 2023. The terms and conditions are as follows:
 - i. Total issuance amount: NT\$2,500,000.
 - ii. Issuance period: 3 years, and a circulation period from June 27, 2023 to June 27, 2026.
 - iii. Coupon rate: 0%
 - iv. Conversion period: The bondholders have the right to ask for conversion of the bonds into common shares of the Company during the period from the date after three months of the bonds before the maturity date, except the stop transfer period as specified in the terms of the bonds or the laws/regulations. The rights and obligations of the new shares converted from the bonds are the same as the issued and outstanding common shares.
 - v. The conversion price of the bonds is set up based on the pricing model in the terms of the bonds, and is subject to adjustments if the condition of the anti-dilution provisions occurs subsequently. The conversion price will be reset based on the pricing model in the terms of the bonds on each effective date regulated by the terms. If the reset conversion price is higher than the conversion price before the reset, the conversion price will not be adjusted.

vi. Redemption method:

- (i) Redemption on the maturity date: Redeemed in cash at face value at the maturity date.
- (ii) Redemption before the maturity date: The Company may repurchase all the bonds outstanding in cash at the bonds' face value at any time after the following events occur:
 - (i) the closing price of the Company's common shares is above the then conversion price by 30% for 30 consecutive trading days during the period from the date after one month of the bonds issue to 40 days before the maturity date, or
 - (ii) the outstanding balance of the bonds is less than 10% of total initial issue amount during the period from the date after one month of the bonds issue to 40 days before the maturity date.
- (iii) Under the terms of the bonds, all bonds redeemed, matured and converted are retired and not to be re-issued; all rights and obligations attached to the bonds are also extinguished.

vii. As of June 30, 2023, no convertible bonds were converted.

- (b) Regarding the issuance of convertible bonds, the equity conversion options amounting to \$126,247 were separated from the liability component and were recognized in 'capital surplus—stock warrants' in accordance with IAS 32. The call options embedded in bonds payable were separated from their host contracts and were recognized in 'financial assets or liabilities at fair value through profit or loss' in net amount in accordance with IAS 39 because the economic characteristics and risks of the embedded derivatives were not closely related to those of the host contracts. The effective interest rate of the bonds payable after such separation is 1.7960%.

(12) Long-term borrowings

<u>Type of borrowings</u>	<u>Borrowing period and repayment term</u>	<u>Interest rate</u>	<u>Collateral</u>	<u>June 30, 2023</u>
Long-term bank borrowings				
Credit borrowings	Borrowing period is from June 29, 2023 to September 29, 2024; interest is payable monthly; principal is payable at maturity date	1.655%	None	\$ 200,000
"	Borrowing period is from May 10, 2023 to May 10, 2028; interest is payable monthly; principal is payable at maturity date	2.980%	None	20,000
				<u>\$ 220,000</u>

<u>Type of borrowings</u>	<u>Borrowing period and repayment term</u>	<u>Interest rate</u>	<u>Collateral</u>	<u>December 31, 2022</u>
Long-term bank borrowings				
Credit borrowings	Borrowing period is from December 28, 2022 to March 28, 2024; interest is payable monthly; principal is payable at maturity date	1.530%	None	<u>\$ 200,000</u>

<u>Type of borrowings</u>	<u>Borrowing period and repayment term</u>	<u>Interest rate</u>	<u>Collateral</u>	<u>June 30, 2022</u>
Long-term bank borrowings				
Credit borrowings	Borrowing period is from June 28, 2022 to September 28, 2023; interest is payable monthly; principal is payable at maturity date	1.180%	None	<u>\$ 200,000</u>

(13) Pensions

- A. (a) The Company has a defined benefit pension plan in accordance with the Labor Standards Law, covering all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Law. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company contributes monthly an amount equal to 2% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. Also, the Company would assess the balance in the aforementioned labor pension reserve account by the end of December 31, every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method to the employees expected to qualify for retirement in the following year, the Company will make contributions to cover the deficit by next March.
- (b) For the aforementioned pension plan, the Group recognized pension costs of \$605, \$427, \$1,211 and \$854 for the three months and six months ended June 30, 2023 and 2022, respectively
- (c) Expected contributions to the defined benefit pension plan of the Company for the year ending December 31, 2024 amount to \$4,972.

- B. (a) Effective July 1, 2005, the Company and its domestic subsidiaries have established a defined contribution pension plan (the “New Plan”) under the Labor Pension Act (the “Act”), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company contributes monthly an amount based on 6% of the employees’ monthly salaries and wages to the employees’ individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.
- (b) The Company’s Mainland China subsidiaries have a defined contribution plan. Monthly contributions to an independent fund administered by the government in accordance with the pension regulations in the People’s Republic of China (PRC) are based on a certain percentage of the employees’ monthly salaries and wages. Other than the monthly contributions, the Group has no further obligations.
- (c) Certain overseas subsidiaries have a defined contribution plan. Contributions to an independent fund are based on a certain percentage of the employees’ monthly salaries and wages and are recognized as pension cost. Other than the monthly contributions, the Group has no further obligations.
- (d) The pension costs under the defined contribution pension plan of the Group for the three months and six months ended June 30, 2023 and 2022 were \$35,412, \$23,361, \$70,686 and \$50,924, respectively.

(14) Share-based payment

- A. For the six months ended June 30, 2023 and 2022, the Company’s share-based payment arrangements were as follows:

<u>Issuing Company</u>	<u>Type of arrangement</u>	<u>Grant date</u>	<u>Quantity granted (in thousands)</u>	<u>Contract period</u>	<u>Vesting conditions</u>
Subsidiary-ADAT	Employee stock options	2019.4.1	436	6 years	0~2 years’ service
“	“	2019.9.1	314	“	“
“	“	2020.5.1	27	“	“
“	“	2020.9.1	137	“	“

The above share-based payment arrangements are all settled by equity.

B. Details of the share-based payment arrangements are as follows:

	Six months ended June 30,			
	2023		2022	
	No. of options	Weighted-average exercise price (in dollars)	No. of options	Weighted-average exercise price (in dollars)
Options outstanding at beginning and the end of the period	-	\$ -	122	\$ 10.00
Options granted	-	-	11	10.00
Options exercised	-	-	(15)	10.00
Options forfeited	-	-	(6)	-
Options outstanding at end of the period	-	Note	112	10.00
Options exercisable at end of the period	-	Note	60	

Note: The above share-based payment arrangement of Subsidiary - ADAT, had been exercised at full amount on December 31, 2022.

C. The expiry date and exercise price of stock options outstanding at the balance sheet date are as follows:

Issuing Company	Issue date approved	Expiry date	June 30, 2022	
			No. of shares (in thousands)	Exercise price (in dollars)
Subsidiary-ADAT	2019.4.1	2025.3.31	50	\$ 10.00
"	2020.5.1	2026.4.30	20	10.00
"	2020.9.1	2026.8.31	42	10.00

June 30, 2023: None.

D. The fair value of stock options granted on grant date is measured using the Black-Scholes option-pricing model. Relevant information is as follows:

Issuing Company	Type of arrangement	Grant date	Stock price (in dollars)	Exercise price (in dollars)	Expected price volatility	Expected option life	Expected dividends	Risk-free interest rate	Fair value per unit (in dollars)
Subsidiary-ADAT	Employee stock options	2019.4.1	\$ 10.00	\$ 10.00	47.77%	3.550 years	0%	0.61%	\$ 2.4727
"	"	2019.9.1	10.00	10.00	44.29%	3.550 years	0%	0.54%	2.7873
"	"	2020.5.1	10.00	10.00	38.58%	3.550 years	0%	0.38%	10.4014
"	"	2020.9.1	10.00	10.00	38.10%	3.550 years	0%	0.29%	9.9910

E. The expenses incurred by the subsidiary - ADAT on share-based payment transactions amounted to \$0, \$45, \$0 and \$89 for the three months and six months ended June 30, 2023 and 2022, respectively.

(15) Share capital

A. As of June 30, 2023, the Company's authorized capital was \$3,000,000, consisting of 300 million shares of ordinary stock (including 9,800 thousand shares reserved for employee stock options), and the paid-in capital was \$1,961,248 with a par value of \$10 (in dollars) per share amounting to 196,124,774 shares. All proceeds from shares issued have been collected.

B. Movements in the number of the Company's ordinary shares outstanding are as follows:

	2023	2022
At January 1	195,028,376	192,756,201
Conversion of convertible bonds	1,096,398	2,261,878
At June 30	196,124,774	195,018,079

(16) Capital surplus

Pursuant to the R.O.C. Company Act, capital surplus arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the R.O.C. Securities and Exchange Act requires that the amount of capital surplus to be capitalised mentioned above should not exceed 10% of the paid-in capital each year. Capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.

Details of movements in capital surplus are as follows:

	2023			
	Share premium	Stock options	Others	Total
At January 1	\$ 1,762,375	\$ 18,757	\$ 6,198	\$ 1,787,330
Due to recognition of equity component of convertible bonds issued	-	126,247	-	126,247
Conversion of convertible bonds	108,648	(3,373)	-	105,275
At June 30	<u>\$ 1,871,023</u>	<u>\$ 141,631</u>	<u>\$ 6,198</u>	<u>\$ 2,018,852</u>
	2022			
	Share premium	Stock options	Others	Total
At January 1	\$ 1,530,365	\$ 26,027	\$ 5,815	\$ 1,562,207
Changes in ownership interest in subsidiaries	-	-	(47)	(47)
Conversion of convertible bonds	230,992	(7,238)	-	223,754
At June 30	<u>\$ 1,761,357</u>	<u>\$ 18,789</u>	<u>\$ 5,768</u>	<u>\$ 1,785,914</u>

(17) Retained earnings

- A. Under the Company's Articles of Incorporation, the current year's earnings, if any, shall first be used to pay all taxes and offset prior years' operating losses and then 10% of the remaining amount shall be set aside as legal reserve. Also, special reserve shall be set aside or reversed as required by regulations or the Competent Authority. The remaining amount along with the prior years' unappropriated earnings shall be proposed by the Board of Directors and resolved by the stockholders for appropriation or reserve.
- B. The Company's dividend policy is summarized below: in consideration of the overall environment development and industrial growth, fulfilling future operation development needs as priority and optimizing financial structure, distribution of stock dividends shall not exceed 50% of the dividends distributed.
- C. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the distribution of the reserve is limited to the portion in excess of 25% of the Company's paid-in capital.
- D. (a) In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.

(b) The amounts previously set aside by the Company as special reserve on initial application of IFRSs shall be reversed proportionately when the relevant assets are used, disposed of or reclassified subsequently.

E. Details of 2022 and 2021 earnings appropriation resolved by the shareholders on May 30, 2023 and May 27, 2022 are as follows:

	Years ended December 31,			
	2022		2021	
	Amount	Dividends per share (in dollars)	Amount	Dividends per share (in dollars)
Legal reserve	\$ 222,842	\$ -	\$ 155,610	\$ -
(Reversal) special reserve	(73,655)	-	89,146	-
Cash dividends	1,105,811	5.67	867,403	4.5
Total	<u>\$ 1,254,998</u>		<u>\$ 1,112,159</u>	

The earnings appropriation for the years ended December 31, 2022 and 2021 listed above had no difference from that proposed by the Board of Directors on February 17, 2023 and February 21, 2022, respectively.

Information about the earnings distribution for 2022 and 2021 as approved by the Board of Directors and resolved by the shareholders will be posted in the “Market Observation Post System” at the website of the Taiwan Stock Exchange.

(18) Operating revenue

	Three months ended June 30,	
	2023	2022
Construction contract revenue	\$ 8,884,780	\$ 7,541,960
Sales contract revenue	3,960,489	3,723,816
Other contract revenue	777,096	557,803
Total	<u>\$ 13,622,365</u>	<u>\$ 11,823,579</u>
	Six months ended June 30,	
	2023	2022
Construction contract revenue	\$ 18,707,769	\$ 12,995,787
Sales contract revenue	7,247,544	7,358,206
Other contract revenue	1,552,813	1,137,476
Total	<u>\$ 27,508,126</u>	<u>\$ 21,491,469</u>

A. Disaggregation of revenue from contracts with customers

The Group derives revenue from the transfer of goods and services over time and at a point in time in the following major product lines:

	Three months ended June 30,	
	2023	2022
Automatic supplying system	\$ 6,577,679	\$ 4,480,883
Total Facility Engineering Turnkey Project	2,222,890	2,789,786
R&D and manufacturing of customized equipment	2,268,581	2,482,432
Sales and service of high-tech equipment and materials	2,553,215	2,070,478
Total	<u>\$ 13,622,365</u>	<u>\$ 11,823,579</u>
Timing of revenue recognition		
At a point in time	\$ 4,154,170	\$ 3,913,429
Over time	9,468,195	7,910,150
Total	<u>\$ 13,622,365</u>	<u>\$ 11,823,579</u>
	Six months ended June 30,	
	2023	2022
Automatic supplying system	\$ 13,879,545	\$ 7,304,906
Total Facility Engineering Turnkey Project	4,676,767	5,238,819
R&D and manufacturing of customized equipment	4,185,929	4,865,211
Sales and service of high-tech equipment and materials	4,765,885	4,082,533
Total	<u>\$ 27,508,126</u>	<u>\$ 21,491,469</u>
Timing of revenue recognition		
At a point in time	\$ 7,635,694	\$ 7,719,616
Over time	19,872,432	13,771,853
Total	<u>\$ 27,508,126</u>	<u>\$ 21,491,469</u>

B. Contract assets and liabilities

(a) The Group has recognized the following revenue-related contract assets and liabilities:

	<u>June 30, 2023</u>	<u>December 31, 2022</u>	<u>June 30, 2022</u>	<u>January 1, 2022</u>
Contract assets:				
Construction contracts	<u>\$ 11,421,598</u>	<u>\$ 9,059,781</u>	<u>\$ 7,721,894</u>	<u>\$ 8,510,574</u>
Contract liabilities:				
Construction contracts	\$ 6,099,732	\$ 5,723,090	\$ 4,930,546	\$ 3,643,508
Sales contracts	1,027,349	737,272	1,093,343	784,108
Other contracts	<u>429,985</u>	<u>429,133</u>	<u>352,102</u>	<u>257,374</u>
	<u>\$ 7,557,066</u>	<u>\$ 6,889,495</u>	<u>\$ 6,375,991</u>	<u>\$ 4,684,990</u>

(b) Revenue recognized that was included in the contract liability balance at the beginning of the period:

	<u>Three months ended June 30,</u>	
	<u>2023</u>	<u>2022</u>
Revenue recognized that was included in the contract liability balance at the beginning of the period		
Construction contracts	\$ 876,843	\$ 639,194
Sales contracts	139,095	83,442
Other contracts	<u>49,834</u>	<u>35,480</u>
	<u>\$ 1,065,772</u>	<u>\$ 758,116</u>
	<u>Six months ended June 30,</u>	
	<u>2023</u>	<u>2022</u>
Revenue recognized that was included in the contract liability balance at the beginning of the period		
Construction contracts	\$ 3,333,630	\$ 1,635,977
Sales contracts	371,847	348,958
Other contracts	<u>168,666</u>	<u>81,572</u>
	<u>\$ 3,874,143</u>	<u>\$ 2,066,507</u>

(c) All contracts of the Group with periods of one year or less are billed based on time incurred. As permitted under IFRS 15, the transaction prices allocated to these unsatisfied contracts are not disclosed.

(19) Other income

	Three months ended June 30,	
	2023	2022
Grants revenue	\$ 8,671	\$ 3,483
Dividend income	202	77
Rental revenue	1,048	910
Other income	17,747	9,049
Total	<u>\$ 27,668</u>	<u>\$ 13,519</u>
	Six months ended June 30,	
	2023	2022
Grants revenue	\$ 16,238	\$ 6,910
Dividend income	202	341
Rental revenue	2,519	1,764
Other income	24,918	14,146
Total	<u>\$ 43,877</u>	<u>\$ 23,161</u>

(20) Other gains and losses

	Three months ended June 30,	
	2023	2022
Net gains (losses) on financial assets at fair value through profit or loss	\$ 259,852	(\$ 56,613)
Foreign exchange gains	90,297	66,492
(Losses) gains on disposals of property, plant and equipment	(106)	28,307
Other losses	(919)	(21,450)
Total	<u>\$ 349,124</u>	<u>\$ 16,736</u>
	Six months ended June 30,	
	2023	2022
Net gains (losses) on financial assets at fair value through profit or loss	\$ 318,298	(\$ 165,474)
Foreign exchange gains	83,940	150,450
(Losses) gains on disposals of property, plant and equipment	(241)	28,161
Other losses	(14,024)	(23,237)
Total	<u>\$ 387,973</u>	<u>(\$ 10,100)</u>

(21) Employee benefit expense, depreciation and amortization

A. Employee benefit expense, depreciation and amortization

	Three months ended June 30, 2023		
	<u>Operating costs</u>	<u>Operating expenses</u>	<u>Total</u>
Employee benefit expense			
Wages and salaries	\$ 373,253	\$ 426,396	\$ 799,649
Labour and health insurance fees	28,346	19,950	48,296
Pension costs	21,802	14,215	36,017
Other employee benefit expense	6,934	9,277	16,211
Depreciation	99,167	39,017	138,184
Amortization	4,173	4,970	9,143
Three months ended June 30, 2022			
	<u>Operating costs</u>	<u>Operating expenses</u>	<u>Total</u>
Employee benefit expense			
Wages and salaries	\$ 272,985	\$ 347,757	\$ 620,742
Compensation cost of employee stock options	-	45	45
Labour and health insurance fees	17,621	15,703	33,324
Pension costs	12,788	11,000	23,788
Other employee benefit expense	6,418	6,928	13,346
Depreciation	63,491	36,771	100,262
Amortization	3,099	4,518	7,617
Six months ended June 30, 2023			
	<u>Operating costs</u>	<u>Operating expenses</u>	<u>Total</u>
Employee benefit expense			
Wages and salaries	\$ 697,491	\$ 779,315	\$ 1,476,806
Labour and health insurance fees	59,451	44,101	103,552
Pension costs	43,868	28,029	71,897
Other employee benefit expense	20,015	18,502	38,517
Depreciation	194,230	77,028	271,258
Amortization	8,153	9,864	18,017

	Six months ended June 30, 2022		
	Operating costs	Operating expenses	Total
Employee benefit expense			
Wages and salaries	\$ 534,844	\$ 666,248	\$ 1,201,092
Compensation cost of employee stock options	-	89	89
Labour and health insurance fees	40,610	37,595	78,205
Pension costs	28,285	23,493	51,778
Other employee benefit expense	13,159	14,413	27,572
Depreciation	124,600	70,116	194,716
Amortization	5,908	8,813	14,721

B. Employees' compensation and directors' remuneration

- (a) According to the Articles of Incorporation of the Company, a ratio of distributable profit of the current year, shall not be higher than 3% for directors' remuneration and shall be 1~15% for employees' compensation. If the company has accumulated deficit, earnings should be reserved to cover losses.
- (b) For the three months and six months ended June 30, 2023 and 2022, employees' compensation and directors' remuneration are accrued as follows:

	Three months ended June 30,	
	2023	2022
Employees' compensation	\$ 106,096	\$ 67,576
Directors' remuneration	10,610	6,758
	<u>\$ 116,706</u>	<u>\$ 74,334</u>
	Six months ended June 30,	
	2023	2022
Employees' compensation	\$ 169,019	\$ 123,260
Directors' remuneration	16,902	12,326
	<u>\$ 185,921</u>	<u>\$ 135,586</u>

For the six months ended June 30, 2023, employees' compensation and directors' remuneration were estimated and accrued based on 10% and 1% of distributable profit of current year as of the end of reporting period, respectively.

The employees' compensation and directors' remuneration for 2022 as resolved by the Board of Directors on February 17, 2022 were \$297,098 and \$29,710, respectively, and were in agreement with those amounts recognized in the 2022 financial statements.

Information about employees' compensation and directors' remuneration of the Company as resolved at the meeting of the Board of Directors will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(22) Income tax

A. Income tax expense

(a) Components of income tax expense:

	Three months ended June 30,	
	2023	2022
Current tax		
Current tax on profits for the period	\$ 286,851	\$ 195,646
Tax on undistributed surplus earnings	48,671	-
Adjustments in respect of prior years	(50,919)	3,352
Total current tax	284,603	198,998
Deferred tax		
Origination and reversal of temporary differences	(38,320)	14,177
Income tax expense	\$ 246,283	\$ 213,175

	Six months ended June 30,	
	2023	2022
Current tax		
Current tax on profits for the period	\$ 445,423	\$ 306,352
Tax on undistributed surplus earnings	48,671	-
Adjustments in respect of prior years	(46,636)	14,691
Total current tax	447,458	321,043
Deferred tax		
Origination and reversal of temporary differences	(24,287)	49,796
Income tax expense	\$ 423,171	\$ 370,839

(b) The income tax (charge)/credit relating to components of other comprehensive income is as follows:

	Three months ended June 30,	
	2023	2022
Currency translation differences of foreign operations	(\$ 5,630)	(\$ 312)

	Six months ended June 30,	
	2023	2022
Currency translation differences of foreign operations	(\$ 6,604)	\$ 16,241

B. Assessment of the Company's and domestic subsidiaries' income tax returns is as follows:

	Assessment
The Company	Through 2019
Vertex System, eZoom, ADAT and Taiwan Radisen	Through 2021

(23) Earnings per share

Three months ended June 30, 2023			
		Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
	<u>Amount after tax</u>		
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 818,186	195,768	<u>\$ 4.18</u>
<u>Diluted earnings per share</u>			
Assumed conversion of all dilutive potential ordinary shares			
Convertible bonds	1,142	6,454	
Employees' compensation	<u>-</u>	<u>1,194</u>	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	<u>\$ 819,328</u>	<u>203,416</u>	<u>\$ 4.03</u>
Three months ended June 30, 2022			
		Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
	<u>Amount after tax</u>		
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 491,331	195,018	<u>\$ 2.52</u>
<u>Diluted earnings per share</u>			
Assumed conversion of all dilutive potential ordinary shares			
Convertible bonds	1,307	5,871	
Employees' compensation	<u>-</u>	<u>1,110</u>	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	<u>\$ 492,638</u>	<u>201,999</u>	<u>\$ 2.44</u>

Six months ended June 30, 2023			
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 1,273,421	195,533	<u>\$ 6.51</u>
<u>Diluted earnings per share</u>			
Assumed conversion of all dilutive potential ordinary shares			
Convertible bonds	2,371	6,689	
Employees' compensation	-	1,814	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	<u>\$ 1,275,792</u>	<u>204,036</u>	<u>\$ 6.25</u>
Six months ended June 30, 2022			
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 860,718	194,863	<u>\$ 4.42</u>
<u>Diluted earnings per share</u>			
Assumed conversion of all dilutive potential ordinary shares			
Convertible bonds	2,631	6,026	
Employees' compensation	-	1,498	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	<u>\$ 863,349</u>	<u>202,387</u>	<u>\$ 4.27</u>

(24) Supplemental cash flow information

	Six months ended June 30,	
	2023	2022
Convertible bonds converted to capital stocks	\$ 116,239	\$ 246,373
Cash dividends payable (recorded as other payables)	\$ 1,105,811	\$ 867,403

(25) Changes in liabilities from financing activities

	2023				
	Lease liabilities	Short-term borrowings	Long-term borrowings	Bonds payable (Note)	Liabilities from financing activities-gross
At January 1	\$ 1,632,939	\$5,349,747	\$ 200,000	\$ 644,880	\$ 7,827,566
Changes in cash flow from financing activities	(109,702)	1,001,380	20,000	2,495,000	3,406,678
Impact of changes in foreign exchange rate	4,390	30,502	-	-	34,892
Changes in other non-cash items	380,803	-	-	(237,925)	142,878
At June 30	<u>\$ 1,908,430</u>	<u>\$6,381,629</u>	<u>\$ 220,000</u>	<u>\$2,901,955</u>	<u>\$ 11,412,014</u>
	2022				
	Lease liabilities	Short-term borrowings	Long-term borrowings	Bonds payable	Liabilities from financing activities-gross
At January 1	\$ 1,245,663	\$3,568,994	\$ 200,000	\$ 885,747	\$ 5,900,404
Changes in cash flow from financing activities	(59,332)	11,512	-	-	(47,820)
Impact of changes in foreign exchange rate	15,462	6,243	-	-	21,705
Changes in other non-cash items	131,346	-	-	(243,085)	(111,739)
At June 30	<u>\$ 1,333,139</u>	<u>\$3,586,749</u>	<u>\$ 200,000</u>	<u>\$ 642,662</u>	<u>\$ 5,762,550</u>

Note: Including bonds payable of current portion (recorded as "Long-term liabilities, current portion")

7. RELATED PARTY TRANSACTIONS

(1) Parent company

The Company is controlled by Ennoconn International Investment Co., Ltd. (registered in the Republic of China), which owns 42.55% of the shares of the Company. The remaining 57.45% of the shares of the Company are held by the general public. The ultimate parent company of the Company is Ennoconn Corporation (registered in the Republic of China).

(2) Names of related parties and relationship

Names of related parties	Relationship with the Group
Ennoconn Corporation	Ultimate parent company
Chung-Hsin Precision Machinery Co., Ltd.	Other related party
Hon Hai Precision Industry Co., Ltd.	"
Chung-Hsin Electric & Machinery Mfg. Corp.	"
Hong Kong Ennpower Information Technology Co., Limited	"
Coiler Corporation	"
Foxconn Global Network	"
Hon Young Semiconductor Corporation	"
SERVTECH Co., Ltd.	"
CTS Investment Corp.	"
Altus Technology Inc.	"
Glory Technology Service Inc.	Associate
Fortune International Corporation	"
Macrotec Technology Corp.	Entity controlled by key management or entity with significant influence
Forward Science Corp.	"
Shenzhen Hyper Power Information Technology Co., Ltd.	"
ProbeLeader Co., Ltd.	"
Everlasting Digital ESG Co., Ltd.	"
E-WIN Investment Corp.	"

(3) Significant related party transactions and balances

A. Sales of goods and services

(a) Sales of goods

	Three months ended June 30,	
	2023	2022
Other related parties	\$ 6,147	\$ 6
Entities controlled by key management or entities with significant influence	-	-
	<u>\$ 6,147</u>	<u>\$ 6</u>
	Six months ended June 30,	
	2023	2022
Other related parties	\$ 10,346	\$ 255
Entities controlled by key management or entities with significant influence	-	5
	<u>\$ 10,346</u>	<u>\$ 260</u>

Prices to related parties and third parties are based on normal sales transactions and sales are collected 2 to 3 months after the completion of transactions.

(b) Construction contract revenue

	Three months ended June 30,	
	2023	2022
Other related parties	\$ 26,633	\$ 12,630
Entities controlled by key management or entities with significant influence	4,248	2,811
Total	<u>\$ 30,881</u>	<u>\$ 15,441</u>
	Six months ended June 30,	
	2023	2022
Other related parties	\$ 47,160	\$ 35,331
Entities controlled by key management or entities with significant influence	4,610	6,368
Total	<u>\$ 51,770</u>	<u>\$ 41,699</u>

i. Construction contract revenue from related parties and non-related parties are collected based on the general construction contract or general agreement. In addition, construction contracts entered into with related parties are based on the price lists in force and terms that would be available to third parties while the collection periods for construction contracts are about 2 to 3 months after inspection of construction depending on the construction contracts or individual agreements.

ii. As of June 30, 2023, December 31, 2022 and June 30, 2022, contract price and priced contract of unfinished construction are as follows:

	June 30, 2023		December 31, 2022	
	Total contract price (before tax) (Note)	Priced contract (Note)	Total contract price (before tax) (Note)	Priced contract (Note)
Other related parties	\$ 2,803,179	\$ 675,691	\$ 663,896	\$ 595,836
Entities controlled by key management or entities with significant influence	318,584	295,958	396,569	375,627
Total	<u>\$ 3,121,763</u>	<u>\$ 971,649</u>	<u>\$ 1,060,465</u>	<u>\$ 971,463</u>

	June 30, 2022	
	Total contract price (before tax) (Note)	Priced contract (Note)
Other related parties	\$ 612,013	\$ 553,663
Entities controlled by key management or entities with significant influence	424,203	381,479
Total	<u>\$ 1,036,216</u>	<u>\$ 935,142</u>

Note: The amounts were translated at the original currency times exchange rate at each period end.

(c) Other contract revenue

	Three months ended June 30,	
	2023	2022
Other related parties	\$ 5,556	\$ 4,148
Entities controlled by key management or entities with significant influence	1,359	777
Total	<u>\$ 6,915</u>	<u>\$ 4,925</u>
	Six months ended June 30,	
	2023	2022
Other related parties	\$ 7,116	\$ 7,855
Entities controlled by key management or entities with significant influence	2,128	1,307
Total	<u>\$ 9,244</u>	<u>\$ 9,162</u>

Other contract revenue from related parties and non-related parties are collected based on the general service contract or general agreement. In addition, service contracts entered into with related parties are based on the price lists in force and terms that would be available to third parties while the collection periods for service contracts are about 2 to 3 months after inspection of service depending on the other contracts or individual agreements.

B. Acquisition of goods and services

(a) Purchase of goods

	Three months ended June 30,	
	2023	2022
Entities controlled by key management or entities with significant influence	\$ 874	\$ 1,324
Other related parties	8,276	8,148
Total	<u>\$ 9,150</u>	<u>\$ 9,472</u>
	Six months ended June 30,	
	2023	2022
Entities controlled by key management or entities with significant influence	\$ 955	\$ 4,752
Other related parties	10,984	19,053
Total	<u>\$ 11,939</u>	<u>\$ 23,805</u>

Purchases from related parties and third parties are based on normal purchase prices and terms and are collectible about 2 to 3 months after inspection.

(b) Construction contract costs

	Three months ended June 30,	
	2023	2022
Entities controlled by key management or entities with significant influence	\$ 364	\$ 467
Associate	21,819	8,813
Other related parties	46	960
Total	<u>\$ 22,229</u>	<u>\$ 10,240</u>
	Six months ended June 30,	
	2023	2022
Entities controlled by key management or entities with significant influence	\$ 364	\$ 467
Associate	24,174	9,581
Other related parties	101	1,345
Total	<u>\$ 24,639</u>	<u>\$ 11,393</u>

The outsourcing construction contract costs paid to related parties and third parties are based on normal construction contracts or individual agreements. Furthermore, the payment terms to related parties are approximately the same to third parties, which is about 2 months after inspection of construction depending on the construction contracts or individual agreements.

C. Receivables from related parties

Notes receivable

	<u>June 30, 2023</u>	<u>December 31, 2022</u>	<u>June 30, 2022</u>
Entities controlled by key management or entities with significant influence	\$ <u>82</u>	\$ <u>158</u>	\$ <u>80</u>

Accounts receivable

	<u>June 30, 2023</u>	<u>December 31, 2022</u>	<u>June 30, 2022</u>
Other related parties	\$ 77,761	\$ 67,243	\$ 116,144
Entities controlled by key management or entities with significant influence	<u>4,464</u>	<u>26,884</u>	<u>35,396</u>
Subtotal	82,225	94,127	151,540
Less: Loss allowance	(6,095)	(4,796)	(28,351)
Total	<u>\$ 76,130</u>	<u>\$ 89,331</u>	<u>\$ 123,189</u>

The collection terms to related parties and third parties are about 2 to 3 months after the sale while terms for construction are about 2 to 3 months after inspection of construction depending on the construction contracts or individual agreements.

D. Payables to related parties

Notes payable

	<u>June 30, 2023</u>	<u>December 31, 2022</u>	<u>June 30, 2022</u>
Entities controlled by key management or entities with significant influence	\$ 1,429	\$ 2,151	\$ 2,813
Other related parties	2,760	5,336	1,103
Associate	<u>-</u>	<u>-</u>	<u>6,712</u>
Total	<u>\$ 4,189</u>	<u>\$ 7,487</u>	<u>\$ 10,628</u>

Accounts payable

	<u>June 30, 2023</u>	<u>December 31, 2022</u>	<u>June 30, 2022</u>
Entities controlled by key management or entities with significant influence	\$ 14,268	\$ 13,956	\$ 6,621
Other related parties	8,177	6,534	4,084
Ultimate parent company	59	-	-
Associates	<u>991</u>	<u>1,876</u>	<u>2,620</u>
Total	<u>\$ 23,495</u>	<u>\$ 22,366</u>	<u>\$ 13,325</u>

The payment terms to related parties and third parties are about 2 to 3 months after inspection of purchases. The payment terms for outsourcing construction costs are about 2 months after inspection of construction, depending on normal construction contracts or individual agreements.

E. Property transactions

(a) Acquisition of property, plant and equipment, and intangible assets

For the three months and six months ended June 30, 2023 and 2022, the Group has acquired computer equipment and related software from entities controlled by key management and the acquisition price were \$8,649, \$3,370, \$13,223 and \$6,458 (recorded as ‘property, plant and equipment’ and ‘intangible assets’), respectively.

(b) Disposal of right-of-use assets (early termination of lease contract)

For the six months ended June 30, 2022, the Group terminated the lease contracts with other related parties prior to the expiration date. As a result, right-of-use assets and lease liabilities decreased by \$3,790 and \$3,844, respectively, and gain arising from lease modification of \$54 was recognized.

For the six months ended June 30, 2023: None.

F. Lease transactions — lessee

(a) i. The Group leases plants and offices from Chung-Hsin Precision Machinery Co., Ltd. Rental contracts are typically made for periods from September 1, 2021 to August 31, 2024, and rents are paid quarterly. Leased assets are not allowed to be used illegally, store hazardous materials or be used in any purpose which may be harmful to the environment and public safety. Without obtaining approval from lessors, all or certain leased assets cannot be subleased, lent or granted in any different form to third parties or the lease right of all or certain leased assets can not be transferred to third parties.

ii. The Group leases offices from CTS Investment Corp. Rental contracts are made for periods of 5 years from January 1, 2022 to December 31, 2026. Rents are paid monthly. There are no contractual restrictions and other important commitments.

iii. The Group leases offices from Coiler Corp. Rental contracts are made for periods of 5 years from January 1, 2022 to December 31, 2026. Rents are paid monthly. There are no contractual restrictions and other important commitments.

(b) Acquisition of right-of-use assets:

	Three months ended June 30,	
	2023	2022
Other related parties	\$ -	\$ -
	Six months ended June 30,	
	2023	2022
Other related parties	\$ 32	\$ 33,431

(c) Lease liabilities (including current and non-current)

(i) Outstanding balance:

	June 30, 2023	December 31, 2022	June 30, 2022
Other related parties	\$ 25,307	\$ 29,261	\$ 33,165

(ii) Interest expense

	Three months ended June 30,	
	2023	2022
Other related parties	\$ 130	\$ 195
	Six months ended June 30,	
	2023	2022
Other related parties	\$ 648	\$ 426

(4) Key management compensation

	Three months ended June 30,	
	2023	2022
Salaries and other short-term employee benefits	\$ 58,807	\$ 48,220
	Six months ended June 30,	
	2023	2022
Salaries and other short-term employee benefits	\$ 106,820	\$ 93,777

8. PLEDGED ASSETS

Details of the book value of the Group's assets pledged as collateral are as follows:

Pledged asset	Book value			Purpose
	June 30, 2023	December 31, 2022	June 30, 2022	
Restricted time deposits (recorded as 'financial assets at amortized cost - current and non-current')	\$ 41,166	\$ 17,002	\$ 13,501	Performance guarantee and other guarantee
Guarantee deposits paid (recorded as 'other current assets' and 'other non-current assets')	158,097	189,940	205,924	Bid bond, performance guarantee and warranty
Buildings and structures (recorded as 'property, plant and equipment')	12,752	12,928	12,237	Guarantee for bank's borrowing facility
	<u>\$ 212,015</u>	<u>\$ 219,870</u>	<u>\$ 231,662</u>	

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED CONTRACT COMMITMENTS

(1) Contingencies

None.

(2) Commitments

As of June 30, 2023, the notes and letters of guarantee used for construction performance and custom security amounted to \$4,364,590.

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

None.

12. OTHERS

(1) Capital management

There was no significant change in the reporting period. Please refer to Note 12 in the consolidated financial statements as of and for the year ended December 31, 2022.

(2) Financial instruments

A. Financial instruments by category

	<u>June 30, 2023</u>	<u>December 31, 2022</u>	<u>June 30, 2022</u>
<u>Financial assets</u>			
Financial assets measured at fair value through profit or loss			
Financial assets mandatorily measured at fair value through profit or loss	\$ 1,150,247	\$ 756,162	\$ 831,613
Financial assets at amortized cost			
/ Loans and receivables			
Cash and cash equivalents	6,396,929	6,481,297	4,343,524
Notes receivable	109,016	29,351	30,441
(including related parties)			
Accounts receivable	6,269,574	6,322,314	7,366,895
(including related parties)			
Other accounts receivable	102,766	27,043	27,776
Restricted time deposits (recorded as 'financial assets at amortized cost-current and non-current')	41,166	17,002	13,501
Guarantee deposits paid (recorded as 'other current assets' and 'other non-current assets')	213,875	247,641	257,672
	<u>\$ 14,283,573</u>	<u>\$ 13,880,810</u>	<u>\$ 12,871,422</u>

	June 30, 2023	December 31, 2022	June 30, 2022
<u>Financial liabilities</u>			
Financial liabilities measured at fair value through profit or loss			
Short-term borrowings	\$ 6,381,629	\$ 5,349,747	\$ 3,586,749
Notes payable (including related parties)	1,700,437	2,167,389	2,604,009
Accounts payable (including related parties)	6,529,065	7,097,579	7,283,642
Other accounts payable	2,138,509	1,112,753	1,717,483
Bonds payable	2,901,955	644,880	642,662
Long-term borrowings	220,000	200,000	200,000
Guarantee deposits received (recorded as 'other non-current liabilities')	78	78	78
	<u>\$ 19,871,673</u>	<u>\$ 16,572,426</u>	<u>\$ 16,034,623</u>
Lease liabilities	<u>\$ 1,908,430</u>	<u>\$ 1,632,939</u>	<u>\$ 1,333,139</u>

B. Financial risk management policies

There was no significant change in the reporting period. Please refer to Note 12 in the consolidated financial statements as of and for the year ended December 31, 2022.

C. Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

- i. The Group operates internationally and is exposed to exchange rate risk arising from the transactions of the Company and its subsidiaries used in various functional currency, primarily with respect to the USD, RMB, JPY and EUR. Exchange rate risk arises from future commercial transactions and recognized assets and liabilities.
- ii. Management has set up a policy to require group companies to manage their foreign exchange risk against their functional currency.
- iii. The Group's businesses involve some non-functional currency operations (the Company's and certain subsidiaries' functional currency: NTD; other certain subsidiaries' functional currency: RMB, USD, SGD, IDR, and VND). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

June 30, 2023

				Sensitivity analysis		
	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)						
<u>Financial assets</u>						
<u>Monetary items</u>						
USD : NTD	\$ 97,175	31.14	\$ 3,026,653	1%	\$ 30,267	\$ -
USD : RMB	20,348	7.2725	633,632	1%	6,336	-
USD : KRW	1,190	1,308	37,054	1%	371	-
USD : VND	4,601	23,771	143,286	1%	1,433	-
USD : SGD	1,325	1.3563	41,257	1%	413	-
EUR : NTD	26,901	33.81	909,539	1%	9,095	-
JPY : NTD	870,446	0.2150	187,146	1%	1,871	-
JPY : RMB	650,262	0.0502	139,806	1%	1,398	-
USD : IDR	1,129	14,971	35,158	1%	352	-
<u>Prepayments to investments</u>						
USD : NTD	\$ 1,600	31.14	\$ 49,824	1%	\$ 498	\$ -
<u>Financial liabilities</u>						
<u>Monetary items</u>						
USD : NTD	\$ 16,646	31.14	\$ 518,356	1%	\$ 5,184	\$ -
USD : RMB	5,499	7.2725	171,237	1%	1,712	-
JPY : NTD	823,810	0.2150	177,119	1%	1,771	-
JPY : RMB	167,111	0.0502	35,929	1%	359	-

December 31, 2022							
(Foreign currency: functional currency)	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)	Sensitivity analysis			
				Degree of variation	Effect on profit or loss	Effect on other comprehensive income	
	<u>Financial assets</u>						
	<u>Monetary items</u>						
	USD : NTD	\$ 105,018	30.71	\$ 3,225,098	1%	\$ 32,251	\$ -
USD : RMB	30,095	6.9671	924,210	1%	9,242	-	
USD : SGD	2,697	1.3422	82,821	1%	828	-	
EUR : NTD	17,947	32.72	587,235	1%	5,872	-	
JPY : NTD	456,978	0.2324	106,202	1%	1,062	-	
JPY : RMB	561,056	0.0527	130,389	1%	1,304	-	
USD : IDR	1,138	15,510	34,949	1%	349	-	
<u>Financial liabilities</u>							
<u>Monetary items</u>							
USD : NTD	\$ 14,068	30.71	\$ 432,030	1%	\$ 4,320	\$ -	
USD : RMB	9,375	6.9671	287,895	1%	2,879	-	
USD : VND	4,000	23,806	122,840	1%	1,228	-	
USD : SGD	1,988	1.3422	61,051	1%	611	-	
JPY : NTD	617,082	0.2324	143,410	1%	1,434	-	
JPY : RMB	177,563	0.0527	41,266	1%	413	-	
June 30, 2022							
(Foreign currency: functional currency)	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)	Sensitivity analysis			
				Degree of variation	Effect on profit or loss	Effect on other comprehensive income	
	<u>Financial assets</u>						
	<u>Monetary items</u>						
	USD : NTD	\$ 104,737	29.72	\$ 3,112,777	1%	\$ 31,128	\$ -
USD : RMB	24,699	6.6954	734,058	1%	7,341	-	
USD : KRW	2,599	1,286.58	77,245	1%	772	-	
EUR : NTD	16,588	31.05	515,064	1%	5,151	-	
JPY : NTD	796,784	0.2182	173,858	1%	1,739	-	
JPY : RMB	1,426,345	0.0492	311,228	1%	3,112	-	
USD : IDR	1,137	15,010	33,786	1%	338	-	
<u>Financial liabilities</u>							
<u>Monetary items</u>							
USD : NTD	\$ 13,200	29.72	\$ 392,312	1%	\$ 3,923	\$ -	
USD : RMB	9,993	6.6954	296,996	1%	2,970	-	
USD : VND	4,500	23,587	133,740	1%	1,337	-	
USD : SGD	1,513	1.3907	44,955	1%	450	-	
EUR : NTD	1,149	31.05	35,664	1%	357	-	
JPY : NTD	1,003,563	0.2182	218,978	1%	2,190	-	

- iv. The total exchange (loss) gain, including realized and unrealized, arising from significant foreign exchange variation on the monetary items held by the Group for the three months and six months ended June 30, 2023 and 2022 were \$90,297, \$66,492, \$83,940 and \$150,450, respectively.

Price risk

- i. The Group's equity securities, which are exposed to price risk, are the held financial assets at fair value through profit or loss. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.
- ii. The Group's investments in equity securities comprise listed and unlisted stocks. The prices of equity securities would change due to the change of the future value of investee companies. If the prices of these equity securities had increased/decreased by 1% with all other variables held constant, post-tax profit for the six months ended June 30, 2023 and 2022 would have increased/decreased by \$10,446 and \$7,829, respectively, as a result of gains/losses on equity securities classified as at fair value through profit or loss.

Cash flow and fair value interest rate risk

- i. The Group's main interest rate risk arises from bank borrowings with variable rates and the advanced amount of accounts receivable transferred, which expose the Group to cash flow interest rate risk. For the six months ended June 30, 2023 and 2022, the Group's borrowings at variable rate were mainly denominated in NTD, USD, SGD and RMB.
- ii. The Group's borrowings are measured at amortized cost. The borrowings are periodically contractually repriced and to that extent are also exposed to the risk of future changes in market interest rates.
- iii. If the borrowing interest rate of NTD, USD, SGD and RMB had increased/decreased by 1% with all other variables held constant, profit, net of tax for the six months ended June 30, 2023 and 2022 would have decreased/increased by \$26,407 and \$15,147, respectively. The main factor is that changes in interest expense result from floating rate borrowings.

(b) Credit risk

- i. Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms.
- ii. The Group manages its credit risk taking into consideration the entire group's concern. For banks and financial institutions, only independently rated parties with a minimum rating of excellence are accepted. According to the Group's credit policy, the Group is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board of Directors. The utilisation of credit limits is regularly monitored.

- iii. The Group adopts the following assumption under IFRS 9 to assess whether there has been a significant increase in credit risk on that instrument since initial recognition:
If the contract payments are past due over 30 days based on the terms, there is a significant increase in credit risk on that instrument since initial recognition.
- iv. The Group considers the historical experience and industrial characteristics, whereby a default occurs when the sale and construction contract payments are past due over 1 to 2 years in line with credit risk management procedure.
- v. The following indicators are used to determine whether the credit impairment of debt instruments has occurred:
 - (i) It becomes probable that the issuer will enter bankruptcy or other financial reorganization due to their financial difficulties;
 - (ii) The disappearance of an active market for that financial asset because of financial difficulties;
 - (iii) Default or delinquency in interest or principal repayments;
 - (iv) Adverse changes in national or regional economic conditions that are expected to cause a default.
- vi. The Group classifies customers' accounts receivable in accordance with customer types.
The Group applies the simplified approach using a provision matrix based on the loss rate methodology to estimate expected credit loss.
- vii. The Group wrote-off the financial assets, which cannot be reasonably expected to be recovered, after initiating recourse procedures. However, the Group will continue executing the recourse procedures to secure their rights. On June 30, 2023, December 31, 2022 and June 30, 2022, the Group has no written-off financial assets that are still under recourse procedures.

viii. The Group used the forecast ability of global boom information to adjust historical and timely information to assess the default possibility of notes and accounts receivable (including related parties). On June 30, 2023, December 31, 2022 and June 30, 2022, the provision matrix and loss rate methodology are as follows:

(i) Accounts receivable in relation to construction

<u>June 30, 2023</u>	<u>Expected loss rate</u>	<u>Total book value</u>	<u>Loss allowance</u>
Not past due	0%~3.0027%	\$ 2,619,183	\$ 9,798
Up to 90 days	0%~14.1025%	130,420	7,320
91 to 180 days	0%~21.4088%	220,907	29,061
181 to 365 days	0%~35.4204%	215,308	40,809
1 to 2 years	0%~86.3171%	138,510	45,257
Over 2 years	100%	88,707	88,707
Total		<u>\$ 3,413,035</u>	<u>\$ 220,952</u>

<u>December 31, 2022</u>	<u>Expected loss rate</u>	<u>Total book value</u>	<u>Loss allowance</u>
Not past due	0%~1.1349%	\$ 2,719,554	\$ 7,478
Up to 90 days	0%~8.2306%	501,751	23,680
91 to 180 days	0%~12.3744%	123,525	9,865
181 to 365 days	0%~21.7626%	117,768	13,170
1 to 2 years	0%~84.0286%	157,422	39,804
Over 2 years	100%	90,227	90,227
Total		<u>\$ 3,710,247</u>	<u>\$ 184,224</u>

<u>June 30, 2022</u>	<u>Expected loss rate</u>	<u>Total book value</u>	<u>Loss allowance</u>
Not past due	0%~1.1349%	\$ 3,368,848	\$ 10,962
Up to 90 days	0%~8.2306%	325,580	15,542
91 to 180 days	0%~12.3744%	76,907	6,961
181 to 365 days	0%~21.7626%	112,124	13,028
1 to 2 years	0%~84.0286%	173,856	47,861
Over 2 years	100%	68,141	68,141
Total		<u>\$ 4,125,456</u>	<u>\$ 162,495</u>

(ii) Accounts receivable in relation to sales

<u>June 30, 2023</u>	<u>Expected loss rate</u>	<u>Total book value</u>	<u>Loss allowance</u>
Not past due	0%~1.477%	\$ 2,335,058	\$ 2,133
Up to 90 days	0%~9.334%	354,088	4,007
91 to 180 days	0%~23.2306%	45,069	3,686
181 to 365 days	0%~80.791%	89,955	17,021
Over 365 days	0%~100%	165,141	165,141
Total		<u>\$ 2,989,311</u>	<u>\$ 191,988</u>

<u>December 31, 2022</u>	<u>Expected loss rate</u>	<u>Total book value</u>	<u>Loss allowance</u>
Not past due	0%~26.6078%	\$ 2,001,962	\$ 1,317
Up to 90 days	0%~1.7783%	339,648	358
91 to 180 days	0%~1.3981%	137,330	434
181 to 365 days	0%~56.9072%	119,327	1,663
Over 365 days	100%	118,162	118,162
Total		<u>\$ 2,716,429</u>	<u>\$ 121,934</u>

<u>June 30, 2022</u>	<u>Expected loss rate</u>	<u>Total book value</u>	<u>Loss allowance</u>
Not past due	0%~26.6078%	\$ 2,326,511	\$ 410
Up to 90 days	0%~2.5233%	650,503	829
91 to 180 days	0%~3.9817%	154,290	511
181 to 365 days	0%~56.9072%	48,728	1,365
Over 365 days	100%	145,841	145,841
Total		<u>\$ 3,325,873</u>	<u>\$ 148,956</u>

(iii) Based on historical experience, the Group applies individual assessment to evaluate expected credit loss of the high-credit risk customers. On June 30, 2023, December 31, 2022 and June 30, 2022, accounts receivable and loss allowance amounted to \$368,476, \$422,777 and \$367,038 and \$315,371, \$369,680 and \$314,501, respectively.

(iv) Due to the expected insignificant impairment, the Group applies individual assessment to evaluate expected credit loss of receivables due from construction warranties and notes receivable. On June 30, 2023, December 31, 2022 and June 30, 2022, notes and accounts receivable and loss allowance amounted to \$336,079 and \$0, \$178,050 and \$0, \$204,921 and \$0, respectively.

ix. Movements in relation to the Group applying the simplified approach to provide loss allowance for notes and accounts receivable (including related parties) are as follows:

	<u>Six months ended June 30,</u>	
	<u>2023</u>	<u>2022</u>
	<u>Accounts receivable</u>	<u>Accounts receivable</u>
At January 1	\$ 675,838	\$ 506,170
Provision for impairment	111,974	119,453
Write-offs	(42,620)	(6,418)
Effect of foreign exchange	(16,881)	6,747
At June 30	<u>\$ 728,311</u>	<u>\$ 625,952</u>

For provisioned loss for the six months ended June 30, 2023 and 2022, the impairment arising from customers' contracts are \$111,974 and \$119,453, respectively.

(c) Liquidity risk

- i. The Group invests in financial assets measured at fair value through profit or loss in active markets, so it expects to sell the financial assets in markets with prices approximate to fair value. Financial assets at cost are not traded in active markets, thus, liquidity risk is expected. However, the Group's operating capital is sufficient to fulfill the Group's capital needs and it does not expect significant liquidity risk.
- ii. The table below analyses the Group's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date for non-derivative financial liabilities.

Non-derivative financial liabilities

June 30, 2023	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Short-term borrowings (including expected interest)	\$ 6,394,907	\$ -	\$ -	\$ -
Notes payable (including related parties)	1,700,437	-	-	-
Accounts payable (including related parties)	6,529,065	-	-	-
Other payables	2,138,509	-	-	-
Bonds payable of current portion (recorded as " Long- term liabilities, current portion")	534,100	-	2,500,000	-
Long-term borrowings (including expected interest)	3,901	201,425	21,700	-
Lease liabilities	315,372	241,695	440,864	1,284,537

Non-derivative financial liabilities

December 31, 2022	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Short-term borrowings (including expected interest)	\$ 5,368,738	\$ -	\$ -	\$ -
Notes payable (including related parties)	2,167,389	-	-	-
Accounts payable (including related parties)	7,097,579	-	-	-
Other payables	1,112,753	-	-	-
Bonds payable of current portion (recorded as " Long- term liabilities, current portion")	651,200	-	-	-
Long-term borrowings (including expected interest)	3,025	200,756	-	-
Lease liabilities	253,773	184,000	363,169	1,207,518

Non-derivative financial liabilities

<u>June 30, 2022</u>	<u>Less than 1 year</u>	<u>Between 1 and 2 years</u>	<u>Between 2 and 5 years</u>	<u>Over 5 years</u>
Short-term borrowings (including expected interest)	\$ 3,594,995	\$ -	\$ -	\$ -
Notes payable (including related parties)	2,604,009	-	-	-
Accounts payable (including related parties)	7,283,642	-	-	-
Other payables	1,717,483	-	-	-
Bonds payable	-	652,300	-	-
Long-term borrowings (including expected interest)	2,348	200,587	-	-
Lease liabilities	178,703	128,876	224,765	1,151,523

(3) Fair value information

A. The different levels that the inputs to valuation techniques are used to measure fair value of financial and non-financial instruments have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The fair value of the Group's investment in listed stocks is included in Level 1.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability. The fair value of the Group's investment in equity investment without active market and beneficiary certificates are included in Level 3.

B. Financial instruments not measured at fair value

Except for financial assets at fair value through profit or loss, the carrying amounts of cash and cash equivalents, notes receivable (including related parties), accounts receivable (including related parties), other receivables, restricted time deposits (recorded as financial assets at amortized cost-current and non-current), guarantee deposits paid (recorded as other current and non-current assets), short-term borrowings, notes payable (including related parties), accounts payable (including related parties), other payables, lease liabilities, bonds payable (recorded as "Long-term liabilities, current portion), long-term borrowings and guarantee deposits received (recorded as other non-current liabilities) are approximate to their fair values.

C. The related information on financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets are as follows:

(a) The related information on the nature of the assets is as follows:

<u>June 30, 2023</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets:				
<u>Recurring fair value</u>				
<u>measurements</u>				
Financial assets at fair value				
through profit or loss				
Equity securities	\$ 157,533	\$ -	\$ 887,087	\$ 1,044,620
Private funds	-	-	64,715	64,715
Hybrid instruments	-	-	40,912	40,912
Financial assets at fair value				
through other comprehensive				
income				
Accounts receivable that are				
expected to be factored	-	-	290,882	290,882
Total	<u>\$ 157,533</u>	<u>\$ -</u>	<u>\$ 1,283,596</u>	<u>\$ 1,441,129</u>
<u>December 31, 2022</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets:				
<u>Recurring fair value</u>				
<u>measurements</u>				
Financial assets at fair value				
through profit or loss				
Equity securities	\$ 141,935	\$ -	\$ 553,919	\$ 695,854
Private funds	-	-	60,113	60,113
Hybrid instruments	-	-	195	195
Financial assets at fair value				
through other comprehensive				
income				
Accounts receivable that are				
expected to be factored	-	-	67,875	67,875
Total	<u>\$ 141,935</u>	<u>\$ -</u>	<u>\$ 682,102</u>	<u>\$ 824,037</u>
<u>June 30, 2022</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets:				
<u>Recurring fair value</u>				
<u>measurements</u>				
Financial assets at fair value				
through profit or loss				
Equity securities	\$ 104,139	\$ -	\$ 678,764	\$ 782,903
Private funds	-	-	48,253	48,253
Hybrid instruments	-	-	457	457
Total	<u>\$ 104,139</u>	<u>\$ -</u>	<u>\$ 727,474</u>	<u>\$ 831,613</u>

(b) The methods and assumptions the Group used to measure fair value are as follows:

Instruments which use market quoted prices as their fair value (that is, Level 1), are using the closing prices of listed shares as market quoted prices based on characteristics of the instruments.

D. For the six months ended June 30, 2023 and 2022, there was no transfer between Level 1 and Level 2.

E. The following chart is the movement of Level 3 for the six months ended June 30, 2023 and 2022:

	2023			2022	
	Equity instruments and beneficiary <u>certificates</u>	Debt <u>instruments</u>	Hybrid <u>instruments</u>	Equity instruments and beneficiary <u>certificates</u>	Hybrid <u>instruments</u>
At January 1	\$ 614,032	\$ 67,875	\$ 195	\$ 776,425	\$ 4,066
Acquired during the period	85,117	290,882	1,250	44,964	-
Sold during the period	-	(67,875)	-	(1,682)	-
Gains and losses recognized in profit or loss (Note)	<u>252,653</u>	<u>-</u>	<u>39,467</u>	<u>(92,690)</u>	<u>(3,609)</u>
At June 30	<u>\$ 951,802</u>	<u>\$ 290,882</u>	<u>\$ 40,912</u>	<u>\$ 727,017</u>	<u>\$ 457</u>
Movement of unrealized gain or loss in profit or loss of assets and liabilities held as at end of the period (Note)	<u>\$ 252,653</u>	<u>\$ -</u>	<u>\$ 39,467</u>	<u>(\$ 92,690)</u>	<u>(\$ 3,609)</u>

Note: Recorded as non-operating income and expense.

F. For the six months ended June 30, 2023 and 2022, there was no transfer into or out from Level 3.

G. Investment strategies segment is in charge of valuation procedures for fair value measurements being categorized within Level 3, which is to verify independent fair value of financial instruments. Such assessment is to ensure the valuation results are reasonable by applying independent information to make results close to current market conditions, confirming the resource of information is independent, reliable and in line with other resources and represented as the exercisable price, and frequently calibrating valuation model, updating inputs used to the valuation model and making any other necessary adjustments to the fair value.

H. The following is the qualitative information on significant unobservable inputs and sensitivity analysis of changes in significant unobservable inputs to valuation model used in Level 3 fair value measurement:

	Fair value at June 30, 2023	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted shares	\$ 860,999	Market comparable companies	Note 1	Not applicable	Note 2
Venture capital shares and private funds	90,803	Net asset value	Not applicable	Not applicable	Not applicable
Hybrid instrument:					
Convertible bond	39,805	Discounted cash flow	Note 3	Not applicable	Note 4
Convertible bond – call provision	1,107	Binomial tree pricing model	Volatility	31.36% ~35.84%	The higher the stock price volatility, the higher the fair value
	Fair value at December 31, 2022	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted shares	\$ 529,562	Market comparable companies	Note 1	Not applicable	Note 2
Venture capital shares and private funds	84,470	Net asset value	Not applicable	Not applicable	Not applicable
Hybrid instrument:					
Convertible bond – call provision	195	Binomial tree pricing model	Volatility	37.56% ~45.23%	The higher the stock price volatility, the higher the fair value

	Fair value at June 30, 2022	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted shares	\$ 653,479	Market comparable companies	Note 1	Not applicable	Note 2
Venture capital shares and private funds	73,538	Net asset value	Not applicable	Not applicable	Not applicable
Hybrid instrument:					
Convertible bond – call provision	457	Binomial tree pricing model	Volatility	43.06% ~45.23%	The higher the stock price volatility, the higher the fair value

Note 1: Price to earnings ratio multiple, price to book ratio multiple, enterprise value to operating income ratio multiple, enterprise value to EBITA multiple, discount for lack of marketability.

Note 2: The higher the multiple and control premium, the higher the fair value; the higher the discount for lack of marketability, the lower the fair value.

Note 3: Long-term revenue growth rate, weighted average cost of capital, long-term pre-tax operating margin, discount for lack of marketability.

Note 4: The higher the weighted average cost of capital, the lower the fair value; the higher the long-term revenue growth rate and long-term pre-tax operating margin, the higher the fair value; the higher the discount for lack of marketability, the lower the fair value.

- I. The Group has carefully assessed the valuation models and assumptions used to measure fair value. However, use of different valuation models or assumptions may result in different measurement. The following is the effect on profit or loss or on other comprehensive income from financial assets and liabilities categorized within Level 3 if the inputs used to valuation models have changed:

			June 30, 2023			
			Recognized in profit or loss		Recognized in other comprehensive income	
	Input	Change	Favorable change	Unfavorable change	Favorable change	Unfavorable change
Financial assets						
Equity instruments and beneficiary certificates	Stock price and fair value	± 10%	\$ 95,180	(\$ 95,180)	\$ -	\$ -
Hybrid instrument	Stock price	± 10%	50	(20)	-	-
Hybrid instrument	Volatility	± 5%	60	(20)	-	-
	Discount					
Hybrid instrument	rate	± 0.5%	1,231	(1,159)	-	-
Total			<u>\$ 96,521</u>	<u>(\$ 96,379)</u>	<u>\$ -</u>	<u>\$ -</u>
			December 31, 2022			
			Recognized in profit or loss		Recognized in other comprehensive income	
	Input	Change	Favorable change	Unfavorable change	Favorable change	Unfavorable change
Financial assets						
Equity instruments and beneficiary certificates	Stock price and fair value	± 10%	\$ 61,403	(\$ 61,403)	\$ -	\$ -
Hybrid instrument	Stock price	± 10%	30	(10)	-	-
Hybrid instrument	Volatility	± 5%	20	(10)	-	-
Total			<u>\$ 61,453</u>	<u>(\$ 61,423)</u>	<u>\$ -</u>	<u>\$ -</u>
			June 30, 2022			
			Recognized in profit or loss		Recognized in other comprehensive income	
	Input	Change	Favorable change	Unfavorable change	Favorable change	Unfavorable change
Financial assets						
Equity instruments and beneficiary certificates	Stock price and fair value	± 10%	\$ 72,702	(\$ 72,702)	\$ -	\$ -
Hybrid instrument	Stock price	± 10%	60	(20)	-	-
Hybrid instrument	Volatility	± 5%	20	(30)	-	-
Total			<u>\$ 72,782</u>	<u>(\$ 72,752)</u>	<u>\$ -</u>	<u>\$ -</u>

13. SUPPLEMENTARY DISCLOSURES

(1) Significant transactions information

- A. Loans to others: Refer to table 1.
- B. Provision of endorsements and guarantees to others: Refer to table 2.
- C. Holding of marketable securities at the end of the period (not including subsidiaries and associates): Refer to table 3.
- D. Acquisition or sale of the same security with the accumulated cost exceeding NT\$300 million or 20% of the Company's paid-in capital: None.
- E. Acquisition of real estate reaching NT\$300 million or 20% of paid-in capital or more: None.
- F. Disposal of real estate reaching NT\$300 million or 20% of paid-in capital or more: None.
- G. Purchases or sales of goods from or to related parties reaching NT\$100 million or 20% of paid-in capital or more: Refer to table 4.
- H. Receivables from related parties reaching NT\$100 million or 20% of paid-in capital or more: Refer to table 5.
- I. Trading in derivative instruments undertaken during the reporting periods: None.
- J. Significant inter-company transactions during the reporting periods: Refer to table 6.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China): Refer to table 7.

(3) Information on investments in Mainland China

- A. Basic information: Refer to table 8.
- B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: Refer to table 6.

(4) Major shareholders information

Major shareholders information: Refer to table 9.

14. SEGMENT INFORMATION

(5) General information

Management has determined the reportable operating segments based on the reports reviewed by the Chief Operating Decision-Maker that are used to make strategic decisions.

The Group is divided into the following 4 segments:

- A. Agency for equipment materials segment: mainly engaged in semiconductor, optoelectronics and other high-tech industrial processing and trading, distribution, after-sale service and technical support of factory equipment and its materials, chemicals and parts.
- B. Process system and mechatronic system service segment: mainly contracting electrical, clean room, peripheral system facilities and process, engaged in lump sum contracts, providing integrated services consisting of planning, design, construction, supervision, installation, testing, operational consulting, maintenance and repair for gas, automatic supply system of chemicals, special gas and factory monitor system. Services for general industries such as petrochemical plant, conventional industry plant, mechatronic system for intelligent buildings.

C. Customized equipment manufacturing segment: mainly engaged in research and development of customized automation equipment and process based on request of customers in semiconductor, optoelectronics and traditional industry.

D. Other segments: mainly providing repair, cleaning and renewal services to customers' equipment and device in semiconductor, optoelectronics and traditional industry.

(6) Measurement of segment information

Management evaluates the performance of the operating segments based on their operational efficiency. The Group's Chief Operating Decision-Maker allocates resources and assesses performance of the operating segments based on the measurement and it is measured in a manner consistent with operating income in the consolidated statement of comprehensive income. There is no material change in the operating segments' accounting policies and accounting estimates and assumptions.

(7) Segment profit information

The segment information provided to the Chief Operating Decision-Maker for the reportable segments for the six months ended June 30, 2023 and 2022 is as follows:

	Six months ended June 30, 2023				
	Sales and services for equipment materials segment	Facility system and mechanic & electric system service segment	Customized equipment manufacturing segment	Other segments	Total
Revenue from external customers					
Sales and services of high-tech equipment and materials	\$ 3,333,213	\$ 1,429,515	\$ 2,940	\$ 217	\$ 4,765,885
R&D and manufacturing of customized equipment	-	-	4,185,929	-	4,185,929
Automatic supplying system	38,191	13,841,354	-	-	13,879,545
Total Facility Engineering Turnkey Project	-	4,676,767	-	-	4,676,767
	\$ 3,371,404	\$ 19,947,636	\$ 4,188,869	\$ 217	\$ 27,508,126
Inter-segment revenue	321,191	535,122	26,614	2,232	885,159
Total segment revenue	\$ 3,692,595	\$ 20,482,758	\$ 4,215,483	\$ 2,449	\$ 28,393,285
Segment profit (loss)	\$ 486,008	\$ 449,659	\$ 380,599	(\$ 2,356)	\$ 1,313,910
Segment profit including: Depreciation and amortization	\$ 22,639	\$ 147,538	\$ 117,194	\$ 1,904	\$ 289,275

Six months ended June 30, 2022					
	<u>Sales and services for equipment materials segment</u>	<u>Facility system and mechanic & electric system service segment</u>	<u>Customized equipment manufacturing segment</u>	<u>Other segments</u>	<u>Total</u>
Revenue from external customers					
Sales and services of high-tech equipment and materials	\$ 2,836,510	\$ 1,245,352	\$ 622	\$ 49	\$ 4,082,533
R&D and manufacturing of customized equipment	-	-	4,865,211	-	4,865,211
Automatic supplying system	77,038	7,227,868	-	-	7,304,906
Total Facility Engineering Turnkey Project	-	5,238,819	-	-	5,238,819
	<u>\$ 2,913,548</u>	<u>\$ 13,712,039</u>	<u>\$ 4,865,833</u>	<u>\$ 49</u>	<u>\$ 21,491,469</u>
Inter-segment revenue	226,128	97,797	18,058	2,293	344,276
Total segment revenue	<u>\$ 3,139,676</u>	<u>\$ 13,809,836</u>	<u>\$ 4,883,891</u>	<u>\$ 2,342</u>	<u>\$ 21,835,745</u>
Segment profit (loss)	<u>\$ 422,205</u>	<u>\$ 350,251</u>	<u>\$ 449,948</u>	<u>(\$ 2,130)</u>	<u>\$ 1,220,274</u>
Segment profit including:					
Depreciation and amortization	<u>\$ 19,907</u>	<u>\$ 77,077</u>	<u>\$ 110,650</u>	<u>\$ 1,803</u>	<u>\$ 209,437</u>

(8) Reconciliation for segment (loss) income

Sales and services between segments are carried out at arm's length. The revenue and financial information from external customers reported to the Chief Operating Decision-Maker is measured in a manner consistent with that in the statement of comprehensive income. A reconciliation of reportable segment income or loss to the income before tax from continuing operations for the six months ended June 30, 2023 and 2022 is provided as follows:

	Six months ended June 30,	
	2023	2022
Reportable segments income	\$ 1,316,266	\$ 1,222,404
Other reportable segments loss	(2,356)	(2,130)
Total segments	1,313,910	1,220,274
Other gains and losses	479,950	19,686
Finance costs	(124,954)	(36,487)
Income before tax from continuing operations	<u>\$ 1,668,906</u>	<u>\$ 1,203,473</u>

MARKETECH INTERNATIONAL CORP. AND SUBSIDIARIES

Loans to others

For the six months ended June 30, 2023

Expressed in thousands of NTD
(Except as otherwise indicated)

Table 1

No. (Note 1)	Creditor	Borrower	General ledger account (Note 2)	Is a related party	Maximum outstanding balance during the six months ended June 30, 2023 (Note 3)	Balance at June 30, 2023 (Note 8)	Actual amount drawn down	Interest rate (%)	Nature of loan (Note 4)	Amount of transactions with the borrower (Note 5)	Reason for short-term financing (Note 6)	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party (Note 7)	Ceiling on total loans granted (Note 7)	Footnote
													Item	Value			
0	Marketech International Corp.	Marketech Integrated Pte. Ltd.	Other receivables - related parties	Y	\$ 39, 923	\$ –	\$ –	–	Short-term financing	\$ –	Operations	\$ –	None	\$ –	\$ 3, 897, 562	\$ 3, 897, 562	Note 7
0	Marketech International Corp.	Marketech International Sdn. Bhd.	Other receivables - related parties	Y	55, 278	24, 912	15, 570	4. 867	Short-term financing	–	Operations	–	None	–	3, 897, 562	3, 897, 562	Note 7
0	Marketech International Corp.	MIC-Tech Viet Nam Co., Ltd.	Other receivables - related parties	Y	122, 960	93, 420	12, 456	4. 616	Short-term financing	–	Operations	–	None	–	3, 897, 562	3, 897, 562	Note 7
0	Marketech International Corp.	Marketech International Corporation USA	Other receivables - related parties	Y	467, 100	467, 100	–	4. 867	Short-term financing	–	Operations	–	None	–	3, 897, 562	3, 897, 562	Note 7
1	MIC-Tech Electronics Engineering Corp.	Shanghai Maohua Electronics Engineering Co., Ltd.	Other receivables	Y	53, 339	25, 691	25, 691	4. 350	Short-term financing	–	Operations	–	None	–	344, 849	689, 698	Note 7
2	Marketech Integrated Manufacturing Company Limited	Marketech Integrated Construction Co., Ltd.	Other receivables	Y	7, 678	–	–	–	Short-term financing	–	Operations	–	None	–	56, 650	113, 301	Note 7
3	MIC-Tech Viet Nam Co., Ltd.	Marketech Co., Ltd.	Other receivables	Y	2, 620	2, 620	2, 620	6. 000	Short-term financing	–	Operations	–	None	–	177, 610	177, 610	Note 7

Note 1:The numbers filled in for the loans provided by the Company or subsidiaries are as follows:

(1) The Company is ‘0’.

(2) The subsidiaries are numbered in order starting from ‘1’.

Note 2:Fill in the name of account in which the loans are recognized, such as receivables–related parties, current account with stockholders, prepayments, temporary payments, etc.

Note 3:Fill in the maximum outstanding balance of loans to others during the six months ended June 30, 2023.

Note 4:The column of ‘Nature of loan’ shall fill in ‘Business transaction or ‘Short-term financing’.

Note 5:Fill in the amount of business transactions when nature of the loan is related to business transactions, which is the amount of business transactions occurred between the creditor and borrower in the current year.

Note 6:Fill in purpose of loan when nature of loan is for short-term financing, for example, repayment of loan, acquisition of equipment, working capital, etc.

Note 7:Fill in limit on loans granted to a single party and ceiling on total loans granted as prescribed in the creditor company’s “Procedures for Provision of Loans”, and state each individual party to which the loans have been provided and the calculation for ceiling on total loans granted in the footnote.

The Company’s ceiling on loans to others are as follows:

(1) Limit on the total loans to others provided by the Company is 40% of the net assets based on the Company’s latest financial statements.

(2) Limit on the loans provided by the Company granted for a single party are as follows:

(2-1) Limit on loans to a single party with business transactions is the higher value of purchasing and selling during current year on the year of financing, and can’t exceed the total business transactions amount within 12 month.

(2-2) For short-term financing, limit on loans granted for a single party is 40% of the net assets based on the latest financial statements of the lending companies. The amount of loans to a single party is the accumulated balance of the lending company's short-term financing for single party.

Limit on the loans provided by the Company’s mainland subsidiaries:

(1) Limit on the total loans to others provided by the Company’s mainland subsidiaries is 80% of the net assets based on the latest financial statements of the lending companies.

(2) Limit on the loans provided by the Company’s mainland subsidiaries granted for a single party are as follows:

(2-1) Limit on loans to a single party with business transactions is the higher value of purchasing and selling during current year on the year of financing, and can’t exceed the total business transactions amount within 12 month.

(2-2) For short-term financing between the Company’s mainland subsidiary and the foreign companies which the ultimate parent company holds 100% of the voting rights directly or indirectly, limit on loans granted for a single party is 80% of the net assets based on the latest financial statements of the lending companies.

(2-3) For short-term financing between the Company’s mainland subsidiaries and aforementioned associates, limit on loans granted for a single party is 40% of the net assets based on the latest financial statements of the lending companies. The amount of loans to a single party is the accumulated balance of the lending company's short-term financing for single party.

Limit on the loans provided by the Company’s Myanmar subsidiaries:

(1) Limit on the total loans to others provided by the Company’s Myanmar subsidiaries is 80% of the net assets based on the latest financial statements of the lending companies.

(2) Limit on the loans provided by the Company’s Myanmar subsidiaries granted for a single party are as follows:

(2-1) Limit on loans to a single party with business transactions is the higher value of purchasing and selling during current year on the year of financing, and can’t exceed the total business transactions amount within 12 month.

(2-2) For short-term financing between the Company’s Myanmar subsidiary and the foreign companies which the ultimate parent company holds 100% of the voting rights directly or indirectly, limit on loans granted for a single party is 80% of the net assets based on the latest financial statements of the lending companies.

(2-3) For short-term financing between the Company’s Myanmar subsidiaries and aforementioned associates, limit on loans granted for a single party is 40% of the net assets based on the latest financial statements of the lending companies. The amount of loans to a single party is the accumulated balance of the lending company's short-term financing for single party.

Limit on the loans provided by the Company’s Vietnam subsidiaries:

(1) Limit on the total loans to others provided by the Company’s Vietnam subsidiaries is 80% of the net assets based on the latest financial statements of the lending companies.

(2) Limit on the loans provided by the Company’s Vietnam subsidiaries granted for a single party are as follows:

(2-1) Limit on loans to a single party with business transactions is the higher value of purchasing and selling during current year on the year of financing, and can’t exceed the total business transactions amount within 12 month.

(2-2) For short-term financing between the Company’s Vietnam subsidiary and the foreign companies which the ultimate parent company holds 100% of the voting rights directly or indirectly, limit on loans granted for a single party is 80% of the net assets based on the latest financial statements of the lending companies.

(2-3) For short-term financing between the Company’s Vietnam subsidiaries and aforementioned associates, limit on loans granted for a single party is 40% of the net assets based on the latest financial statements of the lending companies. The amount of loans to a single party is the accumulated balance of the lending company's short-term financing for single party.

Note 8: The amounts of funds to be loaned to others which have been approved by the board of directors of a public company in accordance with Article 14, Item 1 of the “Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies” should be included in its published balance of loans to others at the end of the reporting period to reveal the risk of loaning the public company bears, even though they have not yet been appropriated. However, this balance should exclude the loans repaid when repayments are done subsequently to reflect the risk adjustment.

In addition, if the board of directors of a public company has authorized the chairman to loan funds in instalments or in revolving within certain lines and within one year in accordance with Article 14, Item 2 of the “Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies”, the published balance of loans to others at the end of the reporting period should also include these lines of loaning approved by the board of directors, and these lines of loaning should not be excluded from this balance even though the loans are repaid subsequently, for taking into consideration they could be loaned again thereafter.

MARKETECH INTERNATIONAL CORP. AND SUBSIDIARIES
Provision of endorsements and guarantees to others
For the six months ended June 30, 2023

Table 2

Expressed in thousands of NTD
(Except as otherwise indicated)

Number (Note 1)	Endorser/ guarantor	Party being endorsed/guaranteed		Limit on endorsements/ guarantees provided for a single party (Note 4)	Maximum outstanding endorsement/ guarantee amount as of June 30, 2023 (Note 5)	Outstanding endorsement/ guarantee amount at June 30, 2023 (Note 6)	Actual amount drawn down (Note 7)	Amount of endorsements/ guarantees secured with collateral	Ratio of accumulated endorsement/ guarantee amount to net asset value of the endorser/ guarantor company	Ceiling on total amount of endorsements/ guarantees provided (Note 4)	Provision of endorsements/ guarantees by parent company to subsidiary (Note 8)	Provision of endorsements/ guarantees by subsidiary to parent company (Note 8)	Provision of endorsements/ guarantees to the party in Mainland China (Note 8)	Footnote
		Company name	Relationship with the endorser/ guarantor (Note 2)											
0	Marketech International Corp.	Marketech Integrated Pte. Ltd.	2	\$ 4, 871, 953	\$ 147, 577	\$ 146, 498	\$ 55, 132	\$ -	1. 50%	\$ 9, 743, 905	Y	N	N	Note 4
0	Marketech International Corp.	MIC-Tech (Shanghai) Corp.	2	4, 871, 953	613, 583	562, 474	-	-	5. 77%	9, 743, 905	Y	N	Y	Note 4
0	Marketech International Corp.	MIC-Tech (WuXi) Co., Ltd.	2	4, 871, 953	307, 637	230, 047	156, 273	-	2. 36%	9, 743, 905	Y	N	Y	Note 4
0	Marketech International Corp.	MIC-Tech Electronics Engineering Corp.	2	4, 871, 953	4, 196, 574	3, 969, 887	2, 459, 606	-	40. 74%	9, 743, 905	Y	N	Y	Note 4
0	Marketech International Corp.	Shanghai Maohua Electronics Engineering Co., Ltd.	2	4, 871, 953	139, 440	129, 000	12, 087	-	1. 32%	9, 743, 905	Y	N	Y	Note 4
0	Marketech International Corp.	Marketech International Sdn. Bhd.	2	4, 871, 953	122, 840	62, 280	17, 856	-	0. 64%	9, 743, 905	Y	N	N	Note 4
0	Marketech International Corp.	eZoom Information, Inc.	2	4, 871, 953	55, 000	55, 000	44, 584	-	0. 56%	9, 743, 905	Y	N	N	Note 4
0	Marketech International Corp.	Te Chang Construction Co., Ltd.	5	4, 871, 953	88, 418	22, 167	22, 167	-	0. 23%	9, 743, 905	N	N	N	Note 4
0	Marketech International Corp.	Marketech International Corporation USA	2	4, 871, 953	2, 114, 812	2, 114, 812	1, 841, 522	-	21. 70%	9, 743, 905	Y	N	N	Note 4
1	MIC-Tech Electronics Engineering Corp.	Marketech International Corp.	3	2, 586, 369	155, 607	155, 607	155, 607	-	18. 05%	4, 310, 615	N	Y	N	Note 4
1	MIC-Tech Electronics Engineering Corp.	The Second Construction Co., Ltd. of China Electronics System Engineering	5	2, 586, 369	1, 132	1, 090	1, 090	-	0. 13%	4, 310, 615	N	N	Y	Note 4
1	MIC-Tech Electronics Engineering Corp.	MIC-Tech (Shanghai) Corp.	4	2, 586, 369	98, 908	98, 908	98, 908	-	11. 47%	4, 310, 615	N	N	Y	Note 4
2	MIC-Tech (Shanghai) Corp.	MIC-Tech Electronics Engineering Corp.	4	2, 602, 425	297, 094	297, 094	297, 094	-	34. 25%	4, 337, 375	N	N	Y	Note 4

Note 1:The numbers filled in for the endorsements/guarantees provided by the Company or subsidiaries are as follows:

- (1) The Company is ‘0’.
(2) The subsidiaries are numbered in order starting from ‘1’.

Note 2:Relationship between the endorser/guarantor and the party being endorsed/guaranteed is classified into the following seven categories; fill in the number of category each case belongs to:

- (1) Having business relationship.
(2) The endorser/guarantor parent company owns directlyand indirectly more than 50% voting shares of the endorsed/guaranteed subsidiary.
(3) The endorsed/guaranteed company owns directly and indirectly more than 50% voting shares of the endorser/guarantor parent company.
(4) The endorser/guarantor parent company owns directly and indirectly more than 90% voting shares of the endorsed/guaranteed company.
(5) Mutual guarantee of the trade made by the endorsed/guaranteed company or joint contractor as required under the construction contract.
(6) Due to joint venture, all shareholders provide endorsements/guarantees to the endorsed/guaranteed company in proportion to its ownership.
(7) Joint guarantee of the performance guarantee for pre-sold home sales contract as required under the Consumer Protection Act.

Note 3: Fill in limit on endorsements/guarantees provided for a single party and ceiling on total amount of endorsements/guarantees provided as prescribed in the endorser/guarantor company’s “Procedures for Provision of Endorsements and Guarantees”, and state each individual party to which the endorsements/guarantees have been provided and the calculation for ceiling on total amount of endorsements/guarantees provided in the footnote.

Note 4:Limit on endorsements and guarantees stated in“Regulations Governing Loaning of Funds and Making of Endorsements/ Guarantees by Public Companies”:

- (1) In accordance with mutual guarantee requirement in the same industry for contracting constructions, limit on endorsement/guarantee to a single party is the net assets of the Company.
(2) In accordance with business relationship, limit on endorsement/guarantee to a single party is the total value of business transactions within past 12 months. (the value of business transactions is the higher of purchases or sales)
(3) Excpet for (1) and (2) mentioned above, limit on endorsement/guarantee to a single party is 50% of the net assets of the Company.
(4) For (2) and (3) mentioned above, limit on the total amount of endorsement/guarantee is the net assets of the Company.
(5) For the Company and subsidiaries, limit on endorsement/guarantee to a single party is the net assets of the Company ; limit on the total amount is 5 times of the net assets of the Company.

- Limit on endorsements and guarantees of the Company’s mainland subsidiaries:
- (1) In accordance with mutual guarantee requirement in the same industry or the common builders for contracting constructions, or provision of endorsements and guarantees for joint ventures from shareholders in proportion to shareholding ratio, limit on the total amount is 5 times of the net assets of the endorser/guarantor on endorsement/guarantee to a single party is three times of the net assets of the endorser/guarantor.
 - (2) Except for (1), the Group follows standards of endorsements and guarantees as below:
 - (2-1) Total amount: (2-1-1) Limit on the accumulated endorsements and guarantees is 5 times of the net assets of the endorser/guarantor;
 - (2-1-2) Limit on endorsements and guarantees to a company of which the endorser company and the Company directly or indirectly holds 90%, should meet the requirement in (2-1-1) and may not exceed 10% of the ultimate parent’s net assets.
 - (2-1-3) Total endorsements and guarantees of the endorser/guarantor and its subsidiaries are limited to 5 times of the net assets of the endorser/guarantor.
 - (2-2) Limit on endorsement/guarantee to a single party
 - (2-2-1) For the companies having business relationship with the endorser/guarantor and thus being provided endorsements/guarantees, limit on endorsements to a single party is the total value of business transactions within past 12 months.
(the value of business transactions is the higher of purchase or sales)
 - (2-2-2) Limit on endorsement/guarantee to a single party who having business relationship with the Group is 3 times of the net assets of the endorser/guarantor.

Note 5: Fill in the year-to-date maximum outstanding balance of endorsements/guarantees provided as of the reporting period.

Note 6: Fill in the amount approved by the Board of Directors or the chairman if the chairman has been authorised by the Board of Directors based on subparagraph 8, Article 12 of the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies.

Note 7: Fill in the actual amount of endorsements/guarantees used by the endorsed/guaranteed company.

Note 8: Fill in ‘Y’ for those cases of provision of endorsements/guarantees by listed parent company to subsidiary and provision by subsidiary to listed parent company, and provision to the party in Mainland China.

MARKETECH INTERNATIONAL CORP. AND SUBSIDIARIES
Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)
For the six months ended June 30, 2023

Table 3

Expressed in thousands of NTD
(Except as otherwise indicated)

As of June 30, 2023										
Securities held by	Type of marketable securities	Name of marketable securities (Note 1)	Relationship with the securities issuer	General ledger account	Book value		Ownership (%)	Fair value	Collateral	Footnote
					Number of shares	(Note 2)				
Marketech International Corp.	Ordinary shares	Lasertec Corporation	None	Financial assets measured at fair value through profit or loss - current	20,000	\$ 92, 773	-	\$ 92, 773	None	
"	"	Aerospace Industrial Development Corp.	"	"	50,925	3, 055	-	3, 055	"	
"						\$ 95, 828		\$ 95, 828		
"	Ordinary shares	Taiwan Colour & Imaging Technology Corp.	None	Financial assets measured at fair value through profit or loss - non-current	1, 700, 000	\$ -	12. 15%	\$ -	None	
"	"	Chung-Hsin Electric and Machinery Manufacturing Corp.	"	"	290, 000	39, 730	0. 06%	39, 730	"	
"	"	WINGS GLOBAL TECHNOLOGY INC.	"	"	750, 000	7, 724	18. 75%	7, 724	"	
"	"	Promos Technologies,Inc.	"	"	250, 331	-	0. 56%	-	"	
"	"	Taiwan Puritic Corp.	"	"	4, 084, 181	410, 889	6. 72%	410, 889	"	
"	"	SOPOWER Technology Corp.	"	"	189, 222	-	12. 61%	-	"	
"	"	VEEV Interactive Pte. Ltd.	"	"	840, 000	-	6. 32%	-	"	
"	"	Taiwan Intelligent Fiber Optic Network Co.,	"	"	3, 219, 697	26, 747	1. 41%	26, 747	"	
"	"	Civil Tech Pte. Ltd.	"	"	336, 374	-	0. 58%	-	"	
"	"	ProbeLeader Co., Ltd.	Entities controlled by key management or entities with significant influence	"	966, 000	16, 737	3. 46%	16, 737	"	
"	"	Top Green Energy Technologies,Inc.	None	"	1, 111, 111	-	0. 89%	-	"	
"	"	IP Fund Six Co., Ltd.	"	"	772, 321	9, 361	1. 79%	9, 361	"	
"	"	Innorich Venture Capital Corp.	"	"	1, 000, 000	6, 340	1. 87%	6, 340	"	
"	"	Taiwan Foresight Co., Ltd.	"	"	380, 000	2, 938	2. 24%	2, 938	"	
"	"	Long Time Technology Corp.	"	"	346, 000	9, 352	0. 29%	9, 352	"	
"	"	Paradigm Venture Capital Corp.	"	"	76, 659	1, 013	3. 50%	1, 013	"	
"	"	Taiwan Special Chemicals Corp.	"	"	1, 858, 827	95, 563	1. 35%	95, 563	"	
"	"	Atech Totalsolution Co., Ltd.	"	"	128, 000	-	0. 23%	-	"	
"	"	East Wind Life Science Systems	"	"	124, 457	-	12. 87%	-	"	
"	"	EcoLand Corp.	"	"	310, 715	-	13. 51%	-	"	
"	"	Kcashin Technology Corporation	"	"	642, 500	-	19. 01%	-	"	
"	"	Radisen Co., Ltd.	"	"	87, 803	21, 356	18. 49%	21, 356	"	
"	"	Foresight Energy Technologies Co., Ltd.	"	"	675, 000	-	1. 63%	-	"	
"	"	Mycropore Corporation, Ltd.	"	"	1, 471, 000	8, 890	8. 44%	8, 890	"	
"	"	STEK CO., LTD.	"	"	507, 428	20, 380	6. 27%	20, 380	"	
"	"	Sum Capital Healthcare Investment Corp.	Entities controlled by key management or entities with significant influence	"	943, 050	9, 374	7. 44%	9, 374	"	
"	"	Forward Science Corp.	"	"	2, 650, 240	48, 324	8. 41%	48, 324	"	
"	"	Renown Information Technology Corp.	None	"	720, 000	7, 502	14. 40%	7, 502	"	
"	"	TAIWAN TRUEWIN TECHNOLOGY CO.,	"	"	765, 122	48, 605	2. 20%	48, 605	"	
"	"	Sharpcon Optical Co., Ltd.	"	"	701, 782	9, 526	7. 01%	9, 526	"	
"	"	Everlasting Digital ESG Co., Ltd.	Entities controlled by key management or entities with significant influence	"	100, 000	554	5. 88%	554	"	
"	"	Artfil, Inc.	None	"	215	19, 312	9. 33%	19, 312	"	
"	"	MEGA UNION TECHNOLOGY	"	"	659, 837	33, 977	1. 08%	33, 977	"	
"	"	Infinitesima Limited	"	"	3, 666, 667	62, 524	5. 24%	62, 524	"	
"	"	Brillian Network & Automation Integrated System Co., Ltd.	"	"	150, 000	21, 975	0. 43%	21, 975	"	
"	Private funds	Zoyi II Investment Limited Partnership	"	"	-	23, 046	-	23, 046	"	
"	Convertible bonds	HALLYS CORPORATION	"	"	-	-	-	-	"	
"	"	Radisen Co., Ltd.	"	"	-	39, 805	-	39, 805	"	
"	"	Nitride Solutions Inc.	"	"	-	-	-	-	"	
"	"	Halio, Inc.	"	"	-	-	-	-	"	
"	Preferred stock	Adant Technologies Inc.	"	"	174, 520	-	Note 3	-	"	
"	"	Halio, Inc.	"	"	501, 532	-	"	-	"	
"	Convertible preferred stock	Biomedica Corporation	"	"	156, 225	10, 099	"	10, 099	"	
"	Private funds	Vertex Growth (SG) LP	"	"	-	36, 889	-	36, 889	"	
"	"	Vertex Growth II (SG) LP	"	"	-	4, 780	-	4, 780	"	
		Total				\$ 1, 053, 312		\$ 1, 053, 312		

Note 1: Marketable securities in the table refer to stocks, bonds, beneficiary certificates and other related derivative securities.

Note 2: Fill in the amount after adjusted at fair value and deducted by accumulated impairment for the marketable securities measured at fair value; fill in the acquisition cost or amortized cost deducted by accumulated impairment for the marketable securities not measured at fair value.

Note 3: Holding preferred stock.

MARKETECH INTERNATIONAL CORP. AND SUBSIDIARIES

Purchases or sales of goods from or to related parties reaching NT\$100 million or 20% of paid-in capital or more

For the six months ended June 30, 2023

Table 4

Expressed in thousands of NTD

(Except as otherwise indicated)

							Differences in transaction				
							terms compared to third		Notes/accounts		
Transaction							party transactions		receivable (payable)		
									Percentage of		
							Percentage of		total		
							purchases		notes/accounts		
							total		receivable		
Purchaser/seller	Counterparty	Relationship	Purchases	Amount	Percentage of	Credit term	Unit price	Credit term	Balance	payable	Footnote
with the counterparty	(sales)		(sales)								
Marketech International Corp.	Marketech International Corporation	Subsidiary	Sales/	\$ 496, 528	7. 68%	Note 1	\$ -	-	\$ 314, 920	6. 89%	-
	USA		Contract of								
			construction								
Shanghai Maohua Electronics	MIC-Tech Electronics Engineering	"	Contract of	156, 112	71. 38%	"	-	-	79, 401	45. 36%	-
Engineering Co., Ltd.	Corp.		construction								

Note 1: Payment terms were in accordance with the contracts.

Note 2: Paid-up capital refers to that of the Parent company. If the issuer has issued shares without a face value or at face values other than NT\$10 per share,

the 20% requirement on paid-up capital shall be calculated instead at 10% of equity attributable to parent company shareholders, as shown on the balance sheet.

MARKETECH INTERNATIONAL CORP. AND SUBSIDIARIES
Receivables from related parties reaching NT\$100 million or 20% of paid-in capital or more
June 30, 2023

Expressed in thousands of NTD
(Except as otherwise indicated)

Table 5

Creditor	Counterparty	Relationship with the counterparty	Balance as at June 30, 2023 (Note 1)	Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts	
					Amount	Action taken			
Marketch International Corp.	Marketch International Corporation USA	Subsidiary	\$ 314, 920	6.32	\$ 102, 641	–	\$ –	\$ –	–

Note 1: Fill in separately the balances of accounts receivable–related parties, notes receivable–related parties, other receivables–related parties.

MARKETECH INTERNATIONAL CORP. AND SUBSIDIARIES
Significant inter-company transactions during the reporting period
For the six months ended June 30, 2023

Table 6

Expressed in thousands of NTD
(Except as otherwise indicated)

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			
				General ledger account	Amount	Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 3)
0	Marketch International Corp.	MIC-Tech Electronics Engineering Corp.	1	Other receivables	\$ 13, 042	Sales revenue:	0. 03%
0	Marketch International Corp.	MIC-Tech Electronics Engineering Corp.	1	Non-operating revenue	23, 219	Prices and terms of sales of goods to related parties	0. 08%
0	Marketch International Corp.	Marketch Integrated Pte. Ltd.	1	Accounts receivable	6, 828	are approximately the same to third parties. A certain	0. 02%
0	Marketch International Corp.	Marketch Integrated Pte. Ltd.	1	Services revenue	6, 541	percentage of profit is negotiated for sale of services	0. 02%
0	Marketch International Corp.	Marketch Integrated Pte. Ltd.	1	Sales revenue	11, 694	with related parties.	0. 04%
0	Marketch International Corp.	Marketch Integrated Pte. Ltd.	1	Construction revenue	8, 128	Construction revenue:	0. 03%
0	Marketch International Corp.	Marketch Integrated Pte. Ltd.	1	Non-operating revenue	7, 812	The prices of construction contracts entered into with	0. 03%
0	Marketch International Corp.	Marketch International Sdn. Bhd.	1	Other receivables	15, 909	related parties and third parties are based on normal	0. 04%
0	Marketch International Corp.	MIC-Tech Viet Nam Co., Ltd.	1	Other receivables	12, 597	construction contracts or individual agreements.	0. 03%
0	Marketch International Corp.	Marketch International Corporation USA	1	Sales revenue	183, 256	Furthermore, the collection terms to related parties	0. 67%
0	Marketch International Corp.	Marketch International Corporation USA	1	Construction revenue	313, 272	are approximately the same to third parties, which is	1. 14%
0	Marketch International Corp.	Marketch International Corporation USA	1	Accounts receivable	314, 920	about 2 to 3 months after inspection of construction	0. 74%
0	Marketch International Corp.	Marketch Netherlands B.V.	1	Prepayment for purchases	9, 190	depending on the construction contracts or individual	0. 02%
1	eZoom Information, Inc.	Marketch International Corp.	2	Services revenue	29, 573	agreements.	0. 11%
1	eZoom Information, Inc.	Marketch International Corp.	2	Construction revenue	10, 652		0. 04%
2	MIC-Tech Global Corp.	Marketch International Corp.	2	Sales revenue	83, 865		0. 30%
2	MIC-Tech Global Corp.	Marketch International Corp.	2	Accounts receivable	23, 086		0. 06%
3	Marketch Netherlands B.V.	Marketch International Corp.	2	Sales revenue	9, 406		0. 03%
4	Spiro Technology Systems Inc.	Marketch International Corp.	2	Accounts receivable	11, 226		0. 03%
4	Spiro Technology Systems Inc.	Marketch International Corp.	2	Sales revenue	34, 310		0. 12%
5	MIC-Tech Electronics Engineering Corp.	Shanghai Maohua Electronics Engineering Co., Ltd.	3	Other receivables	25, 691		0. 06%
6	Shanghai Maohua Electronics Engineering Co., Ltd.	MIC-Tech Electronics Engineering Corp.	3	Construction revenue	156, 112		0. 57%
6	Shanghai Maohua Electronics Engineering Co., Ltd.	MIC-Tech Electronics Engineering Corp.	3	Accounts receivable	79, 401		0. 20%
7	MIC-Tech (WuXi) Co., Ltd.	Marketch Integrated Pte. Ltd.	3	Sales revenue	12, 636		0. 05%

Note 1:The numbers filled in for the transaction company in respect of inter-company transactions are as follows:
(1) Parent company is ‘0’.
(2) The subsidiaries are numbered in order starting from ‘1’.

Note 2:Relationship between transaction company and counterparty is classified into the following three categories (If transactions between parent company and subsidiaries or between subsidiaries refer to the same transaction, it is not required to disclose twice. For example, if the parent company has already disclosed its transaction with a subsidiary, then the subsidiary is not required to disclose the transaction; for transactions between two subsidiaries, if one of the subsidiaries has disclosed the transaction, then the other is not required to disclose the transaction.):
(1) Parent company to subsidiary.
(2) Subsidiary to parent company.
(3) Subsidiary to subsidiary.

Note 3:Regarding percentage of transaction amount to consolidated total operating revenues or total assets, it is computed based on period-end balance of transaction to consolidated total assets for balance sheet accounts and based on accumulated transaction amount for the period to consolidated total operating revenues for income statement accounts.

Note 4: Individual amounts less than \$5,000 are not disclosed.Additionally, if it is disclosed as assets and revenue, its opposite transactions will not be disclosed.

MARKETECH INTERNATIONAL CORP. AND SUBSIDIARIES
Information on investees

For the six months ended June 30, 2023

Table 7

Expressed in thousands of NTD
(Except as otherwise indicated)

Investor	Investee	Location	Main business activities	Initial investment amount (Note 2)		Shares held as at June 30, 2023			Net profit (loss) of the investee for the six months ended June 30, 2023	Investment income (loss) recognized by the Company for the six months ended June 30, 2023 (Note 1)	Footnote
				Balance as at June 30, 2023	Balance as at December 31, 2022	Number of shares	Ownership (%)	Book value			
Marketech International Corp.	Marketech Integrated Pte. Ltd.	Singapore	Contracting for semiconductor automatic supply system	\$ 331, 732	\$ 292, 147	14, 636, 958	100	\$ 52, 666	(\$ 11)	(\$ 11)	The Company's subsidiary
Marketech International Corp.	Market Go Profits Ltd.	Virgin Islands	Investment holding and reinvestment	1, 299, 429	1, 299, 429	40, 119, 104	100	2, 265, 675	248, 759	248, 759	The Company's subsidiary
Marketech International Corp.	MIC-Tech Global Corp.	South Korea	International trade	19, 147	19, 147	131, 560	100	18, 043	3, 323	3, 323	The Company's subsidiary
Marketech International Corp.	Headquarter International Ltd.	Virgin Islands	Investment holding and reinvestment	42, 475	42, 475	1, 289, 367	100	37, 324	(248)	(248)	The Company's subsidiary
Marketech International Corp.	Tiger United Finance Ltd.	Virgin Islands	Investment holding and reinvestment	46, 475	46, 475	1, 410, 367	100	35, 033	(121)	(121)	The Company's subsidiary
Marketech International Corp.	Marketech Engineering Pte. Ltd.	Singapore	Contracting for electrical installing construction	29, 545	21, 804	1, 270, 133	100	3, 496	(711)	(711)	The Company's subsidiary
Marketech International Corp.	Marketech Integrated Manufacturing Company Limited	Myanmar	Design, manufacturing, installation of automatic production equipment and its parts	478, 985	478, 985	1, 535, 600	100	141, 626	(6, 244)	(6, 244)	The Company's subsidiary
Marketech International Corp.	MIC-Tech Viet Nam Co., Ltd.	Vietnam	Trading, installation and repair of various machinery equipment and its peripherals; consulting service and software execution service associated with computer hardware installation	271, 476	131, 060	-	100	222, 012	(10, 809)	(10, 809)	The Company's subsidiary
Marketech International Corp.	Marketech Co., Ltd.	Vietnam	Specialized contracting and related repair services; equipment sales and repair; sales of cosmetics and daily necessities; production, development and implementation of software and providing coding service; providing installation service of industrial machine and equipment	72, 596	72, 596	-	100	2, 552	(4, 068)	(4, 068)	The Company's subsidiary
Marketech International Corp.	eZoom Information, Inc.	Taiwan	Research, trading and consulting of information system software and hardware appliance	230, 737	230, 737	23, 500, 000	100	26, 801	(34, 687)	(34, 687)	The Company's subsidiary
Marketech International Corp.	Marketech International Sdn.Bhd.	Malaysia	Specialized contracting and related repair services; sales of medical devices	78, 158	82, 014	12, 242, 750	100	10, 738	(32, 848)	(32, 848)	The Company's subsidiary
Marketech International Corp.	Marketech International Corporation USA	USA	Specialized contracting and related repair services	556, 886	259, 794	18, 450, 000	100	1, 053, 857	67, 934	67, 934	The Company's subsidiary

Investor	Investee	Location	Main business activities	Initial investment amount (Note 2)		Shares held as at June 30, 2023			Net profit (loss) of the investee for the six months ended June 30, 2023	Investment income (loss) recognized by the Company for the six months ended June 30, 2023 (Note 1)	Footnote
				Balance as at June 30, 2023	Balance as at December 31, 2022	Number of shares	Ownership (%)	Book value			
Marketech International Corp.	Spiro Technology Systems Inc.	USA	International trade	\$ 54,074	\$ 54,074	1,000,000	100	\$ 85,211	\$ 1,388	\$ 1,388	The Company's subsidiary
Marketech International Corp.	ADAT Technology CO., LTD.	Taiwan	Research, development, application, and service of software; supply of electronic information and data processing service	84,119	84,119	5,005,940	25.62	20,917	(31,288)	(8,015)	The Company's subsidiary
Marketech International Corp.	PT Marketech International Indonesia	Indonesia	Trading business of machine equipment and parts	38,042	38,042	1,199,000	99.92	35,298	(1,659)	(1,659)	The Company's subsidiary
Marketech International Corp.	Marketech Netherlands B.V	Netherlands	International trade business of machine and components and technical service	40,510	40,510	1,200,000	100	1,294	(4,164)	(4,164)	The Company's subsidiary
Marketech International Corp.	Glory Technology Service Inc..	Taiwan	Sale and installation of information and communication equipment	42,714	42,714	5,968,371	29.24	74,416	18,780	5,491	The Company's investee accounted for using equity method
Marketech International Corp.	MIC Techno Co., Ltd.	Taiwan	Sale of panels and its materials	2,000	2,000	200,000	20	1,809	8	2	The Company's investee accounted for using equity method
Marketech International Corp.	Taiwan Radisen HealthCare Co., Ltd.	Taiwan	Smart medical consulting services and investment	500	500	50,000	100.00	358	(19)	(19)	The Company's subsidiary
Marketech International Corp.	Vertex System Corporation	Taiwan	Trading of equipment for private 5G wireless communication networks (picocells and core networks) and IoT intelligent control gateway; maintenance and operations of device management platform (DMP), and provision of services in software management platform and vertical integration of information technology (IT) and communication technology (CT)	50,000	50,000	5,000,000	61.35	28,999	(13,161)	(8,074)	The Company's subsidiary
Marketech International Corp.	Bolite Co., Ltd.	Taiwan	Precision R&D, manufacturing and sales of laser-related modules and equipment, and provide laser application solutions	19,200	19,200	1,600,000	32	20,719	(18,520)	(5,926)	The Company's investee accounted for using equity method
Marketech International Corp.	MIC Healthcare Korea Co., Ltd.	South Korea	R&D, sales and professional technical services of medical device and its parts; international trade and import and export business	41,537	22,822	3,600,000	100	15,637	(11,969)	(11,969)	The Company's subsidiary
Marketech International Corp.	Marketech International Corp. Japan	Japan	International trade	13,750	2,302	6,000	100	10,125	(2,821)	(2,821)	The Company's subsidiary
Marketech International Corp.	Advanced Technology Matrix United Corporation	USA	Warehousing logistics services; sales agent of semiconductor equipment, components and consumables and semiconductor materials	60,960	-	2,000,000	68.97	62,280	-	-	The Company's subsidiary

Table 7-2

Investor	Investee	Location	Main business activities	Initial investment amount (Note 2)		Shares held as at June 30, 2023			Net profit (loss) of the investee for the six months ended June 30, 2023	Investment income (loss) recognized by the Company for the six months ended June 30, 2023 (Note 1)	Footnote
				Balance as at June 30, 2023	Balance as at December 31, 2022	Number of shares	Ownership (%)	Book value			
Market Go Profits Ltd.	MIC-Tech Ventures Asia Pacific Inc.	Cayman Islands	Investment holding and reinvestment	\$ 1,293,932	\$ 1,293,932	40,016,604	100	\$ 2,264,336	\$ 248,759	\$ –	The investor's subsidiary
Marketech Engineering Pte Ltd.	Marketech Integrated Construction Co., Ltd.	Myanmar	Contracting for electrical installing construction	27,083	19,342	88,500	98.33	2,957	(603)	–	The investor's subsidiary
MIC-Tech Ventures Asia Pacific Inc.	Rusky H.K. Limited	Hong Kong	Investment holding and reinvestment	34,551	34,551	833,000	100	7,148	15,355	–	The investor's subsidiary
MIC-Tech Ventures Asia Pacific Inc.	Frontken MIC Co. Limited	Hong Kong	Investment holding and reinvestment	–	31,422	–	–	–	14	–	Note 3
MIC-Tech Ventures Asia Pacific Inc.	MICT International Limited	Hong Kong	Investment holding and reinvestment	132,282	132,282	5,400,000	60	29,827	(4,157)	–	The investor's subsidiary
MIC-Tech Ventures Asia Pacific Inc.	Leader Fortune Enterprise Co., Ltd.	Samoa	Investment holding and reinvestment	8,990	8,990	303,000	31.43	(5,318)	(2,977)	–	The investor's investee accounted for using equity method
MIC-Tech Ventures Asia Pacific Inc.	Fortune Blessing Co.,Limited	Hong Kong	Investment holding and reinvestment	45,985	45,985	500,000	27.78	6,687	612	–	The investor's investee accounted for using equity method
Rusky H.K. Limited	PT Marketech International Indonesia	Indonesia	Trading business of machine equipment and parts	32	32	1,000	0.08	31	(1,659)	–	The investor's investee accounted for using equity method

Note 1: The amount of \$0 means that the Company does not directly recognize gain or loss on investments.

Note 2: Except for subsidiaries in Malaysia which are translated at the current rate as of June 30, 2023, the initial investment amounts of other investees are translated at the current rate as of the investment date.

Note 3: Frontken MIC Co. Limited was completed in April, 2023.

Table 7-3

MARKETECH INTERNATIONAL CORP. AND SUBSIDIARIES

Information on investments in Mainland China

For the six months ended June 30, 2023

Table 8

Expressed in thousands of NTD

(Except as otherwise indicated)

Investee in Mainland China	Main business activities	Paid-in capital (Note 3)	Investment method (Note 1)	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2023 (Note 3)	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the six months ended June 30, 2023 (Note 3)		Accumulated amount of remittance from Taiwan to Mainland China as of June 30, 2023 (Note 3)	Net income of investee for the six months ended June 30, 2023	Ownership held by the Company (direct or indirect)	Investment income (loss) recognized by the Company for the six months ended June 30, 2023 (Note 2)	Book value of investments in Mainland China as of June 30, 2023	Accumulated amount of investment income remitted back to Taiwan as of June 30, 2023	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
MIC-Tech (WuXi) Co., Ltd.	Manufacturing and sales of semiconductor devices, intelligent storage equipments, illuminators, masks and labor protective products; manufacturing of package special equipments	\$ 794, 070	Note 1(2)	\$ 638, 370	\$ -	\$ -	\$ 638, 370	(\$ 31, 838)	100	(\$ 31, 551)	\$ 107, 032	\$ -	Note 2 (2)B
MIC-Tech (Shanghai) Corp.	Wholesale, commission agency, maintenance, repairment, manufacture, import and export of semiconductor production and its consumables; trading agency and consulting services in customs bonded area	256, 625	Note 1(2)	15, 570	-	-	15, 570	175, 666	100	175, 666	867, 475	217, 487	Note 2 (2)B
Shanghai Maohua Electronics Engineering Co.,Ltd.	Production of scrubber bins for semiconductor manufacturers; design, installation, debugging and technology services of tunnel system; equipment repair for semiconductor manufacturers	18, 684	Note 1(2)	18, 777	-	-	18, 777	18, 056	87	15, 709	4, 713	-	Note 2 (2)B
MIC-Tech Electronics Engineering Corp.	Installation and construction of mechanical and electrical systems; professional building renovation and decoration services; design and construction of smart buildings; construction of electronic projects and related technical services and consulting	548, 656	Note 1(2)	265, 313	-	-	265, 313	97, 398	100	97, 398	862, 123	112, 742	Note 2 (2)B
Integrated Manufacturing & Services Co., Ltd.	Development of special equipment for solar cell production, manufacture of optical engine, cleaning and regeneration of new electrical device	217, 980	Note 1(2)	121, 446	-	-	121, 446	(4, 157)	60	(2, 494)	29, 048	-	Note 2 (2)B
MIC-Tech China Trading (Shanghai) Co., Ltd.	Wholesale, commission agency and import and export of chemical products, semiconductors, inspection equipment and its consumables, solar equipment consumables, trading and trading agency among enterprises in customs bonded area	46, 710	Note 1(2)	46, 710	-	-	46, 710	30, 121	100	30, 121	141, 576	-	Note 2 (2)B
Macrotec Technology (Shanghai) Co., Ltd.	Wholesale, commission agency, import and export and other complementary service of electrical products, instrumentation, metal products, electrical equipment, International and entrepot trade, trading and trading agency among enterprises in customs bonded area	29, 798	Note 1(2)	9, 365	-	-	9, 365	(2, 977)	31. 43	(936)	(5, 322)	-	Note 2 (2)C

Table 8-1

Investee in Mainland China	Main business activities	Paid-in capital (Note 3)	Investment method (Note 1)	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2023 (Note 3)	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the six months ended June 30, 2023 (Note 3)		Accumulated amount of remittance from Taiwan to Mainland China as of June 30, 2023 (Note 3)	Net income of investee for the six months ended June 30, 2023	Ownership held by the Company (direct or indirect)	Investment income (loss) recognized by the Company for the six months ended June 30, 2023 (Note 2)	Book value of investments in Mainland China as of June 30, 2023	Accumulated amount of investment income remitted back to Taiwan as of June 30, 2023	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
Fortune International Corporation	Research and development, manufacturing, sales, installation and repair services of semiconductor-related devices, equipment and materials; supply chain and property management service; industrial park management service; venue rental; conference and exhibition services; warehousing service	56, 052	Note 1(2)	15, 570	-	-	15, 570	612	27. 78	170	6, 653	-	Note 2 (2)C

Note 1: Investment methods are classified into the following three categories:

- (1) Directly invest in a company in Mainland China.
- (2) Through investing in Market Go Profits Ltd., which then invested in the investee in Mainland China.
- (3) Others.

Note 2: In the ‘Investment income (loss) recognized by the Company for the six months ended June 30, 2023’ column:

- (1) It should be indicated if the investee was still in the incorporation arrangements and had not yet any profit during this year.
- (2) Indicate the basis for investment income (loss) recognition in the number of one of the following three categories:
 - A.The financial statements were reviewed and attested by international accounting firm which has cooperative relationship with accounting firm in R.O.C.
 - B.The financial statements were reviewed and attested by R.O.C. parent company’s CPA.
 - C.Others-the financial statements were not reviewed by independent auditors.

Note 3: Paid-in capital and investment amount were translated at the original currency times exchange rate at period end.

2. Limit on investees in Mainland China

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of June 30, 2023 (Note 1) (Note 2) (Note 3)	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA) (Note 1)	Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA
Marketch International Corp.	\$ 1,220,377	\$ 1,731,415	\$ 5,921,839

Note 1: The amount was translated at the original currency times exchange rate at period end.

Note 2: The Company has sold WUXI Probeleader Electronics Co., Ltd. at the end of November 2011. As the accumulated investment was different from the investment collected back, the difference between accumulated amount of remittance from Taiwan to Mainland China as of November 30, 2011 and accumulated amount of remittance from Taiwan to Mainland China registered at and approved by MOEA was US\$186 thousand.

Note 3: The liquidation of TPP-MIC (WuXi) Co., Ltd. was completed in November, 2015. As the accumulated investment was different from the investment collected back, the difference between accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2022, and accumulated amount of remittance from Taiwan to Mainland China registered at and approved by MOEA was US\$180 thousand.

Table 8-2

MARKETECH INTERNATIONAL CORP. AND SUBSIDIARIES

Major shareholders information

June 30, 2023

Table 9

Name of major shareholders	Shares	
	Name of shares held	Ownership (%)
Ennoconn International Investment Co., Ltd.	83,468,613	42.55
JI-XUAN Investment Corp.	11,005,795	5.61

Note 1: The major shareholders information was derived from the data that the Company issued common shares (including treasury shares) and preference shares in dematerialised form which were registered and held by the shareholders 5% on the last operating date of each quarter and was calculated by Taiwan Depository & Clearing Corporation. The share capital which was recorded on the financial statements may be different from the actual number of share in dematerialised form due to the difference in the calculation basis.

Note 2: If the aforementioned data contains shares which were kept at the trust by the shareholders, the data was disclosed as a separate account of client which was set by the trustee. As for the shareholder who reports share equity as an insider whose shareholding ratio is greater than 10% in accordance with the Securities and Exchange Act, the shareholding ratio includes the self-owned shares and trusted shares, at the same time, persons who have power to decide how to allocate the trust assets. For the information of reported share equity of insider, please refer to Market Observation Post System.