

Aethertek Technology Co., Ltd.
(Formerly Service & Quality Group Co., Ltd.)
and Subsidiaries

**Consolidated Financial Statements for the
Six Months Ended June 30, 2022 and 2021 and
Independent Auditors' Review Report**

INDEPENDENT AUDITORS' REVIEW REPORT

The Board of Directors and Stockholders
Aethertek Technology Co., Ltd.
(Formerly Service & Quality Group Co., Ltd.)

Introduction

We have reviewed the accompanying consolidated balance sheets of Aethertek Technology Co., Ltd. and subsidiaries (collectively referred to as the “Group”) as of June 30, 2022 and 2021, the related consolidated statements of comprehensive income for the three months ended June 30, 2022 and 2021 and for the six months ended June 30, 2022 and 2021, the consolidated statements of changes in equity and cash flows for the six months then ended, and the related notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Accounting Standard 34 “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

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

Conclusion

Based on our reviews, nothing has come to our attention that caused 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 of June 30, 2022 and 2021, and its consolidated financial performance for the three months ended June 30, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for the six months ended June 30, 2022 and 2021 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Emphasis on Matters

As stated in Note 14 to the consolidated financial report, Aethertek Technology Co., Ltd. acquired 100% of the equity of Trentest Enterprise Ltd and 51% of the equity of Trentest Precision (China) Ltd., on April 9, 2021. Aethertek Technology Co., Ltd. had obtained the evaluation report in 2021. The comparative figures have been restated as if the initial accounting was completed at the acquisition date. Our review result is not modified in respect of this matter.

The engagement partners on the reviews resulting in this independent auditors' review report are Ming-Chung Hsieh and I-Chen Lu.

Deloitte & Touche
Taipei, Taiwan
Republic of China

August 10, 2022

Notice to Readers

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

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

AETHERTEK TECHNOLOGY CO., LTD.
(Formerly Service & Quality Group Co., Ltd.)
AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
(In Thousands of New Taiwan Dollars)

ASSETS	June 30, 2022 (Reviewed)		December 31, 2021 (Audited)		June 30, 2021 (Reviewed after Restatement)	
	Amount	%	Amount	%	Amount	%
CURRENT ASSETS						
Cash (Note 6)	\$ 806,056	35	\$ 847,242	37	\$ 971,770	33
Financial assets at fair value through profit or loss (Note 7)	45,893	2	44,483	2	43,099	2
Notes receivable	-	-	-	-	332	-
Trade receivables (Notes 8 and 19)	376,024	17	488,831	21	718,795	24
Other receivables	17,818	1	2,762	-	35,186	1
Current tax assets	-	-	3,412	-	50	-
Inventories (Note 9)	415,456	18	288,066	13	560,428	19
Prepayments	15,192	1	17,683	1	11,518	-
Other current assets	519	-	173	-	2	-
Total current assets	<u>1,676,958</u>	<u>74</u>	<u>1,692,652</u>	<u>74</u>	<u>2,341,180</u>	<u>79</u>
NON-CURRENT ASSETS						
Property, plant and equipment (Note 11)	156,606	7	157,226	7	188,920	6
Right-of-use assets (Note 12)	12,013	-	20,135	1	19,531	1
Investment property (Note 13)	62,563	3	63,473	3	65,021	2
Goodwill (Note 14)	106,368	5	105,999	5	103,885	4
Other intangible assets (Note 15)	220,169	10	214,814	9	234,176	8
Deferred tax assets	21,426	1	12,433	-	9,149	-
Prepayments for equipment	1,899	-	21,571	1	-	-
Refundable assets	10,652	-	10,473	-	9,357	-
Total non-current assets	<u>591,696</u>	<u>26</u>	<u>606,124</u>	<u>26</u>	<u>630,039</u>	<u>21</u>
TOTAL	<u>\$ 2,268,654</u>	<u>100</u>	<u>\$ 2,298,776</u>	<u>100</u>	<u>\$ 2,971,219</u>	<u>100</u>
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Contract liabilities (Note 19)	\$ 10,532	-	\$ 2,287	-	\$ 2,904	-
Trade payables	195,290	9	69,794	3	386,215	13
Dividends payable (Note 16)	495,271	22	517,693	23	830,263	28
Investment payable (Note 16)	-	-	-	-	417,589	14
Other payables (Note 16)	120,823	5	154,127	7	124,344	4
Current tax liabilities	10,841	-	51,956	2	3,330	-
Lease liabilities - current (Note 12)	11,099	1	20,336	1	12,030	1
Other current liabilities	388	-	27	-	215	-
Total current liabilities	<u>844,244</u>	<u>37</u>	<u>816,220</u>	<u>36</u>	<u>1,776,890</u>	<u>60</u>
NON-CURRENT LIABILITIES						
Deferred tax liabilities	15,198	1	-	-	973	-
Lease liabilities - non-current (Note 12)	-	-	186	-	5,091	-
Total non-current liabilities	<u>15,198</u>	<u>1</u>	<u>186</u>	<u>-</u>	<u>6,064</u>	<u>-</u>
Total liabilities	<u>859,442</u>	<u>38</u>	<u>816,406</u>	<u>36</u>	<u>1,782,954</u>	<u>60</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 18)						
Ordinary shares	702,840	31	702,840	30	702,840	24
Capital surplus	157,852	7	157,852	7	157,852	5
Retained earnings						
Legal reserve	44,490	2	-	-	-	-
Special reserve	7,875	-	-	-	-	-
Unappropriated earnings	281,604	12	444,895	19	133,738	4
Total retained earnings	<u>333,969</u>	<u>14</u>	<u>444,895</u>	<u>19</u>	<u>133,738</u>	<u>4</u>
Other equity	17,335	1	(7,875)	-	(7,921)	-
Equity attributable to owners of the Company	1,211,996	53	1,297,712	56	986,509	33
NON-CONTROLLING INTERESTS (Note 18)	<u>197,216</u>	<u>9</u>	<u>184,658</u>	<u>8</u>	<u>201,756</u>	<u>7</u>
Total equity	<u>1,409,212</u>	<u>62</u>	<u>1,482,370</u>	<u>64</u>	<u>1,188,265</u>	<u>40</u>
TOTAL	<u>\$ 2,268,654</u>	<u>100</u>	<u>\$ 2,298,776</u>	<u>100</u>	<u>\$ 2,971,219</u>	<u>100</u>

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

AETHERTEK TECHNOLOGY CO., LTD.
(Formerly Service & Quality Group Co., Ltd.)
AND SUBSIDIARIES

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

	For the Three Months Ended June 30				For the Six Months Ended June 30			
	2022		2021 (Reviewed after Restatement)		2022		2021 (Reviewed after Restatement)	
	Amount	%	Amount	%	Amount	%	Amount	%
OPERATING REVENUE (Note 19)	\$ 363,573	100	\$ 664,999	100	\$ 663,107	100	\$ 678,562	100
OPERATING COSTS (Notes 9 and 20)	<u>(154,733)</u>	<u>(43)</u>	<u>(260,464)</u>	<u>(39)</u>	<u>(300,389)</u>	<u>(45)</u>	<u>(266,966)</u>	<u>(39)</u>
GROSS PROFIT	<u>208,840</u>	<u>57</u>	<u>404,535</u>	<u>61</u>	<u>362,718</u>	<u>55</u>	<u>411,596</u>	<u>61</u>
OPERATING EXPENSES (Note 20)								
Selling and marketing expenses	(50,075)	(14)	(79,195)	(12)	(93,959)	(14)	(79,546)	(12)
General and administrative expenses	(35,197)	(10)	(61,362)	(9)	(71,463)	(11)	(67,349)	(10)
Research and development expenses	(107,214)	(29)	(137,599)	(21)	(214,045)	(32)	(137,599)	(20)
Expected credit loss (Note 8)	<u>20,860</u>	<u>6</u>	<u>(23,310)</u>	<u>(3)</u>	<u>16,517</u>	<u>2</u>	<u>(23,310)</u>	<u>(4)</u>
Total operating expenses	<u>(171,626)</u>	<u>(47)</u>	<u>(301,466)</u>	<u>(45)</u>	<u>(362,950)</u>	<u>(55)</u>	<u>(307,804)</u>	<u>(46)</u>
PROFIT FROM OPERATIONS	<u>37,214</u>	<u>10</u>	<u>103,069</u>	<u>16</u>	<u>(232)</u>	<u>-</u>	<u>103,792</u>	<u>15</u>
NON-OPERATING INCOME AND EXPENSES (Note 20)								
Interest income	312	-	199	-	454	-	320	-
Other income	570	1	35,326	5	11,539	2	35,326	6
Other gains and losses	51,000	14	(12,788)	(2)	67,758	10	(12,855)	(2)
Finance costs	<u>(100)</u>	<u>-</u>	<u>(166)</u>	<u>-</u>	<u>(238)</u>	<u>-</u>	<u>(181)</u>	<u>-</u>
Total non-operating income and expenses	<u>51,782</u>	<u>15</u>	<u>22,571</u>	<u>3</u>	<u>79,513</u>	<u>12</u>	<u>22,610</u>	<u>4</u>
PROFIT BEFORE INCOME TAX FROM CONTINUING OPERATIONS	88,996	25	125,640	19	79,281	12	126,402	19
INCOME TAX EXPENSE (Note 21)	<u>(17,235)</u>	<u>(5)</u>	<u>(3,918)</u>	<u>(1)</u>	<u>(5,519)</u>	<u>(1)</u>	<u>(3,918)</u>	<u>(1)</u>
NET PROFIT FOR THE PERIOD	<u>71,761</u>	<u>20</u>	<u>121,722</u>	<u>18</u>	<u>73,762</u>	<u>11</u>	<u>122,484</u>	<u>18</u>

(Continued)

AETHERTEK TECHNOLOGY CO., LTD.
(Formerly Service & Quality Group Co., Ltd.)
AND SUBSIDIARIES

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

	For the Three Months Ended June 30				For the Six Months Ended June 30			
	2022		2021		2022		2021	
	Amount	%	Amount	%	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME (LOSS)								
Items that may be reclassified subsequently to profit or loss:								
Exchange differences on translation of the financial statements of foreign operations (Note 18)	\$ 7,322	2	\$ (11,392)	(2)	\$ 35,092	5	\$ (11,401)	(1)
Income tax related to items that may be reclassified subsequently to profit or loss (Notes 18 and 21)	(2,056)	(1)	1,978	1	(6,303)	(1)	1,980	-
Other comprehensive income (loss) for the period, net of income tax	5,266	1	(9,414)	(1)	28,789	4	(9,421)	(1)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>\$ 77,027</u>	<u>21</u>	<u>\$ 112,308</u>	<u>17</u>	<u>\$ 102,551</u>	<u>15</u>	<u>\$ 113,063</u>	<u>17</u>
NET PROFIT								
ATTRIBUTABLE TO:								
Owners of the Company	\$ 36,081	10	\$ 132,976	20	\$ 64,783	10	\$ 133,738	20
Non-controlling interests	35,680	10	(11,254)	(2)	8,979	1	(11,254)	(2)
	<u>\$ 71,761</u>	<u>20</u>	<u>\$ 121,722</u>	<u>18</u>	<u>\$ 73,762</u>	<u>11</u>	<u>\$ 122,484</u>	<u>18</u>
TOTAL COMPREHENSIVE INCOME								
ATTRIBUTABLE TO:								
Owners of the Company	\$ 44,302	12	\$ 125,062	19	\$ 89,993	13	\$ 125,817	19
Non-controlling interests	32,725	9	(12,754)	(2)	12,558	2	(12,754)	(2)
	<u>\$ 77,027</u>	<u>21</u>	<u>\$ 112,308</u>	<u>17</u>	<u>\$ 102,551</u>	<u>15</u>	<u>\$ 113,063</u>	<u>17</u>
EARNINGS PER SHARE								
(Note 22)								
From continuing operations								
Basic	<u>\$ 0.51</u>		<u>\$ 1.89</u>		<u>\$ 0.92</u>		<u>\$ 1.90</u>	
Diluted	<u>\$ 0.51</u>		<u>\$ 1.89</u>		<u>\$ 0.92</u>		<u>\$ 1.90</u>	

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

(Concluded)

AETHERTEK TECHNOLOGY CO., LTD.
(Formerly Service & Quality Group Co., Ltd.)
AND SUBSIDIARIES

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

	Equity Attributable to Shareholders of the Parent						Others Exchange Differences on Translation of the Financial Statements of Foreign Operations	Total	Non-controlling Interests	Total Equity
	Capital Stock - Common Stock		Capital Surplus	Retained Earnings						
	Shares (In Thousands)	Amount		Legal Reserve	Special Reserve	Unappropriated Earnings				
BALANCE, JANUARY 1, 2021	70,284	\$ 702,840	\$ 211,844	\$ -	\$ -	\$ (53,992)	\$ -	\$ 860,692	\$ -	\$ 860,692
Capital surplus used to cover accumulated deficit	-	-	(53,992)	-	-	53,992	-	-	-	-
Net profit (loss) for the six months ended June 30, 2021	-	-	-	-	-	133,738	-	133,738	(11,254)	122,484
Other comprehensive income (loss) for the six months ended June 30, 2021, net of income tax (Note 18)	-	-	-	-	-	-	(7,921)	(7,921)	(1,500)	(9,421)
Total comprehensive income (loss) for the six months ended June 30, 2021	-	-	-	-	-	133,738	(7,921)	125,817	(12,754)	113,063
Increase in non-controlling interests (Notes 18 and 24)	-	-	-	-	-	-	-	-	214,510	214,510
BALANCE, JUNE 30, 2021	<u>70,284</u>	<u>\$ 702,840</u>	<u>\$ 157,852</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 133,738</u>	<u>\$ (7,921)</u>	<u>\$ 986,509</u>	<u>\$ 201,756</u>	<u>\$ 1,188,265</u>
BALANCE, JANUARY 1, 2022	70,284	\$ 702,840	\$ 157,852	\$ -	\$ -	\$ 444,895	\$ (7,875)	\$ 1,297,712	\$ 184,658	\$ 1,482,370
Appropriation of 2021 earnings										
Legal reserve	-	-	-	44,490	-	(44,490)	-	-	-	-
Special reserve	-	-	-	-	7,875	(7,875)	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	(175,709)	-	(175,709)	-	(175,709)
Net profit for the six months ended June 30, 2022	-	-	-	-	-	64,783	-	64,783	8,979	73,762
Other comprehensive income for the six months ended June 30, 2022, net of income tax (Note 18)	-	-	-	-	-	-	25,210	25,210	3,579	28,789
Total comprehensive income for the six months ended June 30, 2022	-	-	-	-	-	64,783	25,210	89,993	12,558	102,551
BALANCE, JUNE 30, 2022	<u>70,284</u>	<u>\$ 702,840</u>	<u>\$ 157,852</u>	<u>\$ 44,490</u>	<u>\$ 7,875</u>	<u>\$ 281,604</u>	<u>\$ 17,335</u>	<u>\$ 1,211,996</u>	<u>\$ 197,216</u>	<u>\$ 1,409,212</u>

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

AETHERTEK TECHNOLOGY CO., LTD.
(Formerly Service & Quality Group Co., Ltd.)
AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Thousands of New Taiwan Dollars)
(Reviewed, Not Audited)

	For the Six Months Ended June 30	
	2022	2021 (Reviewed after Restatement)
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 79,281	\$ 126,402
Adjustments for:		
Depreciation expense	44,768	27,231
Amortization expense	14,818	11,371
Expected credit (gain) loss recognized on trade receivables	(16,517)	23,310
Net gain on financial instruments at fair value through profit or loss	(562)	-
Finance costs	238	181
Interest income	(454)	(320)
(Gain) loss on disposal of property, plant and equipment	(16,694)	8
Loss on disposal of investment	-	7,294
Write-down of inventories	23,646	-
Net changes in operating assets and liabilities		
Notes receivable	-	1,590
Trade receivables	128,411	(254,567)
Other receivables	(15,056)	(10,487)
Inventories	(151,755)	(252,545)
Prepayments	2,491	2,921
Other current assets	(346)	1,506
Contract liabilities	8,245	679
Trade payables	125,496	149,944
Other payables	(230,010)	(154,066)
Other current liabilities	<u>361</u>	<u>(35)</u>
Cash used in operations	(3,639)	(319,583)
Interest received	454	320
Interest paid	(238)	-
Income tax paid	<u>(43,099)</u>	<u>(744)</u>
Net cash used in operating activities	<u>(46,522)</u>	<u>(320,007)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Net cash inflow on acquisition of subsidiaries	-	418,822
Proceeds from disposal of disposal groups held for sale	-	33,859
Payment for property, plant and equipment	(11,882)	(3,514)
Proceeds from disposed of property, plant and equipment	17,885	-
Increase in refundable deposits	(179)	(9,051)
Payments for intangible assets	(5,186)	-

(Continued)

AETHERTEK TECHNOLOGY CO., LTD.
(Formerly Service & Quality Group Co., Ltd.)
AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Thousands of New Taiwan Dollars)
(Reviewed, Not Audited)

	For the Six Months Ended June 30	
	2022	2021 (Reviewed after Restatement)
Decrease in other financial assets	\$ -	\$ 267,852
Increase in prepayments for equipment	<u>(614)</u>	<u>-</u>
Net cash generated from investing activities	<u>24</u>	<u>707,968</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of the principal portion of lease liabilities	<u>(11,104)</u>	<u>(3,323)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	<u>16,416</u>	<u>(2,194)</u>
NET (DECREASE) INCREASE IN CASH	(41,186)	382,444
CASH, BEGINNING OF THE PERIOD	<u>847,242</u>	<u>589,326</u>
CASH, END OF THE PERIOD	<u>\$ 806,056</u>	<u>\$ 971,770</u>

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

(Concluded)

AETHERTEK TECHNOLOGY CO., LTD.
(Formerly Service & Quality Group Co., Ltd.)
AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED JUNE 30, 2022 AND 2021
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)
(Reviewed, Not Audited)

1. GENERAL INFORMATION

Aethertek Technology Co., Ltd. (the “Company”) was incorporated in Taipei City in September 1992. On April 14, 2021, it received approval from Ministry of Economic Affairs and had changed its name from “Service & Quality Group Co., Ltd.” to “Aethertek Technology Co., Ltd.” The Company involves in equipment manufacturing, product design, software service, etc.

The Company’s shares have been listed on the Taipei Exchange (TPEX) since March 2004.

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

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Company’s board of directors on August 10, 2022.

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

- a. Initial application of the amendments to the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the “IFRSs”) endorsed and issued into effect by the Financial Supervisory Commission (FSC).

The initial application of the IFRSs endorsed and issued into effect by the FSC did not have material impact on the Group’s accounting policies.

- b. The IFRSs endorsed by the FSC for application starting from 2023

New IFRSs	Effective Date Announced by IASB
Amendments to IAS 1 “Disclosure of Accounting Policies”	January 1, 2023 (Note 1)
Amendments to IAS 8 “Definition of Accounting Estimates”	January 1, 2023 (Note 2)
Amendments to IAS 12 “Deferred Tax related to Assets and Liabilities arising from a Single Transaction”	January 1, 2023 (Note 3)

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

Note 2: The amendments are applicable to changes in accounting estimates and changes in accounting policies that occur on or after the beginning of the annual reporting period beginning on or after January 1, 2023.

Note 3: Except for deferred taxes that will be recognized on January 1, 2022 for temporary differences associated with leases and decommissioning obligations, the amendments will be applied prospectively to transactions that occur on or after January 1, 2022.

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

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

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

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

- a) the Group changed its accounting policy during the reporting period and this change resulted in a material change to the information in the financial statements;
- b) the Group chose the accounting policy from options permitted by the standards;
- c) the accounting policy was developed in accordance with IAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors” in the absence of an IFRS that specifically applies;
- d) the accounting policy relates to an area for which the Group is required to make significant judgements or assumptions in applying an accounting policy, and the Group discloses those judgements or assumptions; or
- e) the accounting is complex and users of the financial statements would otherwise not understand those material transactions, other events or conditions.

2) Amendments to IAS 8 “Definition of Accounting Estimates”

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

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

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

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

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

New IFRSs	Effective Date Announced by IASB (Note)
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between An Investor and Its Associate or Joint Venture”	To be determined by IASB
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 “Initial Application of IFRS 9 and IFRS 17 - Comparative Information”	January 1, 2023
Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”	January 1, 2023

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

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

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

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

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

The amendments clarify that for a liability to be classified as non-current, the Group shall assess whether it has the right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period. If such rights are in existence at the end of the reporting period, the liability is classified as non-current regardless of whether the Group will exercise that right. The amendments also clarify that, if the right to defer settlement is subject to compliance with specified conditions, the Group must comply with those conditions at the end of the reporting period even if the lender does not test compliance until a later date.

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

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Statement of compliance

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

b. Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis

c. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company.

Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statement of profit or loss and other comprehensive income from the effective dates of acquisitions up to the effective dates of disposals, as appropriate.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Company.

All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When the Group loses control of a subsidiary, a gain or loss is recognized in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and any investment retained in the former subsidiary at its fair value at the date when control is lost and (ii) the assets (including any goodwill) and liabilities and any non-controlling interests of the former subsidiary at their carrying amounts at the date when control is lost. The Group accounts for all amounts recognized in other comprehensive income in relation to that subsidiary on the same basis as would be required had the Group directly disposed of the related assets or liabilities.

See Note 10, Table 5 and Table 6 for detailed information on subsidiaries (including percentages of ownership and main businesses).

d. Other significant accounting policies

Except for the following, refer to the consolidated financial statements for the year ended December 31, 2021.

Taxation

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

On derecognition of the investment properties, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss in the period in which the property is derecognized.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The Group has considered the economic implications of COVID-19 on critical accounting estimations and will continue evaluating the impact on its financial position and financial performance as a result of the pandemic. In addition, the same critical accounting judgments and key sources of estimates and uncertainty have been followed in these consolidated financial statements as were applied in the preparation of the Company's consolidated financial statements for the year ended December 31, 2021.

6. CASH

	June 30, 2022	December 31, 2021	June 30, 2021
Cash on hand	\$ 187	\$ 180	\$ 207
Checking accounts and demand deposits	<u>805,869</u>	<u>847,062</u>	<u>971,563</u>
	<u>\$ 806,056</u>	<u>\$ 847,242</u>	<u>\$ 971,770</u>

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	June 30, 2022	December 31, 2021	June 30, 2021
<u>Financial assets at FVTPL - current</u>			
Non-derivative financial assets			
Financial assets mandatorily classified as at FVTPL			
Non-principal investment products	<u>\$ 45,893</u>	<u>\$ 44,483</u>	<u>\$ 43,099</u>

Non-principal investment products mainly refer to the investment products purchased from banks in mainland China.

8. TRADE RECEIVABLES

	June 30, 2022	December 31, 2021	June 30, 2021
<u>Trade receivables</u>			
At amortized cost			
Gross carrying amount	\$ 395,983	\$ 524,395	\$ 754,414
Less: Allowance for impairment loss	<u>(19,959)</u>	<u>(35,564)</u>	<u>(35,619)</u>
	<u>\$ 376,024</u>	<u>\$ 488,831</u>	<u>\$ 718,795</u>

The Group's average credit period of sales of goods is 30 to 90 days. No interest is charged on trade receivables. In order to minimize credit risk, the management of the Company has delegated a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at the end of the period to ensure that adequate allowance is made for possible irrecoverable amounts. In this regard, the management believes the Group's credit risk was significantly reduced.

The Group measures the loss allowance for trade receivables at an amount equal to lifetime ECLs. The expected credit losses on trade receivables are estimated using a provision matrix prepared by reference to the past default experience of the customer and the customer's current financial position. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished according to the Group's different customer base.

The Group writes off a trade receivable when there is evidence indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. For trade receivables that have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

The following table details the loss allowance of trade receivables based on the Group's provision matrix.

June 30, 2022

	Not Past Due	Less than 60 Days	61 to 180 Days	181 to 360 Days	Over 361 Days	Total
Gross carrying amount	\$ 275,018	\$ 68,962	\$ 40,809	\$ 3,782	\$ 7,412	\$ 395,983
Loss allowance (Lifetime ECL)	<u>(3,237)</u>	<u>(3,845)</u>	<u>(4,656)</u>	<u>(809)</u>	<u>(7,412)</u>	<u>(19,959)</u>
Amortized cost	<u>\$ 271,781</u>	<u>\$ 65,117</u>	<u>\$ 36,153</u>	<u>\$ 2,973</u>	<u>\$ -</u>	<u>\$ 376,024</u>

December 31, 2021

	Not Past Due	Less than 60 Days	61 to 180 Days	181 to 360 Days	Over 361 Days	Total
Gross carrying amount	\$ 223,267	\$ 77,032	\$ 167,636	\$ 52,689	\$ 3,771	\$ 524,395
Loss allowance (Lifetime ECL)	<u>(1,778)</u>	<u>(2,290)</u>	<u>(11,703)</u>	<u>(16,022)</u>	<u>(3,771)</u>	<u>(35,564)</u>
Amortized cost	<u>\$ 221,489</u>	<u>\$ 74,742</u>	<u>\$ 155,933</u>	<u>\$ 36,667</u>	<u>\$ -</u>	<u>\$ 488,831</u>

June 30, 2021

	Not Past Due	Less than 60 Days	61 to 180 Days	181 to 360 Days	Over 361 Days	Total
Gross carrying amount	\$ 515,221	\$ 139,184	\$ 82,877	\$ 10,761	\$ 6,371	\$ 754,414
Loss allowance (Lifetime ECL)	<u>(10,758)</u>	<u>(4,665)</u>	<u>(7,923)</u>	<u>(5,902)</u>	<u>(6,371)</u>	<u>(35,619)</u>
Amortized cost	<u>\$ 504,463</u>	<u>\$ 134,519</u>	<u>\$ 74,954</u>	<u>\$ 4,859</u>	<u>\$ -</u>	<u>\$ 718,795</u>

The expected credit loss rate of the Group is less than 11% for non-due and less than 60 days overdue; less than 13% for 61 to 180 days overdue; 10% to 100% for more than 181 days overdue.

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

	For the Six Months Ended June 30	
	2022	2021
Beginning of the period	\$ 35,564	\$ -
Add: Acquisitions through business combinations	-	12,298
Add: Net remeasurement of loss allowance	-	23,310
Less: Net remeasurement of loss allowance	(16,517)	-
Foreign exchange gains and losses	<u>912</u>	<u>11</u>
End of the period	<u>\$ 19,959</u>	<u>\$ 35,619</u>

9. INVENTORIES

	June 30, 2022	December 31, 2021	June 30, 2021
Raw materials	\$ 169,813	\$ 176,901	\$ 205,203
Semi-finished products	29,019	28,973	54,167
Work in progress	54,336	45,584	178,668
Finished goods	<u>162,288</u>	<u>36,608</u>	<u>122,390</u>
	<u>\$ 415,456</u>	<u>\$ 288,066</u>	<u>\$ 560,428</u>

The costs of inventories recognized as costs of goods sold for the three months ended and six months ended June 30, 2022 and 2021 were \$154,733 thousand, \$260,464, \$300,389 thousand and \$266,966, respectively. For the six months ended June 30, 2022, and 2021, The cost of goods sold included inventory write-downs of \$5,707 thousand, \$0, \$23,646 thousand and \$0.

10. SUBSIDIARIES

a. Subsidiaries included in the consolidated financial statements

Investor	Investee	Nature of Activities	Proportion of Ownership (%)			Remark
			June 30, 2022	December 31, 2021	June 30, 2021	
Aethertek Technology Co., Ltd.	Trantest Enterprise Ltd.	Sales of precision testing equipment	100	100	100	(1)
Aethertek Technology Co., Ltd.	Trantest Enterprise Ltd.	Sales of precision testing equipment	-	100	100	(2)
Trantest Enterprise Ltd.	Trantest Precision (China) Ltd	Manufacture and sales of precision testing equipment	51	51	51	(3)

Note 1: The Company established Aethertek Holding Ltd. in Hong Kong with a registered capital of US\$8,035 thousand. The registration was completed on March 15, 2021 and was renamed Trantest Enterprise Ltd. on August 4, 2021. The Company invested US\$10,000 thousand and US\$5,965 thousand on December 31, 2021 and April 30, 2022.

Note 2: In order to meet the needs of the overall operation and development, the board of directors resolved on the adjustment of the Group's structure on March 29, 2022, selling Trantest Enterprise Limited, which was originally held by Aethertek Technology Co., Ltd. The transaction amount was US\$12,267 thousand. In addition, The liquidation was approved by the board of directors for the current year, and the liquidation procedures were completed on June 22, 2022. After the extinction of Trantest Enterprise Limited, Trantest Enterprise Limited shall assume all the rights and obligations of Trantest Enterprise Limited.

Note 3: The Company's board of directors resolved in January 2021, to acquire and had acquired 51% ownership of Trantest Precision (China) Ltd through its subsidiary Aethertek Holding Ltd. on April 9, 2021. The transaction amount was NT\$228,419 thousand.

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

Name of Subsidiary	Principal Place of Business	Proportion of Ownership and Voting Rights Held by Non-controlling Interest		
		June 30, 2022	December 31, 2021	June 30, 2021
Trantest Precision (China) Ltd.	Shenzhen, China	49	49	49

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

Summarized financial information in respect of each of the Group's subsidiary that have material non-controlling interest is set out below. The summarized financial information below represents amounts before intragroup eliminations.

Trantest Precision (China) Ltd.

	June 30	
	2022	2021
Current assets	\$ 814,467	\$ 1,037,179
Non-current assets	213,528	336,176
Current liabilities	(571,401)	(944,447)
Non-current liabilities	<u>-</u>	<u>(4,616)</u>
Equity	<u>\$ 456,594</u>	<u>\$ 424,292</u>
Equity attributable to:		
Owners of the Company	\$ 232,863	\$ 216,389
Non-controlling interests	<u>223,731</u>	<u>207,903</u>
	<u>\$ 456,594</u>	<u>\$ 424,292</u>
	For the Six Months Ended	
	June 30	
	2022	2021
Revenue	<u>\$ 631,032</u>	<u>\$ 458,686</u>
Income (loss) for the period	\$ 63,513	\$ (10,425)
Other comprehensive (loss) income for the period	<u>(10,146)</u>	<u>6,222</u>
Total comprehensive income (loss) for the period	<u>\$ 53,367</u>	<u>\$ (4,203)</u>
	For the Six Months Ended	
	June 30	
	2022	2021
Net income (loss) attributable to:		
Owners of the Company	\$ 32,392	\$ (5,317)
Non-controlling interests	<u>31,121</u>	<u>(5,108)</u>
	<u>\$ 63,513</u>	<u>\$ (10,425)</u>
Total comprehensive income (loss) attributable to:		
Owners of the Company	\$ 27,218	\$ (2,144)
Non-controlling interests	<u>26,149</u>	<u>(2,059)</u>
	<u>\$ 53,367</u>	<u>\$ (4,203)</u>

11. PROPERTY, PLANT AND EQUIPMENT

	Buildings	Equipment	Leasehold Improvements	Office Equipment	Transportation Equipment	Total
<u>Cost</u>						
Balance at January 1, 2022	\$ 35,757	\$ 323,806	\$ 2,448	\$ 37,852	\$ 6,707	\$ 406,570
Additions	-	6,401	-	4,056	-	10,457
Reclassified	-	-	20,286	-	-	20,286
Disposals	-	(42,188)	-	(272)	-	(42,460)
Effects of foreign currency exchange differences	682	6,188	-	621	128	7,619
Balance at June 30, 2022	<u>\$ 36,439</u>	<u>\$ 294,207</u>	<u>\$ 22,734</u>	<u>\$ 42,257</u>	<u>\$ 6,835</u>	<u>\$ 402,472</u>
<u>Accumulated depreciation</u>						
Balance at January 1, 2022	\$ 7,493	\$ 213,320	\$ 65	\$ 24,104	\$ 4,362	\$ 249,344
Depreciation expense	946	26,781	1,613	2,559	1,136	33,035
Disposals	-	(41,052)	-	(217)	-	(41,269)
Effects of foreign currency exchange differences	142	4,081	-	450	83	4,756
Balance at June 30, 2022	<u>\$ 8,581</u>	<u>\$ 203,130</u>	<u>\$ 1,678</u>	<u>\$ 26,896</u>	<u>\$ 5,581</u>	<u>\$ 245,866</u>
Carrying amount at December 31, 2021 and January 1, 2022	<u>\$ 28,264</u>	<u>\$ 110,486</u>	<u>\$ 2,383</u>	<u>\$ 13,748</u>	<u>\$ 2,345</u>	<u>\$ 157,226</u>
Carrying amount at June 30, 2022	<u>\$ 27,858</u>	<u>\$ 91,077</u>	<u>\$ 21,056</u>	<u>\$ 15,361</u>	<u>\$ 1,254</u>	<u>\$ 156,606</u>
<u>Cost</u>						
Balance at January 1, 2021	\$ -	\$ -	\$ 620	\$ 852	\$ -	\$ 1,472
Acquisitions through business combinations (Note 24)	35,720	319,173	-	32,156	6,700	393,749
Additions	-	3,165	-	349	-	3,514
Disposals	-	(36)	-	(378)	-	(414)
Effects of foreign currency exchange differences	(254)	(2,281)	-	(230)	(47)	(2,812)
Balance at June 30, 2021	<u>\$ 35,466</u>	<u>\$ 320,021</u>	<u>\$ 620</u>	<u>\$ 32,749</u>	<u>\$ 6,653</u>	<u>\$ 395,509</u>
<u>Accumulated depreciation</u>						
Balance at January 1, 2021	\$ -	\$ -	\$ 254	\$ 356	\$ -	\$ 610
Acquisitions through business combinations (Note 24)	6,097	157,376	-	18,804	2,689	184,966
Depreciation expense	462	19,029	52	2,752	555	22,850
Disposals	-	(35)	-	(371)	-	(406)
Effects of foreign currency exchange differences	(46)	(1,217)	-	(146)	(22)	(1,431)
Balance at June 30, 2021	<u>\$ 6,513</u>	<u>\$ 175,153</u>	<u>\$ 306</u>	<u>\$ 21,395</u>	<u>\$ 3,222</u>	<u>\$ 206,589</u>
Carrying amount at June 30, 2021	<u>\$ 28,953</u>	<u>\$ 144,868</u>	<u>\$ 314</u>	<u>\$ 11,354</u>	<u>\$ 3,431</u>	<u>\$ 188,920</u>

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

Buildings	10 years
Equipment	2.5 to 10 years
Leasehold improvements	5 years
Office equipment	2 to 10 years
Transportation equipment	4 to 5 years

As of June 30, 2022, the property, plant and equipment were not pledged as collateral.

12. LEASE ARRANGEMENTS

a. Right-of-use assets

	June 30, 2022	December 31, 2021	June 30, 2021
<u>Carrying amount</u>			
Buildings	\$ 9,611	\$ 17,698	\$ 17,035
Lands	<u>2,402</u>	<u>2,437</u>	<u>2,496</u>
	<u>\$ 12,013</u>	<u>\$ 20,135</u>	<u>\$ 19,531</u>

The changes of right-of-use assets are as follows:

	<u>For the Six Months Ended June 30</u>	
	2022	2021
Beginning of the period	\$ 20,135	\$ 2,555
Acquisitions through business combinations (Note 24)	-	20,489
Additions to right-of-use assets	1,247	-
Depreciation charge for right-of-use assets	(9,610)	(3,343)
Effects of foreign currency exchange differences	<u>241</u>	<u>(170)</u>
End of the period	<u>\$ 12,013</u>	<u>\$ 19,531</u>

b. Lease liabilities

	June 30, 2022	December 31, 2021	June 30, 2021
<u>Carrying amount</u>			
Current	<u>\$ 11,099</u>	<u>\$ 20,336</u>	<u>\$ 12,030</u>
Non-current	<u>\$ -</u>	<u>\$ 186</u>	<u>\$ 5,091</u>

Range of discount rate for lease liabilities was as follows:

	June 30, 2022	December 31, 2021	June 30, 2021
Buildings	2.60%-3.85%	2.60%-3.85%	2.60%-3.85%

c. Material lease-in activities and terms

The Group leases certain land and building for the use of office, plant and dormitories with lease terms of 2 to 50 year. The Group does not have bargain purchase options to acquire the leasehold land and buildings at the end of the lease term.

d. Other lease information

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2022	2021	2022	2021
Expenses relating to short-term leases	\$ 4,705	\$ 8,154	\$ 13,581	\$ 9,208
Expenses relating to low-value asset leases	\$ 15	\$ 5	\$ 29	\$ 10
Total cash outflow for leases			\$ (24,952)	\$ (12,722)

The Group's leases of certain building and office equipment qualify as short-term and low-value leases. The Group has elected to apply the recognition exemption and, thus, did not recognize right-of-use assets and lease liabilities for these leases.

13. INVESTMENT PROPERTIES

	For the Six Months Ended June 30	
	2022	2021
<u>Cost</u>		
Beginning of the period	\$ 80,136	\$ -
Acquisitions through business combinations (Note 24)	-	80,052
Effects of foreign currency exchange differences	<u>1,529</u>	<u>(570)</u>
End of the period	<u>\$ 81,665</u>	<u>\$ 79,482</u>
<u>Accumulated depreciation</u>		
Beginning of the period	\$ 16,663	\$ -
Acquisitions through business combinations (Note 24)	-	13,525
Depreciation expense	2,123	1,038
Effects of foreign currency exchange differences	<u>316</u>	<u>(102)</u>
End of the period	<u>\$ 19,102</u>	<u>\$ 14,461</u>
	<u>\$ 62,563</u>	<u>\$ 65,021</u>

The investment properties are depreciated using the straight-line method over their estimated useful lives as follows:

Right-of-use assets and building 20 to 50 years

The carrying amount of the investment properties located in China. The fair value of the investment properties at April 9, 2021 was measured by independent qualified professional valuers using Level 3 inputs, and the valuation was arrived at by reference to market evidence of transaction prices of similar properties. Management of the Company had assessed and determined that there were no significant changes in the fair value at June 30, 2022 as compared to that at April 9, 2021.

	June 30	
	2022	2021
Fair value	<u>\$ 67,927</u>	<u>\$ 66,391</u>

14. GOODWILL

	For the Six Months Ended June 30	
	2022	2021
<u>Cost</u>		
Beginning of the period	\$ 105,999	\$ -
Acquisitions through business combinations (Note 24)	-	106,141
Effects of foreign currency exchange differences	<u>369</u>	<u>(2,256)</u>
End of the period	<u>\$ 106,368</u>	<u>\$ 103,885</u>

The Group acquired valuation report for the year ended December 31, 2021, and according to the report, intangible assets - customer relationship of Trantest Enterprise Ltd. and Trantest Precision (China) Ltd. were adjusted to \$232,502 thousand and \$0, respectively (originally amounted to \$144,460 thousand and \$16,500 thousand, respectively). Property, plant and equipment, investment property, and right-of-use assets of Trantest Precision (China) Ltd. were adjusted to \$295,799 thousand in total (originally amounted to \$297,503 thousand). The comparative figures have been restated as if the initial accounting was completed at the acquisition date.

Items on the consolidated balance sheets increased (decreased) by the following amounts:

	June 30, 2021
Goodwill adjustments	<u>\$ (81,133)</u>
Property, plant and equipment	<u>\$ (499)</u>
Right-of-use assets	<u>\$ (43)</u>
Investment property	<u>\$ (1,121)</u>
Intangible assets	<u>\$ 69,948</u>

Items on the consolidated statements of comprehensive income increased (decreased) by the following amounts:

	For the Six Months Ended June 30, 2021
Selling and marketing expenses	<u>\$ (161)</u>
General and administrative expense	<u>\$ (28)</u>
Other income	<u>\$ (4,061)</u>
Net profit non-controlling interests	<u>\$ 1,183</u>

15. OTHER INTANGIBLE ASSETS

	Customer Relationships	Computer Software	Amount
<u>Cost</u>			
Balance, January 1, 2022	\$ 226,091	\$ 32,087	\$ 258,178
Additions	-	5,186	5,186
Effects of foreign currency exchange differences	<u>16,662</u>	<u>560</u>	<u>17,222</u>
Balance, June 30, 2022	<u>\$ 242,753</u>	<u>\$ 37,833</u>	<u>\$ 280,586</u>
<u>Accumulated amortization</u>			
Balance, January 1, 2022	\$ 17,437	\$ 25,927	\$ 43,364
Amortization expenses	12,062	2,756	14,818
Effects of foreign currency exchange differences	<u>1,703</u>	<u>532</u>	<u>2,235</u>
Balance, June 30, 2022	<u>\$ 31,202</u>	<u>\$ 29,215</u>	<u>\$ 60,417</u>
Carrying amount December 31, 2021 and January 1, 2022	<u>\$ 208,654</u>	<u>\$ 6,160</u>	<u>\$ 214,814</u>
Carrying amount at June 30, 2022	<u>\$ 211,551</u>	<u>\$ 8,618</u>	<u>\$ 220,169</u>

<u>Cost</u>			
Balance, January 1, 2021	\$ -	\$ 3,942	\$ 3,942
Acquisitions through business combinations (Note 24)	232,502	28,272	260,774
Effects of foreign currency exchange differences	<u>(4,942)</u>	<u>(201)</u>	<u>(5,143)</u>
Balance, June 30, 2021	<u>\$ 227,560</u>	<u>\$ 32,013</u>	<u>\$ 259,573</u>
<u>Accumulated amortization</u>			
Balance, January 1, 2021	\$ -	\$ 223	\$ 223
Acquisitions through business combinations (Note 24)	-	13,952	13,952
Amortization expenses	5,874	5,497	11,371
Effects of foreign currency exchange differences	<u>(25)</u>	<u>(124)</u>	<u>(149)</u>
Balance, June 30, 2021	<u>\$ 5,849</u>	<u>\$ 19,548</u>	<u>\$ 25,397</u>
Carrying amount at June 30, 2021	<u>\$ 221,711</u>	<u>\$ 12,465</u>	<u>\$ 234,176</u>

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

Customer relationships	10 years
Computer software	1 to 5 years

16. OTHER PAYABLES

	June 30, 2022	December 31, 2021	June 30, 2021
Payables for salaries or bonuses	\$ 97,862	\$ 130,302	\$ 103,887
Payables for compensation of employees	5,751	5,012	1,397
Payables for dividends (1)	495,271	517,693	830,263
Payables for investments (2)	-	-	417,589
Payable for professional fees	3,395	1,372	-
Payable for purchases of equipment	-	1,425	-
Others	<u>13,815</u>	<u>16,016</u>	<u>19,060</u>
	<u>\$ 616,094</u>	<u>\$ 671,820</u>	<u>\$ 1,372,196</u>

Note 1: Dividends payable amounting to NT\$495,271 thousand comprise NT\$319,562 thousand of the appropriation of earnings from Trantest Enterprise Ltd. and Trantest Precision (China) Ltd. resolved in the shareholders' meeting before the acquisition date by the original shareholders and NT\$175,709 thousand of cash dividends approved in the shareholders' meetings for the year ended 2021.

Note 2: The payables for investments are the remaining transaction price for the Group to obtain the equity of Trantest Enterprise Ltd. and Trantest Precision (China) Ltd.

17. RETIREMENT BENEFIT PLANS

The Company adopted a pension plan under the Labor Pension Act (LPA), which is a state-managed defined contribution plan. Under the LPA, an entity makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages.

The subsidiary of the Group in China is a member of state-managed retirement benefit plans operated by the government of the People's Republic of China. Based on a certain percentage of the total salary of all local employees, the subsidiary is required to contribute a specified percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group is to make the specified contributions.

18. EQUITY

a. Ordinary shares

	June 30, 2022	December 31, 2021	June 30, 2021
Shares authorized (in thousands of shares)	<u>80,000</u>	<u>80,000</u>	<u>80,000</u>
Shares authorized	<u>\$ 800,000</u>	<u>\$ 800,000</u>	<u>\$ 800,000</u>
Shares issued and fully paid (in thousands of shares)	<u>70,284</u>	<u>70,284</u>	<u>70,284</u>
Shares issued and fully paid	<u>\$ 702,840</u>	<u>\$ 702,840</u>	<u>\$ 702,840</u>

The issued ordinary shares have a par value of NT\$10 per share, and each share has one voting right and the right to receive dividends.

The Company held interim shareholders' meeting on March 20, 2020 in which the shareholders, in accordance with Article 43-6 of the Securities and Exchange Act, authorized the board of directors to issue new shares through private placements with the shares limited to no more than 55,500 thousand shares and a par value of NT\$10. On March 30, 2020, the board of directors resolved to execute a cash capital increase of 20,200 thousand shares by way of private placement. The capital increase base date is March 31, 2020, and the issue price per share is NT\$13.26. This capital increase project has raised NT\$267,852 thousand, and the registration of the change has been completed; and on August 10, 2020, the board of directors resolved to execute the second cash capital increase of 35,300 thousand shares by way of private placement. The base date for the capital increase was December 1, 2020. The issue price per share is NT\$13.26, this capital increase case has raised NT\$468,078 thousand, and the change registration was completed on January 12, 2021; the rights and obligations of the second private placement of ordinary shares are subject to circulation and transfer restrictions under the Securities and Exchange Law; thus, it must be 3 years after the delivery date that the shares can apply for public listing; the other shares are treated the same as other issued ordinary shares. As of June 30, 2022, the Group's paid-in capital was NT\$702,840 thousand, and the number of paid-in shares was 70,284 thousand shares (10,723 thousand ordinary shares and 59,561 thousand privately placed ordinary shares).

b. Capital surplus

	June 30, 2022	December 31, 2021	June 30, 2021
May be used to offset a deficit, distributed as cash dividends, <u>or transferred to share capital*</u>			
Issuance of ordinary shares	<u>\$ 157,852</u>	<u>\$ 157,852</u>	<u>\$ 157,852</u>

* Such capital surplus may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Company's capital surplus and to once a year).

c. Retained earnings and dividend policy

The content of the earnings distribution policy in accordance with the articles of incorporation of the Company is as follows:

- 1) The Company's profit in a fiscal year shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as legal reserve 10% of the remaining profit (appropriation of earnings to a legal reserve shall be made until the legal reserve equals the Company's paid-in capital), setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Company's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for the distribution of dividends and bonuses to shareholders. For the policies on the distribution of compensation of employees and remuneration of directors and supervisors after the amendment, refer to compensation of employees and remuneration of directors and supervisors in Note 20-g.
- 2) The Company's dividend policy shall be determined pursuant to the factors, such as the investment environment, capital requirement, domestic and overseas competition environment, current and future business development plan, as well as shareholders' interests. The distribution of shareholder dividends shall not be lower than 20% of the unappropriated earnings of the current year. However, the shareholders may resolve not to distribute dividends if the accumulated earnings were lower than 20% of the paid-in capital. Dividends can be distributed in the form of cash or stock or a combination of both cash and stock, out of which at least 20% of the total dividends distributed shall be in cash.

The legal reserve may be used to offset deficit. If the Company has no deficit and the legal reserve has exceeded 25% of the Company's paid-in capital, the excess may be transferred to capital or distributed in cash.

The appropriations of earnings for 2021, which were approved in the shareholders' meetings on June 22, 2022, respectively, were as follows:

	Appropriation of Earnings	Dividends Per Share (NT\$)
Cash dividends	\$ 175,709	\$ 2.5
Legal reserve	44,490	-
Special reserve	7,875	-

In addition, the shareholders' meeting of the Company resolved on March 30, 2021 to offset losses with a capital surplus of \$53,992 thousand.

d. Other equity items

Exchange differences on the translation of the financial statements of foreign operations

	For the Six Months Ended June 30	
	2022	2021
Beginning of the period	\$ (7,875)	\$ -
Recognized for the year		
Exchange differences on the translation of the financial statements of foreign operations	31,513	(9,901)
Income tax that may be reclassified subsequently to profit or loss	<u>(6,303)</u>	<u>1,980</u>
End of the period	<u>\$ 17,335</u>	<u>\$ (7,921)</u>

e. Non-controlling interests

	For the Six Months Ended June 30	
	2022	2021
Beginning of the period	\$ 184,658	\$ -
Share in loss for the year	8,979	(11,254)
Other comprehensive income (loss) during the year		
Exchange differences on the translation of the financial statements of foreign entities	3,579	(1,500)
Acquisition of non-controlling interests in subsidiaries (Note 24)	<u>-</u>	<u>214,510</u>
End of the period	<u>\$ 197,216</u>	<u>\$ 201,756</u>

19. REVENUE

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2022	2021	2022	2021
Revenue from the rendering of services	\$ 18,362	\$ -	\$ 25,202	\$ 13,563
Revenue from the sale of goods	<u>345,211</u>	<u>664,999</u>	<u>637,905</u>	<u>664,999</u>
	<u>\$ 363,573</u>	<u>\$ 664,999</u>	<u>\$ 663,107</u>	<u>\$ 678,562</u>
	June 30, 2022	December 31, 2021	June 30, 2021	January 1, 2021
<u>Contract balances</u>				
Trade receivables (Note 8)	<u>\$ 376,024</u>	<u>\$ 488,831</u>	<u>\$ 718,795</u>	<u>\$ 5,702</u>
Contract liabilities				
Sale of goods	<u>\$ 10,532</u>	<u>\$ 2,287</u>	<u>\$ 2,904</u>	<u>\$ -</u>

20. NET PROFIT

a. Interest income

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2022	2021	2022	2021
Interest income				
Bank deposits	\$ 309	\$ 199	\$ 447	\$ 320
Others	<u>3</u>	<u>-</u>	<u>7</u>	<u>-</u>
	<u>\$ 312</u>	<u>\$ 199</u>	<u>\$ 454</u>	<u>\$ 320</u>

b. Other income

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2022	2021	2022	2021
Government grants	\$ 570	\$ 34,261	\$ 5,026	\$ 34,261
Others	<u>-</u>	<u>1,065</u>	<u>6,513</u>	<u>1,065</u>
	<u>\$ 570</u>	<u>\$ 35,326</u>	<u>\$ 11,539</u>	<u>\$ 35,326</u>

c. Other gains and losses

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2022	2021	2022	2021
Net foreign exchange gains (losses)	\$ 34,225	\$ (1,344)	\$ 50,709	\$ (1,411)
Loss on disposal of investment	-	(7,294)	-	(7,294)
Net gain on financial instruments at fair value through profit or loss	274	-	562	-
Gain (loss) on disposal of property, plant and equipment	16,694	(8)	16,694	(8)
Others	<u>(193)</u>	<u>(4,142)</u>	<u>(207)</u>	<u>(4,142)</u>
	<u>\$ 51,000</u>	<u>\$ (12,788)</u>	<u>\$ 67,758</u>	<u>\$ (12,855)</u>

d. Finance costs

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2022	2021	2022	2021
Interest on lease liabilities	<u>\$ 100</u>	<u>\$ 166</u>	<u>\$ 238</u>	<u>\$ 181</u>

e. Depreciation and amortization

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2022	2021	2022	2021
Property, plant and equipment	\$ 12,936	\$ 22,780	\$ 33,035	\$ 22,850
Investment properties	1,067	1,038	2,123	1,038
Right-of-use assets	4,865	2,995	9,610	3,343
Intangible assets	<u>7,488</u>	<u>11,047</u>	<u>14,818</u>	<u>11,371</u>
	<u>\$ 26,356</u>	<u>\$ 37,860</u>	<u>\$ 59,586</u>	<u>\$ 38,602</u>
An analysis of depreciation by function				
Operating cost	\$ 10,078	\$ 19,702	\$ 27,784	\$ 19,878
Operating expenses	<u>8,790</u>	<u>7,111</u>	<u>16,984</u>	<u>7,353</u>
	<u>\$ 18,868</u>	<u>\$ 26,813</u>	<u>\$ 44,768</u>	<u>\$ 27,231</u>
An analysis of amortization by function				
Operating cost	\$ -	\$ 78	\$ 79	\$ 395
Operating expenses	<u>7,488</u>	<u>10,969</u>	<u>14,739</u>	<u>10,976</u>
	<u>\$ 7,488</u>	<u>\$ 11,047</u>	<u>\$ 14,818</u>	<u>\$ 11,371</u>

f. Employee benefits expense

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2022	2021	2022	2021
Short-term benefits				
Salary	\$ 131,910	\$ 177,377	\$ 249,939	\$ 185,070
Labor and health insurance	7,406	6,353	15,777	6,886
Post-employment benefits				
Defined contribution plans	1,200	1,023	2,368	1,286
Other employee benefits	<u>2,296</u>	<u>4,758</u>	<u>3,855</u>	<u>4,881</u>
Total employee benefits expense	<u>\$ 142,812</u>	<u>\$ 189,511</u>	<u>\$ 271,939</u>	<u>\$ 198,123</u>
An analysis of employee benefits expense by function				
Operating costs	\$ 32,120	\$ 42,386	\$ 57,435	\$ 47,076
Operating expenses	<u>110,692</u>	<u>147,125</u>	<u>214,504</u>	<u>151,047</u>
	<u>\$ 142,812</u>	<u>\$ 189,511</u>	<u>\$ 271,939</u>	<u>\$ 198,123</u>

g. Compensation of employees and remuneration of directors and supervisors

According to the Company's Articles, the Company accrues compensation of employees and remuneration of directors at rates of no less than 1% and no higher than 3%, respectively, of net profit before income tax, compensation of employees, and remuneration of directors. The estimated compensation of employees and the remuneration of directors for the six months ended June 30, 2022, and 2021 are as follows:

Accrual rate

	For the Six Months Ended June 30	
	2022	2021
Compensation of employees	1%	1%
Remuneration of directors	0%	0%

Amount

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2022	2021	2022	2021
Compensation of employees	\$ 527	\$ 1,397	\$ 739	\$ 1,397
Remuneration of directors	-	-	-	-

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

The compensation of employees and the remuneration of directors for 2021 had been approved by the Company's board of directors on March 29, 2022, as illustrated below:

Amount

	For the Year Ended December 31, 2021
	Cash
Compensation of employees	\$ 5,012
Remuneration of directors	-

Since there was accumulated deficit as of December 31, 2020, the Company did not estimate compensation of employees and the remuneration of directors.

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

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

21. INCOME TAXES

a. Income tax recognized in profit or loss

The major components of tax expense were as follows:

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2022	2021	2022	2021
Current tax				
In respect of the current year	\$ -	\$ 3,645	\$ -	\$ 3,645
Income tax on unappropriated earnings	10,841	-	10,841	-
Adjustments for prior year	<u>(5,408)</u>	<u>717</u>	<u>(5,408)</u>	<u>717</u>
	5,433	4,362	5,433	4,362
Deferred tax				
In respect of the current year	<u>11,802</u>	<u>(444)</u>	<u>86</u>	<u>(444)</u>
Income tax expense recognized in profit or loss	<u>\$ 17,235</u>	<u>\$ 3,918</u>	<u>\$ 5,519</u>	<u>\$ 3,918</u>

b. Income tax recognized in other comprehensive income

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2022	2021	2022	2021
<u>Deferred tax</u>				
In respect of the current year Exchange differences on the translation of foreign operations	<u>\$ 2,056</u>	<u>\$ (1,978)</u>	<u>\$ 6,303</u>	<u>\$ (1,980)</u>

c. Income tax assessment

The income tax returns through 2020 have been assessed by the tax authorities. There is no significant difference between the assessed and the declared taxes. The companies in other jurisdictions have been examined according to their local laws.

22. EARNINGS PER SHARE

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2022	2021	2022	2021
Basic earnings per share	<u>\$ 0.51</u>	<u>\$ 1.89</u>	<u>\$ 0.92</u>	<u>\$ 1.90</u>
Diluted earnings per share	<u>\$ 0.51</u>	<u>\$ 1.89</u>	<u>\$ 0.92</u>	<u>\$ 1.90</u>

The weighted average number of shares outstanding used for the earnings per share computation was as follows:

Net Profit for the Period

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2022	2021	2022	2021
Profit for the year attributable to owners of the Company	<u>\$ 36,081</u>	<u>\$ 132,976</u>	<u>\$ 64,783</u>	<u>\$ 133,738</u>
Earnings used in the computation of basic and diluted earnings per share	<u>\$ 36,081</u>	<u>\$ 132,976</u>	<u>\$ 64,783</u>	<u>\$ 133,738</u>

Ordinary Shares

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2022	2021	2022	2021
Weighted-average number of ordinary shares used in computation of basic earnings per share	70,284	70,284	70,284	70,284
Effect of potential dilutive common stock:				
Compensation of employees	<u>10</u>	<u>13</u>	<u>31</u>	<u>13</u>
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>70,294</u>	<u>70,297</u>	<u>70,315</u>	<u>70,297</u>

23. CASH FLOW INFORMATION

a. Changes in liabilities arising from financing activities

For the six months ended June 30, 2022

	Balance as of January 1, 2022	Cash Flows	Non-cash Changes		Balance as of June 30, 2022
			New Leases	Effects of Foreign Currency Exchange Differences	
Lease liabilities	<u>\$ 20,522</u>	<u>\$ (11,104)</u>	<u>\$ 1,247</u>	<u>\$ 434</u>	<u>\$ 11,099</u>

For the six months ended June 30, 2021

	Balance as of January 1, 2021	Cash Flows	Non-cash Changes		Balance as of June 30, 2021
			New Leases	Effects of Foreign Currency Exchange Differences	
Lease liabilities	<u>\$ 2,441</u>	<u>\$ (3,323)</u>	<u>\$ 20,489</u>	<u>\$ (2,486)</u>	<u>\$ 17,121</u>

b. The cash dividends approved in the shareholders' meetings were not yet distributed as of June 30, 2022. Refer to Notes 16, respectively.

24. BUSINESS COMBINATIONS

a. Subsidiaries acquired

Subsidiary	Principal Activity	Date of Acquisition	Proportion of Voting Equity Interests Acquired (%)	Consideration Transferred
Trantest Enterprise Ltd.	Sales of precision testing equipment	April 9, 2021	100	<u>\$ 388,050</u>
Trantest Precision (China) Ltd.	Manufacture and sales of precision testing equipment	April 9, 2021	51	<u>\$ 228,419</u>

Trantest Enterprise Ltd. and Trantest Precision (China) Ltd. were acquired in order to continue the expansion of the operation of the automation equipment department of the Group.

b. Consideration transferred

	Trantest Enterprise Ltd.	Trantest Precision (China) Ltd.
Cash	<u>\$ 388,050</u>	<u>\$ 228,419</u>

c. Assets acquired and liabilities assumed on the date of acquisition

	Trantest Enterprise Ltd.	Trantest Precision (China) Ltd.
<u>Current assets</u>		
Cash and cash equivalents	\$ 435,232	\$ 177,615
Financial assets at fair value through profit or loss	-	43,099
Trade receivables and other receivables	219,317	289,109
Inventories	8,841	299,042
Other current assets	-	14,918

	Trantest Enterprise Ltd.	Trantest Precision (China) Ltd.
<u>Non-current assets</u>		
Property, plant and equipment and investment properties	-	275,310
Right-of-use assets	-	20,489
Other intangible assets	232,502	14,320
Other non-current assets	-	47,264

(Continued)

	Trantest Enterprise Ltd.	Trantest Precision (China) Ltd.
<u>Current liabilities</u>		
Trade payables and other payables	(607,096)	(724,962)
Lease liabilities	-	(17,937)
Other current liabilities	<u>(1,740)</u>	<u>(485)</u>
	<u>\$ 287,056</u>	<u>\$ 437,782</u> (Concluded)

d. Non-controlling interest

The non-controlling interests of Trantest Precision (China) Ltd. (49% ownership interest) recognized at the acquisition date were measured by reference to the fair value of the identifiable net assets attributable to non-controlling interests.

e. Goodwill recognized on acquisitions

	Trantest Enterprise Ltd.	Trantest Precision (China) Ltd.
Consideration transferred	\$ 388,050	\$ 228,419
Plus: Non-controlling interests from the acquisition of subsidiaries (Trantest Precision (China) Ltd. 49% ownership interest)	-	214,510
Less: Fair value of identifiable net assets acquired	<u>(287,056)</u>	<u>(437,782)</u>
Goodwill recognized on acquisitions	<u>\$ 100,994</u>	<u>\$ 5,147</u>

The goodwill recognized in the acquisition of Trantest Enterprise Ltd. and Trantest Precision (China) Ltd. mainly represents the control premium included in the cost of the acquisition. In addition, the consideration paid for the business combination effectively included amounts attributed to the benefits of expected synergies, revenue growth, future market development and the assembled workforce of Trantest Enterprise Ltd. and Trantest Precision (China) Ltd. These benefits are not recognized separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets.

f. Net cash (inflow) outflow on the acquisition of subsidiaries

	Trantest Enterprise Ltd.	Trantest Precision (China) Ltd.
Consideration paid in cash	\$ 388,050	\$ 228,419
Less: Cash and cash equivalent balances acquired	<u>(435,232)</u>	<u>(177,615)</u>
	<u>\$ (47,182)</u>	<u>\$ 50,804</u>

g. Impact of acquisitions on the results of the Group

The financial results of the acquirees since the acquisition dates were as follows:

	Trantest Enterprise Ltd.	Trantest Precision (China) Ltd.
Revenue	<u>\$ 506,754</u>	<u>\$ 154,970</u>
Profit (loss)	<u>\$ 207,791</u>	<u>\$ (6,466)</u>

Had Trantest Enterprise Ltd. and Trantest Precision (China) Ltd. been acquired at the beginning of 2021, the Group's revenue would have been \$796,980 thousand and \$1,456,822 thousand, and the profit would have been \$138,536 thousand and \$275,549 thousand for the three months and six months ended June 30, 2021, respectively. This pro-forma information is for illustrative purposes only and is not necessarily an indication of the revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed at the beginning of the acquisition year, 2021, nor is it intended to be a projection of future results.

In determining the pro-forma revenue and profit of the Group assuming Trantest Enterprise Ltd. and Trantest Precision (China) Ltd. had been acquired at the beginning of the financial year, the management considered the fair values of property, plant and equipment as the basis for depreciation rather than their carrying amounts recognized in the respective pre-acquisition financial statements at the initial accounting for the business combination.

25. CAPITAL MANAGEMENT

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

The capital structure of the Group consists of net debt (borrowings offset by cash and cash equivalents) and equity of the Group (comprising issued capital, reserves, retained earnings and other equity).

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

26. FINANCIAL INSTRUMENTS

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

The management of the Group believes the carrying amount of the Group's financial instruments not measured at fair value are close to the fair value

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

Fair value hierarchy

June 30, 2022

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTPL</u>				
Non-principal investment products	\$ <u>45,893</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>45,893</u>

December 31, 2021

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTPL</u>				
Non-principal investment products	\$ <u>44,483</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>44,483</u>

June 30, 2021

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTPL</u>				
Non-principal investment products	\$ <u>43,099</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>43,099</u>

c. Categories of financial instruments

	June 30, 2022	December 31, 2021	June 30, 2021
<u>Financial assets</u>			
Fair value through profit or loss (FVTPL)			
Mandatorily at FVTPL	\$ 45,893	\$ 44,483	\$ 43,099
Financial assets at amortized cost (Note 1)	1,210,550	1,349,308	1,735,440
<u>Financial liabilities</u>			
Financial liabilities at amortized cost (Note 2)	707,771	606,300	1,653,127

Note 1: The balances included financial assets at amortized cost, which comprise cash, notes receivables, trade receivables, other receivables and refundable deposits.

Note 2: The balances included financial liabilities at amortized cost, which comprise trade payables and part of other payables (excluding salary, and bonus).

d. Financial risk management objectives and policies

The Group's major financial instruments include cash and cash equivalents, equity and debt investments, trade receivables, other receivables, trade payables, other payables, borrowings and lease liabilities. These risks include market risk (including foreign currency risk and interest rate risk), credit risk and liquidity risk.

1) Market risk

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

a) Foreign currency risk

The Group is a multinational operation, so it is subject to foreign currency risks arising from a variety of different currencies. Foreign currency risks arise from future commercial transactions and recognized assets and liabilities.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the period are set out in Note 32.

Sensitivity analysis

The Group is mainly exposed to the USD.

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

	U.S. Dollar	
	For the Six Months Ended	
	June 30	
	2022	2021
Pre-tax profit	<u>\$ 7,844</u>	<u>\$ 1,575</u>

The result was mainly attributable to the exposure on the foreign currency bank deposits, outstanding other receivables and payables that were not hedged at the end of the period.

b) Interest rate risk

The Group's exposure to fair value interest rate risk is on the Group's borrowings at fixed interest rates.

The carrying amounts of the Group's financial assets and financial liabilities with exposure to cash flow interest rate at the end of the reporting period were as follows:

	June 30, 2022	December 31, 2021	June 30, 2021
Cash flows interest rate risk			
Financial liabilities	\$ 11,099	\$ 20,522	\$ 17,121
Cash flows interest rate risk			
Financial assets	805,869	847,062	971,563

Sensitivity analysis

The sensitivity analysis below was determined based on the Group's exposure to interest rates for both derivative and non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis was prepared assuming the amount of each liability outstanding at the end of the period was outstanding for the whole year. A 25 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 25 basis points higher/lower and all other variables were held constant, the Group's pre-tax profit for the six months ended June 30, 2022 and 2021 would have decreased/increased by \$1,007 thousand and \$1,214 thousand, respectively, which was mainly a result of variable-interest-rate bank deposits.

The Group's sensitivity to interest rates decreased during the current year mainly due to the increase in variable-interest-rate bank deposits.

2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. At the end of the period, the Group's maximum exposure to credit risk, which would cause a financial loss to the Group due to the failure of the counterparty to discharge its obligation could be equal to the total of the carrying amount of the respective recognized financial assets as stated in the balance sheets.

It is the Group's policy that transactions only be dealt with creditworthy counterparties. Credit information of transaction parties are gathered by independent rating agencies by conducting credit search and analysis. Credits are then given to parties, according to its nature of transaction, financial status and conditions of collateral, with terms to be renewed after careful reexamination to ensure credit risk of counterparties are within scope of the Group. The clients of the Group are widely spread and the Group analyzes its numerous clients' financial status continuously.

The Group's concentration of credit risk was related to the five largest customers within the Group. As of June 30, 2022, December 31, 2021 and June 30, 2021, the percentage of total trade receivables from the top five customers was 72%, 73% and 74%.

3) Liquidity risk

The Group manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

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

The following table details the Group's remaining contractual maturities for its non-derivative financial liabilities with agreed upon repayment periods. The table has been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows. The maturity dates for other non-derivative financial liabilities were based on the agreed upon repayment dates.

June 30, 2022

	Less than 1 Year	1-5 Years	5+ Years
<u>Non-derivative financial liabilities</u>			
Non-interest bearing	\$ 707,771	\$ -	\$ -
Lease liabilities	<u>11,099</u>	<u>-</u>	<u>-</u>
	<u>\$ 718,870</u>	<u>\$ -</u>	<u>\$ -</u>

December 31, 2021

	3 Months to 1 Year	1-5 Years	5+ Years
<u>Non-derivative financial liabilities</u>			
Non-interest bearing	\$ 606,300	\$ -	\$ -
Lease liabilities	<u>20,336</u>	<u>186</u>	<u>-</u>
	<u>\$ 626,636</u>	<u>\$ 186</u>	<u>\$ -</u>

June 30, 2021

	Less than 1 Year	1-5 Years	5+ Years
<u>Non-derivative financial liabilities</u>			
Non-interest bearing	\$ 1,653,127	\$ -	\$ -
Lease liabilities	<u>12,030</u>	<u>5,091</u>	<u>-</u>
	<u>\$ 1,665,157</u>	<u>\$ 5,091</u>	<u>\$ -</u>

27. TRANSACTIONS WITH RELATED PARTIES

The Company's parent is Ericson Capital Co., Ltd., which held 53% of the ordinary shares of the Company at June 30, 2022.

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. Besides information disclosed elsewhere in the other notes, details of transactions between the Group and other related parties are disclosed as follows.

a. Related party name and category

<u>Related Party Name</u>	<u>Related Party Category</u>
Liu Fang Jung	Related parties

b. Lease arrangements

Line Item	Related Party Category/Name	For the Three Months Ended		For the Six Months Ended	
		June 30		June 30	
		2022	2021	2022	2021
Lease expense	Related parties	<u>\$ 27</u>	<u>\$ 27</u>	<u>\$ 108</u>	<u>\$ 108</u>

The rent paid by the related parties for the commercial space for operational purposes is paid on a monthly basis at the agreed price.

c. Remuneration of key management personnel

Related Party Categories	For the Three Months Ended		For the Six Months Ended	
	June 30		June 30	
	2022	2021	2022	2021
Short-term employee benefits	\$ 4,560	\$ 2,800	\$ 8,769	\$ 6,436
Post-employment benefits	<u>170</u>	<u>105</u>	<u>344</u>	<u>187</u>
	<u>\$ 4,730</u>	<u>\$ 2,905</u>	<u>\$ 9,113</u>	<u>\$ 6,623</u>

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

28. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY: NONE

29. SIGNIFICANT CONTINGENCIES AND UNRECOGNIZED COMMITMENTS: NONE

30. OTHER ITEMS

Due to the impact of COVID-19 pandemic, the Group assesses that its overall business and financial aspects have not been significantly affected and there are no doubts about going concern, asset impairment and financial risks.

31. EXPLANATION OF SEASONALITY OR PERIODICITY OF INTERIM OPERATIONS

The Group is mainly engaged in the production of precision testing equipment and has the characteristics of low and high seasons of operation in response to the period when major customers launch new products. The Group conducts mass production and deliveries 3 to 4 months before customers launch new products. According to historical experience, the Group's sales peak is between June and September each year. Therefore, the Group's inventory from May to August is relatively higher than other months. Usually, the operating income in the first quarter of each year is the lowest, compared to the other three quarters. The peak season of shipment begins at the end of the second quarter, continuing until the end of the third quarter. Therefore, the third quarter is the peak of single-quarter operating income.

32. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

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

(In Thousands of Foreign Currency and New Taiwan Dollars)

June 30, 2022

	Foreign Currencies	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items USD	\$ 28,860	29.72 (USD:NTD)	\$ 857,722
<u>Financial liabilities</u>			
Monetary items USD	2,466	29.72 (USD:NTD)	73,289

December 31, 2021

	Foreign Currencies	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items USD	\$ 18,643	27.68 (USD:NTD)	\$ 516,035
<u>Financial liabilities</u>			
Monetary items USD	581	27.68 (USD:NTD)	16,070

June 30, 2021

	Foreign Currencies	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 25,307	27.86 (USD:NTD)	\$ 705,055
<u>Financial liabilities</u>			
Monetary items			
USD	19,655	27.86 (USD:NTD)	547,587

33. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions:

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

b. Information on investees: Table 5

c. Information on investments in mainland China

- 1) The name of the mainland investee company, main business items, paid-in capital, investment methods, capital remittances and exits, shareholding ratio, investment gains and losses, investment book amount at the end of the period, repatriated investment gains and losses, and investment limits in mainland China: Table 6.

2) The following significant transactions, prices, payment terms, and unrealized gains and losses occurred directly or indirectly with the investee company in mainland China via the third region: Table 7.

- a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period.
- b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period.
- c) The amount of property transactions and the amount of the resultant gains or losses.
- d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes.
- e) The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds.
- f) Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as the rendering or receiving of services.

d. Information of major shareholders

List all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder: Table 8.

34. SEGMENTS INFORMATION

For the purpose of resources allocation and performance assessment, the Group's chief operating decision maker reviews operating results and financial information on a product-by-product basis with a focus on the operating results of each product. As the products share similar economic characteristics, and sell the same types of products in a uniform management approach, the Group's products are aggregated into a single reportable segment. The Group's chief operating decision maker reviews segment information measured on the same basis as the consolidated financial statements. Information about reportable segment sales and profit or loss is referenced from the consolidated statements of comprehensive income for the six months ended June 30, 2022 and 2021 and information on assets is referenced from the consolidated balance sheets as of June 30, 2022, December 31, 2021 and June 30, 2021.

Information about major customers:

Single customer contributing 10% or more to the Group's revenue is as follows:

Customer Name	For the Six Months Ended June 30			
	2022		2021	
	Amount	Percentage (%)	Amount	Percentage (%)
Customer 1	\$ 372,150	57	\$ 476,063	70

AETHERTEK TECHNOLOGY CO., LTD.
 (Formerly Service & Quality Group Co., Ltd.)
AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED
JUNE 30, 2022
 (In Thousands of New Taiwan Dollars)

No.	Endorsement/ Guarantee Provider	Guaranteed Party		Limits on Endorsement/ Guarantee Amount Provided to Each Guaranteed Party (Note)	Maximum Balance for the Period (Foreign Currencies in Thousands)	Ending Balance (Foreign Currencies in Thousands)	Amount Actually Drawn (US\$ in Thousands)	Amount of Endorsement/ Guarantee Collateralized by Properties	Ratio of Accumulated Endorsement/ Guarantee to Net Equity per Latest Financial Statements	Maximum Endorsement/ Guarantee Amount Allowable (Note)	Guarantee Provided by Parent Company	Guarantee Provided by A Subsidiary	Guarantee Provided to Subsidiaries in Mainland China
		Name	Nature of Relationship										
0	Aethertek Technology Co., Ltd.	Trantest Enterprise Limited	Subsidiary	\$ 242,399	\$ 237,760	\$ 237,760	\$ -	\$ -	19%	\$ 484,798	Y	N	N
		Trantest Enterprise Limited	Subsidiary	242,399	235,800	-	-	-	-	484,798	Y	N	N

Note 1: The Company's maximum total endorsement amount is 40% of the net equity in the financial statements. The Company's maximum endorsement amount for each endorsed entity is 20% of the net equity in latest financial statements of the Company or the net value of the endorsee company, whichever is lower.

Note 2: Trantest Enterprise Limited was liquidation completed on June, 2022.

AETHERTEK TECHNOLOGY CO., LTD.
 (Formerly Service & Quality Group Co., Ltd.)
AND SUBSIDIARIES

MARKETABLE SECURITIES HELD
JUNE 30, 2022
 (In Thousands of New Taiwan Dollars)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	June 30, 2022				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Trantest Precision (China) Ltd.	Non-principal investment products: Qian Yuan - Si Xiang Jing Xin Jing Li product	-	Financial assets at fair value through profit or loss	-	\$ 45,893	-	\$ 45,893	

AETHERTEK TECHNOLOGY CO., LTD.
 (Formerly Service & Quality Group Co., Ltd.)
AND SUBSIDIARIES

**TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
 FOR THE SIX MONTHS ENDED JUNE 30, 2022**
 (In Thousands of New Taiwan Dollars)

Buyer	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Payable or Receivable		Note
			Purchase/Sale	Amount	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total	
Trantest Precision (China) Ltd.	Trantest Enterprise., Ltd.	Brother company	Sale	\$ 328,282	50	30 days from the end of the month	\$ -	-	\$ 93,685	25	-

Note: The above transactions have been eliminated during the preparation of the consolidated financial statements.

AETHERTEK TECHNOLOGY CO., LTD.
 (Formerly Service & Quality Group Co., Ltd.)
AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE SIX MONTHS ENDED JUNE 30, 2022
 (In Thousands of New Taiwan Dollars)

Number (Note 1)	Investee Company	Counterparty	Relationship (Note 2)	Transaction Details			% of Total Sales or Assets (Note 3)
				Financial Statement Account	Amount	Payment Terms	
0	Aethertek Technology Co., Ltd.	Trantest Enterprise., Ltd.	1	Service income	\$ 59,374	Depends on contract	9
		Trantest Enterprise., Ltd.	1	Trade receivables	62,412	Depends on contract	3
		Trantest Precision (China) Ltd.	1	Purchases	30,255	Depends on contract	5
		Trantest Precision (China) Ltd.	1	Trade payables	11,933	Depends on contract	1
1	Trantest Precision (China) Ltd.	Trantest Enterprise., Ltd.	3	Sales	328,282	It trading price depends on its function within the Group	50
		Trantest Enterprise., Ltd.	3	Trade receivables	93,685	It trading price depends on its function within the Group	4

Note 1: Intercompany relationships and significant intercompany transactions information are represented within the number column as follows:

- a. Number 0 represents the parent company.
- b. Number 1 represents subsidiaries.

Note 2: The flow of transactions between the counterparties of the transactions are represented as follows:

- a. "1" represents transactions from parent company to subsidiary.
- b. "2" represents transactions from subsidiary to parent company.
- c. "3" represents transactions between subsidiaries.

Note 3: The amounts of asset accounts and liability accounts are calculated as a percentage of the consolidated total assets. The amounts of income accounts are calculated as a percentage of the consolidated total sales.

AETHERTEK TECHNOLOGY CO., LTD.
 (Formerly Service & Quality Group Co., Ltd.)
AND SUBSIDIARIES

INFORMATION ON INVESTEEES
FOR THE SIX MONTHS ENDED JUNE 30, 2022
 (In Thousands of New Taiwan Dollars and U.S. Dollars)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of June 30, 2022			Net Income of the Investee	Share of Profit	Note
				June 30, 2022	December 31, 2021	Stocks (Thousands)	%	Carrying Amount			
Aethertek Technology Co., Ltd.	Trantest Enterprise., Ltd.	Hong Kong	Sales of precision testing equipment	\$ 682,513 (US\$ 24,000)	\$ 507,367 (US\$ 18,035)	24,000	100	\$ 810,301	\$ 55,550	\$ 27,955	-
	Trantest Enterprise., Ltd.	Samoa	Sales of precision testing equipment	-	388,050 (US\$ 13,633)	-	-	-	83,614	84,038	Note 1
Trantest Enterprise., Ltd.	Trantest Enterprise., Ltd.	Samoa	Sales of precision testing equipment	-	-	-	-	-	83,614	(424)	Note 2

Note 1: Selling Trantest Enterprise., Ltd., which was originally held by Aethertek Technology Co., Ltd.

Note 2: Trantest Enterprise Limited was liquidation completed on June 22, 2022.

AETHERTEK TECHNOLOGY CO., LTD.
(Formerly Service & Quality Group Co., Ltd.)
AND SUBSIDIARIES

**INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE SIX MONTHS ENDED JUNE 30, 2022
(In Thousands of New Taiwan Dollars, U.S. Dollars and RMB)**

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2022	Investment Flows		Accumulated Outward Remittance for Investment from Taiwan as of June 30, 2022	% Ownership of Direct or Indirect Investment	Net Income (Loss) of the Investee	Investment Gain (Loss)	Carrying Amount as of June 30, 2022	Accumulated Repatriation of Investment Income as of June 30, 2022
					Outflow	Inflow						
Trantest Precision (China) Ltd.	Manufacture and sales of precision testing equipment.	\$ 238,747 (RMB 55,000)	b	\$ 228,419 (US\$ 8,025)	\$ -	\$ -	\$ 228,419 (US\$ 8,025)	51	\$ 63,513	\$ 32,392 (Notes 2, b, 3)	\$ 238,237	\$ -

Accumulated Outward Remittance for Investment in Mainland China as of June 30, 2022	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA (Note 3)
\$289,108 (US\$9,944)	\$289,581 (US\$9,960)	\$845,527

Note 1: Methods of investment have following type:

- a. Direct investment in mainland China.
- b. Indirect investment through a company registered in a third region.
- c. Others.

Note 2: The amount recognized in investment income in the current year:

- a. Should be indicated if currently under preparation and not generating investment income.
- b. The basis of recognition of investment profit (loss) should be indicated and is classified as follows:
 - 1) Amounts was recognized based on the financial statements audited by international audit firms with business relationship with audit firms in the ROC.
 - 2) Amount was recognized based on the parent company's audited financial statements.
 - 3) Others.

Note 3: The relevant figures in this table should be presented in New Taiwan dollars.

AETHERTEK TECHNOLOGY CO., LTD.
 (Formerly Service & Quality Group Co., Ltd.)
AND SUBSIDIARIES

SIGNIFICANT TRANSACTIONS WITH INVESTEE COMPANIES IN MAINLAND CHINA, EITHER DIRECTLY OR INDIRECTLY THROUGH A THIRD PARTY, AND THEIR PRICES, PAYMENT TERMS, AND UNREALIZED GAINS OR LOSSES FOR THE SIX MONTHS ENDED JUNE 30, 2022
 (In Thousands of New Taiwan Dollars)

Purchase and Sale Company	Investee Company	Transaction Type	Purchase/Sale		Transaction Details		Notes/Accounts Receivable (Payable)		Unrealized (Gain) Loss	Note
			Amount	%	Payment Terms	Comparison with Normal Transactions	Ending Balance	%		
Trantest Enterprise., Ltd.	Trantest Precision (China) Ltd	Purchases	\$ 328,282	50	30 days after sales for parts	It trading price depends on its function within the Group	\$ 93,685	25	\$ 22,552	-
Aethertek Technology Co., Ltd.	Trantest Precision (China) Ltd	Purchases	30,255	5	30 days after sales for parts	It trading price depends on its function within the Group	11,933	3	5,043	-

TABLE 8**AETHERTEK TECHNOLOGY CO., LTD.**
(Formerly Service & Quality Group Co., Ltd.)
AND SUBSIDIARIES**INFORMATION OF MAJOR SHAREHOLDERS**
JUNE 30, 2022

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
Eriksson Capital Co., Ltd.	37,251,000	53.00
Indicate Investment Ltd.	10,671,847	15.18
La Ge Na Capital Co., Ltd.	10,543,000	15.00

Note: The information of major shareholders presented in this table is provided by the Taiwan Depository & Clearing Corporation based on the number of ordinary shares and preferred shares held by shareholders with ownership of 5% or greater, that have been issued without physical registration (including treasury shares) by the Company as of the last business day for the current quarter.