Aethertek Technology Co., Ltd.
and Subsidiaries

Consolidated Financial Statements for the Three Months Ended March 31, 2023 and 2022 and Independent Auditors' Review Report

INDEPENDENT AUDITORS' REVIEW REPORT

The Board of Directors and Stockholders
Aethertek Technology Co., Ltd.

Introduction

We have reviewed the accompanying consolidated balance sheets of Aethertek Technology Co., Ltd. (formerly Service & Quality Group Co., Ltd., the "Company") and subsidiaries (collectively referred to as the "Group") as of March 31, 2023 and 2022, the related consolidated statements of comprehensive income for the three months ended March 31, 2023 and 2022, the consolidated statements of changes in equity and cash flows for the three months then ended, and the related notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of interim financial information 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 conducted in accordance with International Standards on Auditing 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 March 31, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the three months ended March 31, 2023 and 2022 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

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

Deloitte & Touche
Taipei, Taiwan
Republic of China

May 10, 2023

<u>*Notice to Readers*</u>

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. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
(In Thousands of New Taiwan Dollars)

	March 31, 2023 (Reviewed)		December 31, 2022 (Audited)		March 31, 2022 (Reviewed)	
ASSETS	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS						
Cash and cash equivalents (Note 6)	$ 637,149	33	$ 852,906	41	$ 939,966	41
Financial assets at fair value through profit or loss (Note 7)	-	-	-	-	46,454	2
Net notes receivable	443	-	453	-	-	-
Trade receivables (Notes 8 and 21)	174,047	9	332,640	16	400,840	17
Other receivables	4,123	-	2,960	-	5,109	-
Current tax assets	11,657	1	11,476	1	3,541	-
Inventories (Note 9)	244,606	13	253,673	12	285,665	13
Prepayments	10,394	-	8,517	1	14,998	1
Other current assets	1,182	-	957	-	164	-
Total current assets	1,083,601	56	1,463,582	71	1,696,737	74
NON-CURRENT ASSETS						
Property, plant and equipment (Note 11)	461,563	24	210,556	10	164,050	7
Right-of-use assets (Note 12)	46,815	2	40,027	2	15,908	1
Investment property (Note 13)	-	-	-	-	64,786	3
Goodwill (Note 14)	106,500	5	106,547	5	106,170	5
Other intangible assets (Note 15)	204,266	10	213,271	10	216,877	9
Deferred tax assets	17,666	1	16,287	1	26,056	1
Prepayments for equipment	11,687	1	406	-	2,214	-
Refundable assets	10,746	1	11,932	1	10,754	-
Total non-current assets	859,243	44	599,026	29	606,815	26
TOTAL	$ 1,942,844	100	$ 2,062,608	100	$ 2,303,552	100
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term borrowings (Note 16)	$ -	-	$ -	-	$ 171,750	8
Contract liabilities	12,674	1	6,255	-	2,706	-
Trade payables	49,311	3	65,840	3	95,109	4
Dividends payable (Note 17)	275,414	14	274,138	13	370,488	16
Other payables (Note 17)	65,584	3	112,328	6	82,352	4
Current tax liabilities	5,036	-	-	-	51,956	2
Lease liabilities - current (Note 12)	22,584	1	16,207	1	15,563	1
Other current liabilities	389	-	317	-	4	-
Total current liabilities	430,992	22	475,085	23	789,928	35
NON-CURRENT LIABILITIES						
Deferred tax liabilities	9,758	1	25,265	1	5,692	-
Lease liabilities - non-current (Note 12)	17,763	1	17,060	1	38	-
Total non-current liabilities	27,521	2	42,325	2	5,730	-
Total liabilities	458,513	24	517,410	25	795,658	35
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 19)						
Ordinary shares	703,512	36	703,512	34	702,840	30
Capital surplus	162,225	8	162,225	8	157,852	7
Retained earnings						
Legal reserve	44,490	2	44,490	2	-	-
Special reserve	7,875	1	7,875	1	-	-
Unappropriated retained earnings	330,366	17	369,750	18	473,597	21
Total retained earnings	382,731	20	422,115	21	473,597	21
Other equity	24,111	1	26,170	1	9,114	-
Equity attributable to owners of the Company	1,272,579	65	1,314,022	64	1,343,403	58
NON-CONTROLLING INTERESTS (Note 19)	211,752	11	231,356	11	164,491	7
Total equity	1,484,331	76	1,545,378	75	1,507,894	65
TOTAL	$ 1,942,844	100	$ 2,062,788	100	$ 2,303,552	100

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

AETHERTEK TECHNOLOGY CO., LTD. AND SUBSIDIARIES

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

	For the Three Months Ended March 31			
	2023		2022	
	Amount	%	Amount	%
OPERATING REVENUE (Note 20)	$ 156,719	100	$ 299,534	100
OPERATING COSTS (Note 21)	(78,784)	(50)	(145,656)	(48)
GROSS PROFIT	77,935	50	153,878	52
OPERATING EXPENSES (Note 21)				
Selling and marketing expenses	(45,458)	(29)	(43,884)	(15)
General and administrative expenses	(22,855)	(15)	(36,266)	(12)
Research and development expenses	(81,696)	(52)	(106,831)	(36)
Expected credit gain (loss)	4,521	3	(4,343)	(1)
Total operating expenses	(145,488)	(93)	(191,324)	(64)
LOSS FROM OPERATIONS	(67,553)	(43)	(37,446)	(12)
NON-OPERATING INCOME AND EXPENSES (Note 21)				
Interest income	576	-	142	-
Other income	2,538	2	10,969	4
Other gains and losses	(6,149)	(4)	16,758	5
Finance costs	(333)	-	(138)	-
Total non-operating income and expenses	(3,368)	(2)	27,731	9
LOSS BEFORE INCOME TAX FROM CONTINUING OPERATIONS	(70,921)	(45)	(9,715)	(3)
INCOME TAX BENEFIT (Note 22)	10,900	7	11,716	4
NET (LOSS) PROFIT FROM CONTINUING OPERATIONS	(60,021)	(38)	2,001	1

(Continued)

AETHERTEK TECHNOLOGY CO., LTD. AND SUBSIDIARIES

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

	For the Three Months Ended March 31			
	2023		2022	
	Amount	%	Amount	%
OTHER COMPREHENSIVE (LOSS) INCOME				
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of the financial statements of foreign operations (Note 19)	$ (2,199)	(1)	$ 27,770	9
Income tax related to items that may be reclassified subsequently to profit or loss (Notes 19 and 22)	682	-	(4,247)	(1)
Other comprehensive income (loss) for the period, net of income tax	(1,517)	(1)	23,523	8
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD	$ (61,538)	(39)	$ 25,524	9
NET (LOSS) PROFIT ATTRIBUTABLE TO:				
Owners of the Company	$ (39,204)	(25)	$ 28,702	10
Non-controlling interests	(20,817)	(13)	(26,701)	(9)
	$ (60,021)	(38)	$ 2,001	1
TOTAL COMPREHENSIVE (LOSS) INCOME ATTRIBUTABLE TO:				
Owners of the Company	$ (41,934)	(27)	$ 45,691	15
Non-controlling interests	(19,604)	(12)	(20,167)	(6)
	$ (61,538)	(39)	$ 25,524	9
(LOSS) EARNINGS PER SHARE (Note 23)				
From continuing operations				
Basic	$ (0.56)		$ 0.41	
Diluted	$ (0.56)		$ 0.41	

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

AETHERTEK TECHNOLOGY 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										
	Capital Stock - Common Stock			Retained Earnings			Others				
	Shares (In Thousands)	Amount	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings (Accumulated Deficit)	Exchange Differences on Translation of the Financial Statements of Foreign Operations	Unearned Share-based Employee Compensation	Total	Non-controlling Interests	Total Equity
BALANCE, JANUARY 1, 2022	70,284	$ 702,840	$ 157,852	$ -	$ -	$ 444,895	$ (7,875)	$ -	$ 1,297,712	$ 184,658	$ 1,482,370
Net profit (loss) for the three months ended March 31, 2022	-	-	-	-	-	28,702	-	-	28,702	(26,701)	2,001
Other comprehensive income (loss) for the three months ended March 31, 2022, net of income tax (Note 19)	-	-	-	-	-	-	16,989	-	16,989	6,534	23,523
Total comprehensive income (loss) for the three months ended March 31, 2022	-	-	-	-	-	28,702	16,989	-	45,691	(20,167)	25,524
BALANCE, MARCH 31, 2022	70,284	$ 702,840	$ 157,852	$ -	$ -	$ 473,597	$ 9,114	$ -	$ 1,343,403	$ 164,491	$ 1,507,894
BALANCE, JANUARY 1, 2023	70,351	$ 703,512	$ 162,225	$ 44,490	$ 7,875	$ 369,570	$ 29,700	$ (3,530)	$ 1,313,842	$ 231,356	$ 1,545,198
Net loss for the three months ended March 31, 2023	-	-	-	-	-	(39,204)	-	-	(39,204)	(20,817)	(60,021)
Other comprehensive (loss) income for the three months ended March 31, 2023, net of income tax (Note 19)	-	-	-	-	-	-	(2,730)	-	(2,730)	1,213	(1,517)
Total comprehensive (loss) income for the three months ended March 31, 2023	-	-	-	-	-	(39,204)	(2,730)	-	(41,934)	(19,604)	(61,538)
Share-based payment arrangements (Note 24)	-	-	-	-	-	-	-	671	671	-	671
BALANCE, MARCH 31, 2023	70,351	$ 703,512	$ 162,225	$ 44,490	$ 7,875	$ 330,366	$ 26,970	$ (2,859)	$ 1,272,579	$ 211,752	$ 1,484,331

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

AETHERTEK TECHNOLOGY CO., LTD. AND SUBSIDIARIES

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

	For the Three Months Ended March 31	
	2023	**2022**
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before income tax	$ (70,921)	$ (9,715)
Adjustments for:		
Depreciation expense	14,405	25,900
Amortization expense	7,514	7,330
Expected credit (gain) loss recognized on trade receivables	(4,521)	4,343
Net gain on financial instruments at fair value through profit or loss	-	(288)
Finance costs	333	138
Interest income	(576)	(142)
Share-based compensation	671	-
Loss on disposal of property, plant and equipment, net	67	-
Write-down of inventories	15,274	17,939
Net changes in operating assets and liabilities		
Notes receivables	10	-
Trade receivables	163,201	82,246
Other receivables	(1,163)	(2,347)
Inventories	(6,549)	(15,538)
Prepayments	(1,877)	2,685
Other current assets	(225)	9
Contract liabilities	6,419	419
Trade payables	(16,529)	25,315
Other payables	(47,614)	(217,818)
Other current liabilities	72	(23)
Cash generated (used) in operations	57,991	(79,547)
Interest received	576	142
Interest paid	(333)	(138)
Income tax paid	(371)	-
Net cash generated from (used in) operating activities	57,863	(79,543)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payment for property, plant and equipment	(257,873)	(2,614)
Decrease in refundable deposits	1,186	-
Payments for intangible assets	(260)	(2,363)
Increase in prepayments for equipment	(11,281)	(929)
Net cash used in investing activities	(268,228)	(5,906)

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AETHERTEK TECHNOLOGY CO., LTD. AND SUBSIDIARIES

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

	For the Three Months Ended March 31	
	2023	**2022**
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	$ -	$ 171,750
Repayment of the principal portion of lease liabilities	(5,647)	(5,492)
Net cash (used in) generated from financing activities	(5,647)	166,258
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	255	11,915
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(215,757)	92,724
CASH AND CASH EQUIVALENTS, BEGINNING OF THE PERIOD	852,906	847,242
CASH AND CASH EQUIVALENTS, END OF THE PERIOD	$ 637,149	$ 939,966

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

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

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 May 10, 2023.

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 in issue but not yet endorsed and issued into effect by the FSC

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined by IASB
Amendments to IFRS 16 "Leases Liability in a Sale and Leaseback"	January 1, 2024 (Note 2)
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 9 and IFRS 17 - Comparative Information"	January 1, 2023
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	January 1, 2024
Amendments to IAS 1 "Non-current Liabilities with Covenants"	January 1, 2024

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

Note 2: A seller-lessee shall apply the Amendments to IFRS 16 retrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS 16.

Amendments to IAS 1 "Classification of Liabilities as Current or Non-current" (referred to as the "2020 amendments") and "Non-current Liabilities with Covenants" (referred to as the "2022 amendments")

The 2020 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 2020 amendments also stipulate 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 2022 amendments further clarify that only covenants with which an entity is required to comply on or before the reporting date should affect the classification of a liability as current or non-current. Although the covenants to be complied with within twelve months after the reporting period do not affect the classification of a liability, the Group shall disclose information that enables users of financial statements to understand the risk of the Group that may have difficulty complying with the covenants and repay its liabilities within twelve months after the reporting period.

The 2020 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 MATERIAL ACCOUNTING POLICY INFORMATION

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 (i.e., its subsidiaries, including structured entities).

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, 2022.

Income tax expense

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

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

When developing material accounting estimates, the Group considers the possible impact of the recent development of the COVID-19 pandemic and its economic environment implications on the cash flow projection, growth rates, discount rates, profitabilities and other relevant material estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

Please refer to the material accounting judgments and key sources of estimation uncertainty of the consolidated financial statements for the year ended December 31, 2022.

6. CASH AND CASH EQUIVALENTS

	March 31, 2023	December 31, 2022	March 31, 2022
Cash on hand	$ 601	$ 216	$ 230
Checking accounts and demand deposits	636,548	852,690	939,736
	$ 637,149	$ 852,906	$ 939,966

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	March 31, 2023	December 31, 2022	March 31, 2022
Financial assets at FVTPL - current			
Non-derivative financial assets			
Financial assets mandatorily classified as at FVTPL			
Non-principal investment products	$ -	$ -	$ 46,454

Non-principal investment products mainly refer to the investment products purchased from banks in mainland China. The total subscription amount was RMB10,000 thousand as of March 31, 2022.

8. TRADE RECEIVABLES AND OTHER RECEIVABLES

	March 31, 2023	December 31, 2022	March 31, 2022
Trade receivables			
At amortized cost			
Gross carrying amount	$ 190,654	$ 353,681	$ 442,149
Less: Allowance for impairment loss	(16,607)	(21,041)	(41,309)
	$ 174,047	$ 332,640	$ 400,840

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, the customer's current financial position, economic condition of the industry in which the customer operates, as well as the GDP forecasts and industry outlook. 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.

March 31, 2023

	Not Past Due	Less than 60 Days	61 to 180 Days	181 to 360 Days	Over 361 Days	Total
The expected credit loss rate	0%-2%	1%-10%	1%-11%	2%-40%	100%	
Gross carrying amount	$ 78,370	$ 35,523	$ 23,226	$ 48,107	$ 5,428	$ 190,654
Loss allowance (Lifetime ECL)	(906)	(2,288)	(1,957)	(6,028)	(5,428)	(16,607)
Amortized cost	$ 77,464	$ 33,235	$ 21,269	$ 42,079	$ -	$ 174,047

December 31, 2022

	Not Past Due	Less than 60 Days	61 to 180 Days	181 to 360 Days	Over 361 Days	Total
The expected credit loss rate	0%-2%	1%-10%	3%-12%	8%-43%	100%	
Gross carrying amount	$ 188,345	$ 47,574	$ 89,487	$ 27,868	$ 407	$ 353,681
Loss allowance (Lifetime ECL)	(1,445)	(3,356)	(9,475)	(6,358)	(407)	(21,041)
Amortized cost	$ 186,900	$ 44,218	$ 80,012	$ 21,510	$ -	$ 332,640

March 31, 2022

	Not Past Due	Less than 60 Days	61 to 180 Days	181 to 360 Days	Over 361 Days	Total
The expected credit loss rate	0%-5%	3%-5%	5%-10%	5%-69%	100%	
Gross carrying amount	$ 207,397	$ 105,010	$ 25,119	$ 100,528	$ 4,095	$ 442,149
Loss allowance (Lifetime ECL)	(1,507)	(2,951)	(1,577)	(31,179)	(4,095)	(41,309)
Amortized cost	$ 205,890	$ 102,059	$ 23,542	$ 69,349	$ -	$ 400,840

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

	For the Three Months Ended March 31	
	2023	2022
Beginning of the period	$ 21,041	$ 35,564
Add: Net remeasurement of loss allowance	-	4,343
Less: Net remeasurement of loss allowance	(4,521)	-
Foreign exchange gains and losses	87	1,402
End of the period	$ 16,607	$ 41,309

9. INVENTORIES

	March 31, 2023	December 31, 2022	March 31, 2022
Raw materials	$ 142,854	$ 138,264	$ 186,955
Semi-finished products	19,053	16,913	31,048
Work in progress	11,668	5,141	29,908
Finished goods	71,031	93,355	37,754
	$ 244,606	$ 253,673	$ 285,665

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

	For the Three Months Ended March 31	
	2023	2022
Cost of inventories sold	$ 63,510	$ 127,717
Write-downs of inventories	15,274	17,939
	$ 78,784	$ 145,656

10. SUBSIDIARIES

a. Subsidiaries included in the consolidated financial statements

Investor	Investee	Nature of Activities	Proportion of Ownership (%) March 31, 2023	December 31, 2022	March 31, 2022	Remark
Aethertek Technology Co., Ltd.	Trantest Enterprise Ltd.	Sales of precision testing equipment	100	100	100	(1)
Trantest Enterprise Ltd.	Trantest Enterprise Ltd.	Sales of precision testing equipment	-	-	100	(2)
Trantest Enterprise Ltd.	Trantest Precision (China) Ltd.	Manufacture and sales of precision testing equipment	51	51	51	-

Note 1: The Company established Aethertek Holding Ltd. in Hong Kong on March 15, 2021. The Group invested US$5,965 thousand in April 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. to Trantest Enterprise Ltd. The transaction amount was US$12,267 thousand. In addition, The liquidation was approved by the board of directors in 2022, 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.

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**		
		March 31, 2023	**December 31, 2022**	**March 31, 2022**
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.

	March 31	
	2023	**2022**
Current assets	$ 628,756	$ 618,462
Non-current assets	229,771	234,319
Current liabilities	(380,074)	(506,247)
Non-current liabilities	(12,961)	(38)
Equity	$ 465,492	$ 349,496
Equity attributable to:		
Owners of the Company	$ 237,401	$ 176,713
Non-controlling interests	228,091	169,783
	$ 465,492	$ 346,496

	For the Three Months Ended March 31	
	2023	**2022**
Revenue	$ 102,834	$ 208,686
Loss for the period	$ (51,322)	$ (52,615)
Net loss attributable to:		
Owners of the Company	$ (26,174)	$ (26,834)
Non-controlling interests	(25,148)	(25,781)
	$ (51,322)	$ (52,615)

11. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Equipment	Leasehold Improvements	Office Equipment	Transportation Equipment	Total
Cost							
Balance at January 1, 2023	$ -	$ 111,086	$ 238,365	$ 24,125	$ 47,575	$ 576	$ 421,727
Additions	225,756	31,766	651	-	570	-	258,743
Disposals	-	-	-	-	(265)	-	(265)
Effects of foreign currency exchange differences	-	517	1,035	-	146	3	1,701
Balance at March 31, 2023	$ 225,756	$ 143,369	$ 240,051	$ 24,125	$ 48,026	$ 579	$ 681,906
Accumulated depreciation							
Balance at January 1, 2023	$ -	$ 28,981	$ 149,916	$ 3,631	$ 28,080	$ 563	$ 211,171
Depreciation expense	-	1,564	4,484	1,005	1,380	-	8,433
Disposals	-	-	-	-	(198)	-	(198)
Effects of foreign currency exchange differences	-	132	683	-	119	3	937
Balance at March 31, 2023	$ -	$ 30,677	$ 155,083	$ 4,636	$ 29,381	$ 566	$ 220,343
Carrying amount at March 31, 2023	$ 225,756	$ 112,692	$ 84,968	$ 19,489	$ 18,645	$ 13	$ 461,563
Carrying amount at December 31, 2022 and January 1, 2023	$ -	$ 82,105	$ 88,449	$ 20,494	$ 19,495	$ 13	$ 210,556
Cost							
Balance at January 1, 2022	$ -	$ 35,757	$ 323,806	$ 2,448	$ 37,852	$ 6,707	$ 406,570
Additions	-	-	-	-	1,452	-	1,452
Reclassified	-	-	-	20,286	-	-	20,286
Effects of foreign currency exchange differences	-	1,348	12,152	-	1,243	253	14,996
Balance at March 31, 2022	$ -	$ 37,105	$ 335,958	$ 22,734	$ 40,547	$ 6,960	$ 443,304
Accumulated depreciation							
Balance at January 1, 2022	$ -	$ 7,493	$ 213,320	$ 65	$ 24,104	$ 4,362	$ 249,344
Depreciation expense	-	470	17,019	666	1,379	565	20,099
Effects of foreign currency exchange differences	-	293	8,424	-	917	177	9,811
Balance at March 31, 2022	$ -	$ 8,256	$ 238,763	$ 731	$ 26,400	$ 5,104	$ 279,254
Carrying amount at March 31, 2022	$ -	$ 28,849	$ 97,195	$ 22,003	$ 14,147	$ 1,856	$ 164,050

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	20 to 50 years
Equipment	2.5 to 10 years
Leasehold improvements	5 years
Office equipment	2 to 10 years
Transportation equipment	4 to 5 years

Property, plant and equipment used by the Group and pledged as collateral for bank borrowings are set out in Note 29.

12. LEASE ARRANGEMENTS

a. Right-of-use assets

	March 31, 2023	December 31, 2022	March 31, 2022
Carrying amount			
Buildings	$ 39,787	$ 32,905	$ 13,420
Lands	7,028	7,122	2,488
	$ 46,815	$ 40,027	$ 15,908

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

	For the Three Months Ended March 31	
	2023	2022
Beginning of the period	$ 40,027	$ 20,135
Additions to right-of-use assets	12,570	114
Depreciation charge for right-of-use assets	(5,972)	(4,745)
Effects of foreign currency exchange differences	190	404
	$ 46,815	$ 15,908

b. Lease liabilities

	March 31, 2023	December 31, 2022	March 31, 2022
Carrying amount			
Current	$ 22,584	$ 16,207	$ 15,563
Non-current	$ 17,763	$ 17,060	$ 38

Range of discount rate for lease liabilities was as follows:

	March 31, 2023	December 31, 2022	March 31, 2022
Buildings	1.36%-3.85%	2.60%-3.85%	2.60%-3.85%

c. Material lease-in activities and terms

The Group leases certain land and buildings for the use of office, plant and dormitories, with lease terms of 2 to 3 years. The Group also buys land use right for the offices with use term of 50 years in mainland China specifies that payments will be paid at the time of contract and can be renewed upon the expiration of the period. The Group does not have purchase options to acquire the land and buildings at the end of the contract.

d. Other lease information

	For the Three Months Ended March 31	
	2023	2022
Expenses relating to short-term leases	$ 3,227	$ 8,876
Expenses relating to low-value asset leases	$ 14	$ 14
Total cash outflow for leases	$ (9,220)	$ (14,520)

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 Three Months Ended March 31, 2022
Cost	
Beginning of the period	$ 80,136
Effects of foreign currency exchange differences	3,021
End of the period	$ 83,157
Accumulated depreciation	
Beginning of the period	$ 16,663
Depreciation expense	1,056
Effects of foreign currency exchange differences	652
End of the period	$ 18,371
Carrying amount, net, March 31, 2022	$ 64,786

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 March 31, 2022 as compared to that at April 9, 2021.

	March 31, 2022
Fair value	$ 68,857

14. GOODWILL

	For the Three Months Ended March 31	
	2023	2022
Cost		
Beginning of the period	$ 106,547	$ 105,999
Effects of foreign currency exchange differences	(47)	171
End of the period	$ 106,500	$ 106,170

15. OTHER INTANGIBLE ASSETS

	Customer Relationships	Computer Software	Amount
Cost			
Balance, January 1, 2023	$ 250,839	$ 42,816	$ 293,655
Additions	-	260	260
Effects of foreign currency exchange differences	(2,123)	142	(1,981)
Balance, March 31, 2023	$ 248,716	$ 43,218	$ 291,934
Accumulated amortization			
Balance, January 1, 2023	$ 45,138	$ 35,246	$ 80,384
Amortization expenses	6,382	1,132	7,514
Effects of foreign currency exchange differences	(370)	140	(230)
Balance, March 31, 2023	$ 51,150	$ 36,518	$ 87,668
Carrying amount at March 31, 2023	$ 197,566	$ 6,700	$ 204,266
Cost			
Balance, January 1, 2022	$ 226,091	$ 32,087	$ 258,178
Additions	-	2,363	2,363
Effects of foreign currency exchange differences	7,719	1,108	8,827
Balance, March 31, 2022	$ 233,810	$ 35,558	$ 269,368
Accumulated amortization			
Balance, January 1, 2022	$ 17,437	$ 25,927	$ 43,364
Amortization expenses	5,878	1,452	7,330
Effects of foreign currency exchange differences	728	1,069	1,797
Balance, March 31, 2022	$ 24,043	$ 28,448	$ 52,491
Carrying amount at March 31, 2022	$ 209,767	$ 7,110	$ 216,877

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. BORROWINGS

Short-term Borrowings

	March 31, 2023	December 31, 2022	March 31, 2022
Unsecured borrowings			
Bank loan	$ -	$ -	$ 171,750

The ranges of weighted average effective interest rate of bank loans were 1.5% per annum as March 31, 2022 respectively.

17. OTHER PAYABLES

	March 31, 2023	December 31, 2022	March 31, 2022
Payables for salaries or bonuses	$ 43,105	$ 83,138	$ 67,139
Payables for compensation of employees	1,832	1,832	5,224
Payables for dividends (Note)	275,414	274,138	370,488
Payable for professional fees	1,616	2,037	-
Payable for purchases of equipment	1,045	175	263
Others	17,986	25,146	9,726
	$ 340,998	$ 386,466	$ 452,840

Note: Payables for dividends were 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.

18. 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.

19. EQUITY

a. Ordinary shares

	March 31, 2023	December 31, 2022	March 31, 2022
Shares authorized (in thousands of shares)	100,000	100,000	80,000
Shares authorized	$ 1,000,000	$ 1,000,000	$ 800,000
Shares issued and fully paid (in thousands of shares)	70,351	70,351	70,284
Shares issued and fully paid	$ 703,512	$ 703,512	$ 702,840

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.

b. Capital surplus

	March 31, 2023	December 31, 2022	March 31, 2022
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (1)			
Issuance of ordinary shares	$ 157,852	$ 157,852	$ 157,852
May not be used for any purpose (2)			
Employee restricted shares	4,373	4,373	-
	$ 162,225	$ 162,225	$ 157,852

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

2) It may not be used for any purpose that capital surplus generated from employee restricted shares.

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 21-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 appropriation of earnings for 2022, which had been proposed by the Corporation's board of directors on March 14, 2023, and the appropriation of earnings for 2021, which had been approved in the shareholders' meetings on June 22, 2022, were as follows:

	For the Year Ended December 31	
	2022	**2021**
Legal reserve	$ 15,275	$ 44,490
Special reserve	$ (7,875)	$ 7,875
Cash dividends	$ 72,462	$ 175,709
Dividends Per Share (NT$)	$ 1.03	$ 2.5

The above appropriation for cash dividends will be resolved by the shareholders in their meeting to be held on May 31, 2023.

d. Other equity items

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

	For the Three Months Ended March 31	
	2023	**2022**
Balance at January 1	$ 29,700	$ (7,875)
Recognized for the year		
Exchange differences on the translation of the financial statements of foreign operations	(3,412)	21,236
Income tax that may be reclassified subsequently to profit or loss	682	(4,247)
Balance at March 31	$ 26,970	$ 9,114

2) Unearned share-based employee compensation

The Company resolved at the shareholders' meeting to issue 800 thousand shares of new employee restricted stocks at no consideration on June 22, 2022. On August 10, 2022, the board of directors had resolved to issue a total of 67 thousand, new shares to restrict employee right. refer to Note 24 for relevant information.

	For the Three Months Ended March 31, 2023
Balance at January 1	$ (3,530)
Share-based payment expenses recognized	671
Balance at March 31	$ (2,859)

e. Non-controlling interests

	For the Three Months Ended March 31	
	2023	2022
Balance at January 1	$ 231,356	$ 184,658
Share in loss for the year	(20,817)	(26,701)
Other comprehensive income during the year		
Exchange differences on the translation of the financial statements of foreign entities	1,213	6,534
Balance at March 31	$ 211,752	$ 164,491

20. REVENUE

	For the Three Months Ended March 31	
	2023	2022
Revenue from the rendering of services	$ 13,189	$ 6,840
Revenue from the sale of goods	143,530	292,694
	$ 156,719	$ 299,534

	March 31, 2023	December 31, 2022	March 31, 2022	January 1, 2022
Contract balances				
Trade receivables (Note 8)	$ 174,047	$ 332,640	$ 400,840	$ 488,831
Contract liabilities				
Sale of goods	$ 12,674	$ 6,255	$ 2,706	$ 2,287

21. NET (LOSS) PROFIT

a. Interest income

	For the Three Months Ended March 31	
	2023	2022
Interest income		
Bank deposits	$ 572	$ 138
Others	4	4
	$ 576	$ 142

b. Other income

	For the Three Months Ended March 31	
	2023	2022
Government grants	$ 1,064	$ 4,408
Others	1,474	6,561
	$ 2,538	$ 10,969

c. Other gains and (losses)

	For the Three Months Ended March 31	
	2023	2022
Net foreign exchange (losses) gains	$ (5,572)	$ 16,484
Net gain on financial instruments at fair value through profit or loss	-	288
Loss on disposal of property, plant and equipment	(67)	-
Others	(510)	(14)
	$ (6,149)	$ 16,758

d. Finance costs

	For the Three Months Ended March 31	
	2023	2022
Interest on lease liabilities	$ 332	$ 138
Others	1	-
	$ 333	$ 138

e. Depreciation and amortization

	For the Three Months Ended March 31	
	2023	2022
An analysis of depreciation by function		
Operating cost	$ 5,665	$ 17,706
Operating expenses	8,740	8,194
	$ 14,405	$ 25,900
An analysis of amortization by function		
Operating cost	$ -	$ 79
Operating expenses	7,514	7,251
	$ 7,514	$ 7,330

f. Employee benefits expense

	For the Three Months Ended March 31	
	2023	2022
Short-term benefits		
Salary	$ 91,859	$ 118,029
Labor and health insurance	6,824	8,371
Post-employment benefits		
Defined contribution plans	1,236	1,168
Other employee benefits	1,433	1,559
Total employee benefits expense	$ 101,352	$ 129,127
An analysis of employee benefits expense by function		
Operating costs	$ 16,413	$ 25,315
Operating expenses	84,939	103,812
	$ 101,352	$ 129,127

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. Since there was deficit for the three months ended March 31, 2023, the Company did not estimate compensation of employees and the remuneration of directors. The estimated compensation of employees and the remuneration of directors for the three months ended March 31, 2022 is as follows:

Accrual rate

	For the Three Months Ended March 31, 2022
Compensation of employees	1%
Remuneration of directors	0%

Amount

	For the Three Months Ended March 31, 2022
Compensation of employees	$ 212
Remuneration of directors	-

The compensation of employees and the remuneration of directors for 2022 and 2021 had been approved by the Company's board of directors on March 14, 2023 and March 29, 2022, as illustrated bellow:

Accrual rate

	For the Year Ended December 31	
	2022	2021
Compensation of employees	1%	1%
Remuneration of directors	0%	0%

Amount

	For the Year Ended December 31	
	2022	2021
Compensation of employees	$ 1,832	$ 5,012
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.

There was no difference between the actual appropriated amounts of employees' compensation and remuneration of directors and the amounts recognized in the financial statements for the years ended December 31, 2022 and 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.

22. INCOME TAXES

a. Income tax recognized in profit or loss

The major components of tax profit were as follows:

	For the Three Months Ended March 31	
	2023	2022
Current tax		
In respect of the current year	$ 5,036	$ -
Adjustments for prior year	194	-
Deferred tax		
In respect of the current year	(16,130)	(11,716)
Income tax expense recognized in profit	$ (10,900)	$ (11,716)

b. Income tax recognized in other comprehensive income

	For the Three Months Ended March 31	
	2023	2022
Deferred tax		
In respect of the current year		
Exchange differences on the translation of foreign operations	$ (682)	$ 4,247
Income tax recognized in other comprehensive (income) loss	$ (682)	$ 4,247

c. Income tax assessment

The income tax returns through 2020 have been assessed by the tax authorities. The companies in other jurisdictions have been examined according to their local laws.

23. (LOSS) EARNINGS PER SHARE

Unit: NT$ Per Share

	For the Three Months Ended March 31	
	2023	2022
Basic (loss) earnings per share	$ (0.56)	$ 0.41
Diluted (loss) earnings per share	$ (0.56)	$ 0.41

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

Net (Loss) Profit for the Period

	For the Three Months Ended March 31	
	2023	2022
(Loss) profit for the year attributable to owners of the Company	$ (39,204)	$ 28,702
(Loss) earnings used in the computation of basic and diluted earnings per share	$ (39,204)	$ 28,702

Ordinary Shares

	For the Three Months Ended March 31	
	2023	2022
Weighted-average number of ordinary shares used in computation of basic (loss) earnings per share	70,351	70,284
Effect of potential dilutive common stock:		
Compensation of employees	-	45
Weighted average number of ordinary shares used in the computation of diluted (loss) earnings per share	70,351	70,329

The Group may settle the compensation of employees in cash or shares; therefore, it is assumed that the entire amount of the compensation will be settled in shares, and the resulting potential shares are included in the weighted average number of shares outstanding used in the computation of diluted (loss) earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted (loss) earnings per share until the number of shares to be distributed to employees is resolved in the following year.

24. SHARE-BASED PAYMENT ARRANGEMENTS

Employee Restricted Stocks

On June 22, 2022, the Company resolved at the shareholders’ meeting to issue 800 thousand shares of employee restricted stocks at $10 per share at no consideration. On August 10, 2022, the board of directors had resolved to issue a total of 67 thousand shares of employee restricted stocks. The grant date and the issuance date were both August 11, 2022. The fair value of the employee restricted stocks at grant date is $75 per share.

Employee restricted stocks that have been granted but have not yet met the vesting conditions are as follows:

a. Employees may not sell, pledge, transfer, give as a gift, create a guarantee or otherwise dispose of the new employee restricted stocks until they have met the vesting conditions after being granted the new stocks.

b. Except for the restrictions in the preceding paragraph, before the vesting conditions are fulfilled, any other shareholder rights including but not limited to the entitlement to any distribution regarding dividends, bonuses and capital reserve, and the subscription right of the new shares issued for any capital increase, are the same as those of holders of ordinary shares of the Company.

c. The shares should be held in a stock trustee designated by the Company. The restricted stocks should be held in a trust after being issued and non-refundable before eligible for the vesting conditions.

d. During the vesting period, if the company carry out a capital reduction, RSAs will be cancelled proportionally. If the capital reduction is done by cash return, the returned cash should be kept under trustee designated by the Company, and be paid to the employees when vesting condition is fulfilled; if the employee does not meet the vesting condition, all shares the employees subscribed shall be bought back by the Company based on the original subscription price and canceled accordingly.

e. Attendance, proposals, speeches, voting rights and other matters related to shareholders' rights and interests at shareholders' meetings are entrusted to trust custodians.

Participant shall become vested in the new employee restricted stocks at certain percentage, only if Participant achieves the specific performance-based goal specified by the Company and remains continuously employed by the Company from the grant date through applicable vesting schedule presented as follows.

1) Participants who have served the Company or an entity controlled or affiliated by the Company for less than 10 years are described as follows while re-calculation for those who have previously resigned or on furlough:

   a) One-year anniversary of the grant, grantees are eligible for 60% of the vested shares with annual KPI between 90 and 100. Grantees are eligible for 48% of the vested shares with annual KPI between 80 and 89. Grantees are eligible for 36% of the vested shares with annual KPI between 60 and 79. Grantees are eligible for 0% of the vested shares with annual KPI between 0 and 59.

   b) Over one year less than three year since the date of grant, grantees are eligible for 20% of the vested shares with annual KPI between 90 and 100. Grantees are eligible for 16% of the vested shares with annual KPI between 80 and 89. Grantees are eligible for 12% of the vested shares with annual KPI between 60 and 79. Grantees are eligible for 0% of the vested shares with annual KPI between 0 and 59.

2) Participants who have served the Company or an entity controlled or affiliated by the Company over 10 years are described as follows while re-calculation for those who have previously resigned or on furlough:

   One-year anniversary of the grant, grantees are eligible for 100% of the vested shares with annual KPI between 90 and 100. Grantees are eligible for 80% of the vested shares with annual KPI between 80 and 89. Grantees are eligible for 60% of the vested shares with annual KPI between 60 and 79. Grantees are eligible for 0% of the vested shares with annual KPI between 0 and 59.

   The new shares issued with restricted employee rights, the relevant information were as follows:

Unit: In Thousands Per Stock

	For the Three Months Ended March 31	
	2023	**2022**
Balance at January 1	67	-
Issuance of the current year	-	-
Balance at March 31	67	-

Employee compensation cost recognized for the three months ended March 31, 2023 was $671 thousand.

25. CASH FLOW INFORMATION

a. Non-cash transactions

For the three months ended March 31, 2023 and 2022, the Group acquired property, plant and equipment with a fair value of $258,743 thousand and $1,452 thousand, respectively, and paid $257,873 thousand and $2,614 thousand in cash, respectively. Other payables for facility increased by $870 thousand and decreased by $1,162 thousand, respectively.

b. Changes in liabilities arising from financing activities

For the three months ended March 31, 2023

	Balance as of January 1, 2023	Cash Flows	Non-cash Changes: New Leases	Non-cash Changes: Effects of Foreign Currency Exchange Differences	Balance as of March 31, 2023
Lease liabilities	$ 33,267	$ (5,647)	$ 12,570	$ 157	$ 40,347

For the three months ended March 31, 2022

	Balance as of January 1, 2022	Cash Flows	Non-cash Changes: New Leases	Non-cash Changes: Effects of Foreign Currency Exchange Differences	Balance as of March 31, 2022
Lease liabilities	$ 20,522	$ (5,492)	$ 114	$ 457	$ 15,601

26. CAPITAL MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximizing the return to shareholders through the optimization of the debt and equity balance. The Group's key management reviews the Group's capital structure on a quarterly basis, which includes consideration of the costs and risks of various operations. Based on the recommendations of the key management, the Group finances its working capital by borrowing from banks and raising additional capital in cash.

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.

27. 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

March 31, 2022

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Non-principal investment products	$ 46,454	$ -	$ -	$ 46,454

c. Categories of financial instruments

	March 31, 2023	December 31, 2022	March 31, 2022
Financial assets			
Fair value through profit or loss (FVTPL)			
Mandatorily at FVTPL	$ -	$ -	$ 46,454
Financial assets at amortized cost (Note 1)	826,508	1,200,891	1,356,669
Financial liabilities			
Financial liabilities at amortized cost (Note 2)	345,372	367,336	647,336

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

Note 2: The balances included financial liabilities at amortized cost, which comprise short-term borrowings, 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 33.

Sensitivity analysis

The Group is mainly exposed to the USD and RMB.

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 Three Months Ended March 31	
	2023	**2022**
Pre-tax profit	$ 3,324	$ 8,674

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:

	March 31, 2023	**December 31, 2022**	**March 31, 2022**
Financial value interest rate risk			
Financial liabilities	$ 40,347	$ 33,267	$ 187,351
Cash flows interest rate risk			
Financial assets	636,548	852,690	939,736

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 (loss) for the three months ended March 31, 2023 and 2022 would have increased/decreased by $398 thousand and $587 thousand, respectively, which was mainly a result of variable-interest-rate bank deposits and other financial assets.

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 March 31, 2023, December 31, 2022 and March 31, 2022, the percentage of total trade receivables from the top five customers was 52%, 63% and 66%.

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.

a) 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.

March 31, 2023

	Less than 1 Year	**1-5 Years**	**5+ Years**
Non-derivative financial liabilities			
Non-interest bearing	$ 345,372	$ -	$ -
Lease liabilities	23,472	17,964	-
	$ 368,844	$ 17,964	$ -

December 31, 2022

	3 Months to 1 Year	1-5 Years	5+ Years
Non-derivative financial liabilities			
Non-interest bearing	$ 367,336	$ -	$ -
Lease liabilities	17,141	17,375	-
	$ 384,477	$ 17,375	$ -

March 31, 2022

	Less than 1 Year	1-5 Years	5+ Years
Non-derivative financial liabilities			
Non-interest bearing	$ 475,586	$ -	$ -
Short-term borrowings	171,750	-	-
Lease liabilities	15,563	38	-
	$ 662,899	$ 38	$ -

b) Financing facilities

	March 31, 2023
Unsecured bank overdraft facilities, reviewed annually and payable on demand	
Amount used	$ -
Amount unused	150,000
	$ 150,000
Secured bank overdraft facilities	
Amount used	$ -
Amount unused	200,000
	$ 200,000

28. TRANSACTIONS WITH RELATED PARTIES

The Company’s parent is Ericson Capital Co., Ltd., which held 52.95% of the ordinary shares of the Company at March 31, 2023.

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.

Remuneration of Key Management Personnel

Related Party Categories	For the Three Months Ended March 31 2023	2022
Short-term employee benefits	$ 4,369	$ 4,209
Post-employment benefits	162	174
	$ 4,531	$ 4,383

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

29. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY:

The following assets were provided as collateral for bank borrowings:

	March 31, 2023
Land	$ 225,756
Buildings	31,766
	$ 257,522

30. SIGNIFICANT CONTINGENCIES AND UNRECOGNIZED COMMITMENTS: NONE

31. 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.

32. 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.

33. 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)

March 31, 2023

	Foreign Currencies	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 11,642	30.45 (USD:NTD)	$ 354,495
Financial liabilities			
Monetary items			
USD	726	30.45 (USD:NTD)	22,099

December 31, 2022

	Foreign Currencies	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 21,788	30.71 (USD:NTD)	$ 669,118
Financial liabilities			
Monetary items			
USD	489	30.71 (USD:NTD)	15,029

March 31, 2022

	Foreign Currencies	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 31,026	28.625 (USD:NTD)	$ 888,113
Financial liabilities			
Monetary items			
USD	723	28.625 (USD:NTD)	20,703

34. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions:

1) Financing provided to others: Table 1

2) Endorsements/guarantees provided: Table 2

3) Marketable securities held (excluding investment in subsidiaries and associates): None

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: Table 3

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: None

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.

35. 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 three months ended March 31, 2023 and 2022 and information on assets is referenced from the consolidated balance sheets as of March 31, 2023, December 31, 2022 and March 31, 2022.

Information about major customers:

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

	For the Three Months Ended March 31			
	2023		2022	
Customer Name	**Amount**	**Percentage (%)**	**Amount**	**Percentage (%)**
Customer 1	$ 78,251	50	$ 208,355	70

TABLE 1

AETHERTEK TECHNOLOGY CO., LTD. AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS
FOR THE THREE MONTHS ENDED MARCH 31, 2023
(In Thousands of New Taiwan Dollars)

No. (Note 1)	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period	Ending Balance	Actual Amount Borrowed	Interest Rate (%)	Nature of Financing	Business Transaction Amount	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower	Aggregate Financing Limit	Note
													Item	Value			
1	Trantest Precision (China) Ltd.	Shenzhen Detai Precision Equipment Co., Ltd.	Other receivable	No	$ 8,862	$ 8,862	$ -	3.5	The need for short-term financing	$ -	Operating capital	$ -	-	$ -	$ 46,549	$ 186,197	

Note 1: Numbering sequence is as follows:

a) The issuer is numbered 0.
b) Investees are numbered sequentially starting from 1.

Note 2: It is necessary to fill the amount of financing limit for each borrower and the amount of aggregate financing limit by the Company’s guidance of financing provided to others, and the calculation method shall be indicated in the “Note”.

a) For short-term financing needs, the total amount for lending to others shall be not exceed the net value of the most recent financial statements of Trantest Precision (China) Ltd. reviewed by CPA NT$465,492 x 40% = NT$186,197, and the total amount for lending a company shall be not exceed the net value of Trantest Precision (China) Ltd. reviewed by CPA NT$465,492 x 10% = NT$46,549.

AETHERTEK TECHNOLOGY CO., LTD. AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE THREE MONTHS ENDED MARCH 31, 2023
(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	$ 254,516	$ 243,600	$ 243,600	$ -	$ -	19%	$ 509,032	Y	N	N

Note: 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.

AETHERTEK TECHNOLOGY CO., LTD. AND SUBSIDIARIES

ACQUISITION OF INDIVIDUAL REAL ESTATE AT COSTS OF AT LEAST NT$300 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE THREE MONTHS ENDED MARCH 31, 2023
(In Thousands of New Taiwan Dollars)

Buyer	Property	Event Date	Transaction Amount	Payment Status	Counterparty	Relationship	Information on Previous Title Transfer If Counterparty Is A Related Party				Pricing Reference	Purpose of Acquisition	Other Terms
							Property Owner	Relationship	Transaction Date	Amount			
Aethertek Technology Co., Ltd.	Land and buildings	2022.12.26	$ 258,440	In accordance with the contract terms	Arise International Limited.	None	-	-	-	$ -	Price comparison and negotiation and by reference to the price quoted by the professional appraisal agency	For the use of office	None

Note 1: The property acquired is subject to valuation in accordance with regulations, the valuation results shall be indicated in the "Pricing Reference".

Note 2: The event date was the date approved by the Board of Directors of the Company.

AETHERTEK TECHNOLOGY CO., LTD. AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE THREE MONTHS ENDED MARCH 31, 2023
(In Thousands of New Taiwan Dollars)

Number (Note 1)	Investee Company	Counterparty	Relationship (Note 2)	Transaction Details			
				Financial Statement Account	Amount	Payment Terms	% of Total Sales or Assets (Note 3)
0	Aethertek Technology Co., Ltd.	Trantest Enterprise Ltd.	1	Unearned professional fees	$ 63,945	Depends on contract	3
		Trantest Precision (China) Ltd.	1	Purchases	7,841	Depends on contract	5
		Trantest Precision (China) Ltd.	1	Trade payables	4,977	Depends on contract	-
1	Trantest Enterprise Ltd.	Trantest Precision (China) Ltd.	1	Purchases	23,138	Depends on contract	15

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. AND SUBSIDIARIES

INFORMATION ON INVESTEES
FOR THE THREE MONTHS ENDED MARCH 31, 2023
(In Thousands of New Taiwan Dollars and U.S. Dollars)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of March 31, 2023			Net Income of the Investee	Share of Profit	Note
				March 31, 2023	December 31, 2022	Stocks (Thousands)	%	Carrying Amount			
Aethertek Technology Co., Ltd.	Trantest Enterprise Ltd.	Hong Kong	Sales of precision testing equipment	$ 682,513 (US$ 24,000)	$ 682,513 (US$ 24,000)	24,000	100	$ 815,967	$ (69,776)	$ (65,269)	

TABLE 6

AETHERTEK TECHNOLOGY CO., LTD. AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE THREE MONTHS ENDED MARCH 31, 2023
(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, 2023	Investment Flows		Accumulated Outward Remittance for Investment from Taiwan as of March 31, 2023	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss)	Carrying Amount as of March 31, 2023	Accumulated Repatriation of Investment Income as of March 31, 2023
					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)	$ (51,322)	51	$ (26,174) (Notes 2, b, 3)	$ 220,397	$ -

Accumulated Outward Remittance for Investment in Mainland China as of March 31, 2023	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
$289,108 (US$9,944)	$289,581 (US$9,960)	$890,599

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. 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 THREE MONTHS ENDED MARCH 31, 2023
(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	$ 23,158	15	30 days after sales for parts	Its trading price depends on its function within the Group	$ 26,804	1	$ 14,225	
Aethertek Technology Co., Ltd.	Trantest Precision (China) Ltd	Purchases	7,841	5	30 days after sales for parts	Its trading price depends on its function within the Group	4,977	-	2,778	

TABLE 8

AETHERTEK TECHNOLOGY CO., LTD. AND SUBSIDIARIES

INFORMATION OF MAJOR SHAREHOLDERS
MARCH 31, 2023

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
Eriksson Capital Co., Ltd.	37,251,000	52.95
Indicate Investment Ltd.	10,671,847	15.16
La Ge Na Capital Co., Ltd.	10,543,000	14.00

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.