

ADATA TECHNOLOGY CO., LTD.
PARENT COMPANY ONLY FINANCIAL
STATEMENTS AND INDEPENDENT AUDITORS’
REPORT
DECEMBER 31, 2022 AND 2021

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

ADATA TECHNOLOGY CO., LTD.
DECEMBER 31, 2022 AND 2021 PARENT COMPANY ONLY FINANCIAL
STATEMENTS AND INDEPENDENT AUDITORS' REPORT
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INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

PWCR 22004099

To the Board of Directors and Shareholders of Adata Technology Co., Ltd.

Opinion

We have audited the accompanying parent company only balance sheets of Adata Technology Co., Ltd. (the "Company") as at December 31, 2022 and 2021, and the related parent company only statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the parent company only financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the reports of other auditors (please refer to the *Other matter* section), the accompanying parent company only financial statements present fairly, in all material respects, the parent company only financial position of the Company as at December 31, 2022 and 2021, and its parent company only financial performance and its parent company only cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for opinion

We conducted our audits of the parent company only financial statements in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the parent company only financial statements* section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. Based on our audits and reports of other auditors, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Company's 2022 parent company only financial statements. These matters were addressed in the context of our audit of the parent company only financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Company's 2022 parent company only financial statements are stated as follows:

Existence of sales revenue

Description

Please refer to Note 4(32) for accounting policies on recognition of revenue, Note 6(25) for details of operating revenue.

Fluctuation of top ten customers is due to business development. Any new top ten customer might have a material impact to the Company. Therefore, we consider the existence of sales revenue from new top ten customers a key audit matter.

How our audit addressed the matter:

We performed the following audit procedures in respect of the above key audit matter:

1. Obtained an understanding of the internal controls over sales revenue and included sales transactions from new top ten customers in samples for test of controls.
2. We obtained management's evaluation of new top ten customers and agreed to significant related information.
3. Tested that the credit terms of new top ten customers have been approved appropriately.
4. Obtained and verified the sales details and relevant evidence of new top ten customers.
5. Sample selected accounts receivable of new top ten customers to obtain the confirmation letter.

Valuation of inventory

Description

Please refer to Note 4(13) for the description of accounting policy on inventory valuation. Please refer to Note 5(2) for accounting estimates and assumption uncertainty in relation to inventory valuation. Please refer to Note 6(6) for details of inventory.

The Company is primarily manufacturing and selling DRAM and NAND Flash products. Due to the highly competitive nature of the consumer electronics market, the Company's products have short life cycles and frequent fluctuation of price, causing higher risk of inventory market value decline. The Company estimates the net realisable value of inventory on the balance sheet date, and individually identifies each inventory at the lower of net realisable values and cost, also evaluates inventory aging and its value in order to provide valuation loss.

As the amount of inventory is significant and the evaluation of inventory requires management's critical judgement, we consider the valuation of inventory a key audit matter.

How our audit addressed the matter:

We performed the following audit procedures in respect of the above key audit matter:

1. Obtained the policies of inventory valuation and determined whether the policies have been applied consistently.
2. Performed physical inventory count at the end of period to identify whether there are obsolete, damaged or unsalable inventories.
3. Obtained aging reports of each kind of inventory and tested the changes in ages of inventory. Selected samples with inventory number and verified to changes record, checked the accuracy of classification range of inventory ages and the effect to inventory value.
4. Obtained net realisable value reports of each kind of inventory and checked the logic of calculation formulas. Tested relevant parameters to supporting documents and recalculated the allowance for valuation losses item by item.

Other matter – Reference to the audits of other auditors

We did not audit the financial statements of certain investments accounted for under the equity method which were audited by other auditors. Therefore, our opinion expressed herein, insofar as it relates to the amounts included in respect of these associates, is based solely on the reports of the other auditors. The balance of these investments accounted for under the equity method amounted to NT\$2,191,035 thousand and NT\$1,198,992 thousand, constituting 6.1% and 3.7% of the total assets as at December 31, 2022 and 2021, respectively, and the comprehensive income recognised from associates and joint ventures accounted for under the equity method amounted to NT\$704,488 thousand and NT\$509,506 thousand, constituting 69.4% and 23.5% of the total comprehensive income for the years then ended, respectively.

Responsibilities of management and those charged with governance for the parent company only financial statements

Management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for such internal control as management determines is necessary to enable the preparation of parent company only financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent company only financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the audit committee, are responsible for overseeing the Company's financial reporting process.

Auditors' responsibilities for the audit of the parent company only financial statements

Our objectives are to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards of Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these parent company only financial statements.

As part of an audit in accordance with the generally accepted auditing standards in the Republic of China, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent company only financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Huang, Shih-Chun

Wu, Yu-Lung

For and on behalf of PricewaterhouseCoopers, Taiwan

March 15, 2023

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

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

ADATA TECHNOLOGY CO., LTD.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

Assets	Notes	December 31, 2022		December 31, 2021		
		AMOUNT	%	AMOUNT	%	
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 2,846,110	8	\$ 1,798,769	6
1110	Financial assets at fair value through profit or loss - current	6(2)	55,554	-	46,908	-
1136	Current financial assets at amortised cost	6(1) and 8	1,126,775	3	807,360	3
1150	Notes receivable, net	6(4)	829	-	1,251	-
1170	Accounts receivable, net	6(4)(5)	2,134,184	6	3,056,192	9
1180	Accounts receivable - related parties	6(4) and 7(2)	1,849,495	5	2,722,146	8
1200	Other receivables	6(5)	230,543	1	270,810	1
1210	Other receivables - related parties	7(2)	57,045	-	45,865	-
1220	Current income tax assets	6(31)	72,536	-	1,111	-
130X	Inventories	6(6)	4,916,996	14	6,924,804	21
1410	Prepayments		141,294	-	47,586	-
1470	Other current assets		25,245	-	244,597	1
11XX	Current assets		<u>13,456,606</u>	<u>37</u>	<u>15,967,399</u>	<u>49</u>
Non-current assets						
1510	Non-current financial assets at fair value through profit or loss	6(2)	205,651	1	-	-
1517	Non-current financial assets at fair value through other comprehensive income	6(3)	378,199	1	95,841	-
1550	Investments accounted for under equity method	6(7) and 7(2)	15,339,523	43	13,482,128	41
1600	Property, plant and equipment	6(8) and 8	5,847,026	16	1,380,283	4
1755	Right-of-use assets	6(9)	37,121	-	13,770	-
1760	Investment property - net	6(11)(13) and 8	256,613	1	258,252	1
1780	Intangible assets	6(12)	27,659	-	34,697	-
1840	Deferred income tax assets	6(31)	386,488	1	315,486	1
1920	Guarantee deposits paid		60,671	-	41,725	-
1990	Other non-current assets, others	6(4)(14)(19)	144,200	-	1,099,969	4
15XX	Non-current assets		<u>22,683,151</u>	<u>63</u>	<u>16,722,151</u>	<u>51</u>
1XXX	Total assets		<u>\$ 36,139,757</u>	<u>100</u>	<u>\$ 32,689,550</u>	<u>100</u>

(Continued)

ADATA TECHNOLOGY CO., LTD.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity		Notes	December 31, 2022		December 31, 2021	
			AMOUNT	%	AMOUNT	%
Current liabilities						
2100	Short-term borrowings	6(15)	\$ 4,725,453	13	\$ 7,987,928	24
2110	Short-term notes and bills payable		200,000	1	500,000	2
2130	Current contract liabilities	6(25)	79,053	-	36,343	-
2150	Notes payable		2,191	-	2,717	-
2170	Accounts payable		2,248,475	6	2,448,859	8
2180	Accounts payable - related parties	7(2)	3,584,763	10	3,267,437	10
2200	Other payables		517,731	1	592,188	2
2220	Other payables - related parties	7(2)	19,150	-	13,903	-
2230	Current income tax liabilities	6(31)	-	-	112,942	-
2250	Provisions for liabilities - current		21,468	-	9,125	-
2280	Current lease liabilities		6,087	-	12,853	-
2320	Long-term liabilities, current portion	6(18)	564,481	2	75,143	-
2399	Other current liabilities, others	6(16) and 7(2)	48,804	-	62,648	-
21XX	Current liabilities		<u>12,017,656</u>	<u>33</u>	<u>15,122,086</u>	<u>46</u>
Non-current liabilities						
2530	Corporate bonds payable	6(17)	-	-	206,105	1
2540	Long-term borrowings	6(18)	11,312,767	32	4,632,726	14
2570	Deferred income tax liabilities	6(31)	1,029,413	3	808,874	3
2580	Non-current lease liabilities		34,001	-	937	-
2645	Guarantee deposits received	7(2)	1,431	-	1,570	-
2670	Other non-current liabilities, others	6(7)	3,299	-	1,422	-
25XX	Non-current liabilities		<u>12,380,911</u>	<u>35</u>	<u>5,651,634</u>	<u>18</u>
2XXX	Total liabilities		<u>24,398,567</u>	<u>68</u>	<u>20,773,720</u>	<u>64</u>
Share capital						
3110	Share capital - common stock	6(21)	2,674,264	7	2,636,713	8
Capital surplus						
3200	Capital surplus	6(22)	5,788,831	16	5,612,980	17
Retained earnings						
3310	Legal reserve	6(23)	1,260,835	4	1,035,889	3
3320	Special reserve		1,249,933	3	1,171,835	4
3350	Unappropriated retained earnings		2,077,804	6	3,018,248	9
Other equity interest						
3400	Other equity interest	6(24)	(1,065,058)	(3)	(1,284,605)	(4)
3500	Treasury stocks	6(21)	(245,419)	(1)	(275,230)	(1)
3XXX	Total equity		<u>11,741,190</u>	<u>32</u>	<u>11,915,830</u>	<u>36</u>
Significant contingent liabilities and unrecognised contract commitments						
Significant events after the balance sheet date						
3X2X	Total liabilities and equity		<u>\$ 36,139,757</u>	<u>100</u>	<u>\$ 32,689,550</u>	<u>100</u>

The accompanying notes are an integral part of these parent company only financial statements.

ADATA TECHNOLOGY CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars, except for earnings per share)

	Items	Notes	Year ended December 31			
			2022		2021	
			AMOUNT	%	AMOUNT	%
4000	Sales revenue	6(25) and 7(2)	\$ 28,644,980	100	\$ 36,302,777	100
5000	Operating costs	6(6)(29) and 7(2)	(26,991,010)	(94)	(33,070,855)	(91)
5900	Net operating margin		1,653,970	6	3,231,922	9
5910	Unrealized profit from sales		(311,229)	(1)	(9,565)	-
5920	Realized profit on from sales		9,565	-	167,308	-
5950	Net operating margin		1,352,306	5	3,389,665	9
	Operating expenses	6(29) and 7(2)				
6100	Selling expenses		(986,730)	(3)	(1,086,589)	(3)
6200	General and administrative expenses		(787,934)	(3)	(927,414)	(2)
6300	Research and development expenses		(309,147)	(1)	(341,078)	(1)
6450	Reversal of expected credit losses	12(2)				
	(Expected credit losses)		414	-	(683)	-
6000	Total operating expenses		(2,083,397)	(7)	(2,355,764)	(6)
6900	Operating (loss) profit		(731,091)	(2)	1,033,901	3
	Non-operating income and expenses					
7100	Interest income		28,204	-	1,385	-
7010	Other income	6(26) and 7(2)	77,322	-	97,891	-
7020	Other gains and losses	6(27)	269,161	1	164,399	-
7050	Finance costs	6(28)	(202,203)	(1)	(120,783)	-
7070	Share of profit of associates and joint ventures accounted for using equity method, net	6(7)	1,380,005	5	1,574,656	4
7000	Total non-operating income and expenses		1,552,489	5	1,717,548	4
7900	Profit before income tax		821,398	3	2,751,449	7
7950	Income tax (expense) benefit	6(31)	8,186	-	(504,095)	(1)
8200	Profit for the year		\$ 829,584	3	\$ 2,247,354	6

(Continued)

ADATA TECHNOLOGY CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars, except for earnings per share)

Items	Notes	Year ended December 31				
		2022		2021		
		AMOUNT	%	AMOUNT	%	
Other comprehensive income						
Components of other comprehensive income that will not be reclassified to profit or loss						
8311	Actuarial gain on defined benefit plan	6(19)	\$ 4,962	-	\$ 2,637	-
8316	Unrealised gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	6(24)	(155,861)	(1)	54,186	-
8330	Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss	6(24)	(44,036)	-	42,446	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(31)	(993)	-	(527)	-
8310	Components of other comprehensive income that will not be reclassified to profit or loss		(195,928)	(1)	98,742	-
Components of other comprehensive income that will be reclassified to profit or loss						
8361	Financial statements translation differences of foreign operations	6(24)	476,300	2	(218,301)	-
8380	Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss	6(24)	370	-	(110)	-
8399	Income tax relating to the components of other comprehensive income	6(31)	(95,334)	-	43,681	-
8360	Components of other comprehensive income (loss) that will be reclassified to profit or loss		381,336	2	(174,730)	-
8300	Other comprehensive income (loss) for the year		\$ 185,408	1	(\$ 75,988)	-
8500	Total comprehensive income for the year		\$ 1,014,992	4	\$ 2,171,366	6
Basic earnings per share						
9750	Total basic earnings per share	6(32)	\$ 3.19		\$ 9.14	
Diluted earnings per share						
9850	Total diluted earnings per share	6(32)	\$ 3.16		\$ 8.59	

The accompanying notes are an integral part of these parent company only financial statements.

ADATA TECHNOLOGY CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

	Notes	Retained Earnings				Other equity interest				Treasury stocks	Total equity
		Common stock	Additional paid-in capital	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	Unearned stock-based employee compensation		
Year ended December 31, 2021											
Balance at January 1, 2021		\$ 2,363,736	\$ 4,476,729	\$ 927,421	\$ 1,088,512	\$ 1,768,769	(\$ 761,786)	(\$ 410,049)	(\$ 146,719)	(\$ 352,810)	\$ 8,953,803
Profit for the year		-	-	-	-	2,247,354	-	-	-	-	2,247,354
Other comprehensive income (loss) for the year	6(24)	-	-	-	-	2,110	(174,730)	96,632	-	-	(75,988)
Total comprehensive income (loss)		-	-	-	-	2,249,464	(174,730)	96,632	-	-	2,171,366
Appropriations of net income for 2021	6(23)	-	-	-	-	-	-	-	-	-	-
Legal reserve		-	-	108,468	-	(108,468)	-	-	-	-	-
Special reserve		-	-	-	83,323	(83,323)	-	-	-	-	-
Cash dividends		-	-	-	-	(808,194)	-	-	-	-	(808,194)
Conversion of convertible bonds	6(22)	248,205	1,056,651	-	-	-	-	-	-	-	1,304,856
Issuance of employee restricted stocks	6(20)	25,000	(25,000)	-	-	-	-	-	-	-	-
Compensation cost for employee restricted stocks	6(20)	-	-	-	-	-	-	-	110,620	-	110,620
Exercise the right of disgorgement	6(22)	-	92	-	-	-	-	-	-	-	92
Cancellation of employee restricted stocks	6(20)	(228)	(1,199)	-	-	-	-	-	1,427	-	-
Adjustments of capital surplus for company's cash dividends received by subsidiaries	6(22)	-	4,235	-	-	-	-	-	-	-	4,235
Treasury stock transferred to the employee	6(22)	-	101,472	-	-	-	-	-	-	77,580	179,052
Balance at December 31, 2021		\$ 2,636,713	\$ 5,612,980	\$ 1,035,889	\$ 1,171,835	\$ 3,018,248	(\$ 936,516)	(\$ 313,417)	(\$ 34,672)	(\$ 275,230)	\$ 11,915,830
Year ended December 31, 2022											
Balance at January 1, 2022		\$ 2,636,713	\$ 5,612,980	\$ 1,035,889	\$ 1,171,835	\$ 3,018,248	(\$ 936,516)	(\$ 313,417)	(\$ 34,672)	(\$ 275,230)	\$ 11,915,830
Profit for the year		-	-	-	-	829,584	-	-	-	-	829,584
Other comprehensive income (loss)	6(24)	-	-	-	-	3,969	381,336	(199,897)	-	-	185,408
Total comprehensive income (loss)		-	-	-	-	833,553	381,336	(199,897)	-	-	1,014,992
Appropriations of net income for 2022	6(23)	-	-	-	-	-	-	-	-	-	-
Legal reserve		-	-	224,946	-	(224,946)	-	-	-	-	-
Special reserve		-	-	-	78,098	(78,098)	-	-	-	-	-
Cash dividends		-	-	-	-	(1,421,581)	-	-	-	-	(1,421,581)
Conversion of convertible bonds	6(22)	37,961	167,571	-	-	-	-	-	-	-	205,532
Compensation cost for employee restricted stocks	6(20)	-	-	-	-	-	-	-	32,105	-	32,105
Cancellation of employee restricted stocks	6(20)	(410)	(2,157)	-	-	-	-	-	2,567	-	-
Disposal of parent company's share by subsidiaries	6(22)	-	8,515	-	-	-	-	-	-	29,811	38,326
Generated from business combination-revaluation of financial assets at fair through other comprehensive income of consolidating subsidiary	6(24)	-	-	-	-	(705)	-	705	-	-	-
Adjustments of capital surplus for company's cash dividends received by subsidiaries	6(22)	-	4,781	-	-	-	-	-	-	-	4,781
Acquisition of additional equity interest of subsidiaries	6(33)	-	(3,821)	-	-	(45,579)	-	-	-	-	(49,400)
Disposal of equity interest of subsidiaries (yet to lose control)	6(33)	-	-	-	-	(357)	-	-	-	-	(357)
Disposal of equity instruments measured at fair value through other comprehensive income		-	-	-	-	(2,731)	-	2,731	-	-	-
Early redemption of convertible bonds	6(22)	-	(24)	-	-	-	-	-	-	-	(24)
Change in net equity of investments accounted for under the equity method	6(22)	-	967	-	-	-	-	-	-	-	967
Return of employee stock ownership trust from employee resignation	6(22)	-	19	-	-	-	-	-	-	-	19
Balance at December 31, 2022		\$ 2,674,264	\$ 5,788,831	\$ 1,260,835	\$ 1,249,933	\$ 2,077,804	(\$ 555,180)	(\$ 509,878)	\$ -	(\$ 245,419)	\$ 11,741,190

The accompanying notes are an integral part of these parent company only financial statements.

ADATA TECHNOLOGY CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31	
		2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		\$ 821,398	\$ 2,751,449
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation of property, plant and equipment	6(29)	68,376	42,750
Depreciation of investment property	6(27)	1,639	1,639
Depreciation of right-of-use assets	6(29)	19,290	19,014
Amortisation expense of intangible assets	6(29)	15,635	19,429
Expected credit (gain) loss	12(2)	(414)	683
Net loss (gain) on financial assets and liabilities at fair value through profit or loss	6(27)	3,214	(193,001)
Interest expense	6(28)	202,203	120,783
Interest income		(28,204)	(1,385)
Dividend income	6(26)	(1,331)	(5,840)
Compensation cost of share-based payment awards	6(20)	32,105	222,375
Share of profit of subsidiaries, associates and joint ventures accounted for using the equity method	6(7)	(1,380,005)	(1,574,656)
Loss on disposal of property, plant and equipment	6(27)	104	-
Gain on disposal of investments accounted for using the equity method	6(27)	(28)	-
Loss on investments accounted for using the equity method reassessment at fair value	6(27)	22,322	-
Gain on disposal of investment property	6(27)	-	(3,606)
Gain on liquidation of investments accounted for using the equity method	7(2)	-	241
Impairment loss on investment property	6(27)	-	35,072
(Realised) unrealised gain on inter-affiliate accounts		301,664	(157,743)
Gain on lease modification	6(27)	(16)	(564)
Gain (loss) on repurchase of convertible bonds	6(27)	(24)	-
Changes in operating assets and liabilities			
Changes in operating assets			
Financial assets at fair value through profit or loss		(52,238)	994,301
Notes receivable, net		422	(116)
Accounts receivable, net		834,579	(1,624,076)
Accounts receivable-related parties, net		872,651	(546,867)
Other receivables		133,360	205,596
Other receivables-related parties		(11,180)	2,779
Inventories		2,007,808	(1,044,056)
Prepayments		(93,708)	15,199
Other non-current assets		(992)	(891)
Changes in operating liabilities			
Current contract liabilities		42,710	29,440
Notes payable		(526)	1,537
Accounts payable		(200,384)	(622,911)
Accounts payable - related parties		317,326	533,439
Other payables		(84,292)	26,698
Other payables - related parties		5,247	(1,201)
Provisions for liabilities - current		12,343	(1,377)
Other current liabilities, others		(13,844)	(21,625)
Cash inflow (outflow) generated from operations		3,847,210	(777,491)
Dividend received		302,681	305,840
Interest paid		(196,604)	(112,989)
Income tax paid		(122,971)	(252,964)
Net cash flows from (used in) operating activities		<u>3,830,316</u>	<u>(837,604)</u>

(Continued)

ADATA TECHNOLOGY CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31	
		2022	2021
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Interest received		\$ 22,954	\$ 1,430
Acquisition of non-current financial assets mandatorily measured at fair value through profit or loss		(166,800)	-
Acquisition of financial assets at fair value through other comprehensive income-non-current		(422,264)	(3,759)
Refund of financial assets of fair value through profit or loss-capital reduction		5,000	-
Acquisition of financial assets at amortised cost-current		(319,415)	37,416
Acquisition of investments accounted for using the equity method	7(2)	(361,800)	(103,740)
Proceeds from disposal of investments accounted for using the equity method		4,440	-
Proceeds from liquidation of investments accounted for using the equity method	7(2)	-	536
Acquisition of property, plant and equipment	6(35)	(3,708,831)	(10,162)
Proceeds from disposal of property, plant and equipment		21	-
Increase in refundable deposits		(21,721)	(937)
Decrease in refundable deposits		2,775	1,615
Acquisition of intangible assets	6(12)	(8,287)	(23,528)
(Increase) decrease in other current assets		219,352	16,030
Other non-current assets, others		(387)	(1,326)
Proceeds from disposal of investment property		-	793,122
Prepayments for investments		-	(161,269)
Prepayments for equipment		(19,792)	(26,328)
Prepayments for real estate acquisition		-	(815,271)
Net cash flows used in investing activities		<u>(4,774,755)</u>	<u>(296,171)</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Increase (decrease) in short-term borrowings	6(36)	(3,262,475)	2,513,508
Increase (decrease) in short-term notes and bills payable	6(36)	(300,000)	300,000
Proceeds from long-term loans	6(36)	13,313,883	12,600,000
Repayment for long-term loans	6(36)	(6,144,504)	(12,080,143)
Increase in guarantee deposits received		1,431	395
Decrease in guarantee deposits received		(1,570)	-
Payment of cash dividends	6(23)	(1,421,581)	(808,194)
Payments of lease liabilities	6(36)	(16,327)	(18,786)
Early redemption of convertible bonds	6(36)	(900)	-
Exercise the right of disgorgement		-	92
Transfer of treasury stocks to employees	6(21)	-	67,297
Return of employee stock ownership trust from employee resignation		19	-
Transactions with non-controlling interest-acquisition of additional equity interest in subsidiaries	6(33)	(150,665)	-
Acquisition of investments accounted for using the equity method-capital increase raised by subsidiaries	7(2)	(25,531)	(566,079)
Net cash flows from financing activities		<u>1,991,780</u>	<u>2,008,090</u>
Net increase in cash and cash equivalents		1,047,341	874,315
Cash and cash equivalents at beginning of year		1,798,769	924,454
Cash and cash equivalents at end of year		<u>\$ 2,846,110</u>	<u>\$ 1,798,769</u>

The accompanying notes are an integral part of these parent company only financial statements.

ADATA TECHNOLOGY CO., LTD.
NOTES TO THE PARENT COMPANY ONLY FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

1. HISTORY AND ORGANISATION

- (1) ADATA TECHNOLOGY CO., LTD. (the “Company”) was incorporated under the provisions of the Company Law of the Republic of China (R.O.C.) in May 2001. The Company is primarily engaged in the manufacture of electronic components, wholesale, manufacture and export of electronic materials and electric tricycle.
- (2) The Company’s shares have been traded on the Taipei Exchange since October 2004.

2. THE DATE OF AUTHORISATION FOR ISSUANCE OF THE PARENT COMPANY ONLY FINANCIAL STATEMENTS AND PROCEDURES FOR AUTHORISATION

These parent company only financial statements were authorised for issuance by the Board of Directors on March 13, 2023.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

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

New standards, interpretations and amendments endorsed by the FSC and became effective from 2022 are as follows:

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
Amendments to IFRS 3, ‘Reference to the conceptual framework’	January 1, 2022
Amendments to IAS 16, ‘Property, plant and equipment: proceeds intended use’	January 1, 2022
Amendments to IAS 37, ‘Onerous contracts—cost of fulfilling a contract’	January 1, 2022
Annual improvements to IFRS Standards 2018–2020	January 1, 2022

The above standards and interpretations have no significant impact to the Company’s parent company only financial condition and parent company only financial performance based on the Company’s assessment.

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

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

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

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

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

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

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 10 and IAS 28, 'Sale or contribution of assets between an investor and its associate or joint venture'	To be determined by International Accounting Standards Board
Amendments to IFRS 16, 'Lease liability in a sale and leaseback'	January 1, 2024
IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IFRS 17, 'Insurance contracts'	January 1, 2023
Amendment to IFRS 17, 'Initial application of IFRS 17 and IFRS 9 – comparative information'	January 1, 2023
Amendments to IAS 1, 'Classification of liabilities as current or non-current'	January 1, 2024
Amendments to IAS 1, 'Non-current liabilities with covenants'	January 1, 2024

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these parent company only financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

The parent company only financial statements of the Company have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

(2) Basis of preparation

A. Except for the following items, these parent company only financial statements have been prepared under the historical cost convention:

- (a) Financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.
- (b) Financial assets and liabilities at fair value through other comprehensive income.
- (c) Defined benefit liabilities are recognised based on the net amount of pension fund assets and the present value of defined benefit obligation.

B. The preparation of financial statements in compliance with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the parent company only financial statements are disclosed in Note 5.

(3) Foreign currency translations

Items included in the financial statements of Company's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The Company's functional currency is New Taiwan dollars. The parent company only financial statements are presented in New Taiwan dollars, which is the Company's functional currency.

A. Foreign currency transactions and balances

- (a) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in profit or loss in the period in which they arise.
- (b) Monetary assets and liabilities denominated in foreign currencies at the period end are re-translated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognised in profit or loss.
- (c) Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in profit or loss. Non-monetary assets and

liabilities denominated in foreign currencies held at fair value through other comprehensive income are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in other comprehensive income. However, non-monetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.

(d) All foreign exchange gains and losses are presented in the statement of comprehensive income within other gains and losses.

B. Translation of foreign operations

The operating results and financial position of all the subsidiaries and associates that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(a) Assets and liabilities for each balance sheet presented are translated at the exchange rates prevailing at the date of that balance sheet;

(b) Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and

(c) All resulting exchange differences are recognised in other comprehensive income.

(4) Classification of current and non-current items

A. Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:

(a) Assets arising from operating activities that are expected to be realised, or are intended to be sold or consumed within the normal operating cycle;

(b) Assets held mainly for trading purposes;

(c) Assets that are expected to be realised within twelve months from the balance sheet date;

(d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to settle liabilities more than twelve months after the balance sheet date.

B. Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they are classified as non-current liabilities

(a) Liabilities that are expected to be settled within the normal operating cycle;

(b) Liabilities arising mainly from trading activities;

(c) Liabilities that are to be settled within twelve months from the balance sheet date;

(d) Liabilities for which the repayment date cannot be extended unconditionally to more than twelve months after the balance sheet date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

(5) Cash and cash equivalents

Cash equivalents refer to short-term highly liquid investments that are readily convertible to known amount of cash and subject to an insignificant risk of changes in value. Time deposits that meet the above definition and are held for the purpose of meeting short-term cash commitment in operations are classified as cash equivalents.

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

- A. Financial assets at fair value through profit or loss are financial assets that are not measured at amortised cost or fair value through other comprehensive income.
- B. On a regular way purchase or sale basis, financial assets at fair value through profit or loss are recognised and derecognised using trade date accounting.
- C. At initial recognition, the Company measures the financial liabilities at fair value. All related transaction costs are recognised in profit or loss. The Company subsequently measures these financial liabilities at fair value with any gain or loss recognised in profit or loss.
- D. The Company recognizes the dividend income when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

(7) Financial assets at fair value through other comprehensive income

- A. Financial assets at fair value through other comprehensive income comprise equity securities which are not held for trading, and for which the Company has made an irrevocable election at initial recognition to recognise changes in fair value in other comprehensive income.
- B. On a regular way purchase or sale basis, financial assets at fair value through other comprehensive income are recognised and derecognised using trade date accounting.
- C. At initial recognition, the Company measures the financial assets at fair value plus transaction costs. The Company subsequently measures the financial assets at fair value. The changes in fair value of equity investments that were recognised in other comprehensive income are reclassified to retained earnings and are not reclassified to profit or loss following the derecognition of the investment. Dividends are recognised as revenue when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

(8) Financial assets at amortised cost

- A. Financial assets at amortised cost are those that meet all of the following criteria:
 - (a) The objective of the Company's business model is achieved by collecting contractual cash flows.
 - (b) The assets' contractual cash flows represent solely payments of principal and interest.

- B. On a regular way purchase or sale basis, financial assets at amortised cost are recognised and derecognised using trade date accounting.
- C. At initial recognition, the Company measures the financial assets at fair value plus transaction costs. Interest income from these financial assets is included in finance income using the effective interest method. A gain or loss is recognised in profit or loss when the asset is derecognised or impaired.
- D. The Company's time deposits which do not fall under cash equivalents are those with a short maturity period and are measured at initial investment amount as the effect of discounting is immaterial.

(9) Accounts and notes receivable

- A. Accounts and notes receivable entitle the Company a legal right to receive consideration in exchange for transferred goods or rendered services.
- B. The short-term accounts and notes receivable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(10) Impairment of financial assets

For financial assets at amortised cost, at each reporting date, the Company recognises the impairment provision for 12 months expected credit losses if there has not been a significant increase in credit risk since initial recognition or recognises the impairment provision for the lifetime expected credit losses (ECLs) if such credit risk has increased since initial recognition after taking into consideration all reasonable and verifiable information that includes forecasts. On the other hand, for accounts receivable that do not contain a significant financing component, the Company recognises the impairment provision for lifetime ECLs.

(11) Derecognition of financial assets

The Company derecognises a financial asset when one of the following conditions is met:

- A. The contractual rights to receive the cash flows from the financial asset expire.
- B. The contractual rights to receive cash flows of the financial asset have been transferred and the Company has transferred substantially all risks and rewards of ownership of the financial asset.
- C. The contractual rights to receive cash flows of the financial asset have been transferred; however, the Company has not retained control of the financial asset.

(12) Leasing arrangements (lessor)-operating leases

Lease income from an operating lease (net of any incentives given to the lessee) is recognised in profit or loss on a straight-line basis over the lease term.

(13) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using weighted-average method. The cost of finished goods and work-in-process comprises raw materials, direct labour, other direct costs and related production overheads. It excludes borrowing costs. The item-by-item approach is used in applying the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to make the sales.

(14) Investments accounted for using the equity method/ subsidiaries, associates and joint ventures

- A. Subsidiaries are all entities (including structured entities) controlled by the Company. The Company controls an entity when the Company is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.
- B. Inter-company transactions, balances and unrealised gains or losses on transactions between the Company and subsidiaries are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Company.
- C. The Company's share in its subsidiaries' post-acquisition profits or losses is recognised in profit or loss, and its share in post-acquisition movements in other comprehensive income is recognised in other comprehensive income. When the Company's share in losses in a subsidiary equals or exceeds its interest in the subsidiary, the Company continues to recognise the losses in proportion to the ownership.
- D. Changes in a parent's ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary (transactions with non-controlling interests) are accounted for as equity transactions, i.e. transactions with owners in their capacity as owners. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity.
- E. Associates are all entities over which the Company has significant influence but not control. In general, it is presumed that the investor has significant influence, if an investor holds, directly or indirectly 20 percent or more of the voting power of the investee. Investments in associates are accounted for using the equity method and are initially recognised at cost.
- F. The Company's share in its associates' post-acquisition profits or losses is recognised in profit or loss, and its share in post-acquisition movements in other comprehensive income is recognised in other comprehensive income. When the Company's share in losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Company does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.
- G. When changes in an associate's equity do not arise from profit or loss or other comprehensive income of the associate and such changes do not affect the Company's ownership percentage of

the associate, the Company recognises the Company's share in change in equity of the associate in 'capital surplus' in proportion to its ownership.

- H. Unrealised gains on transactions between the Company and its associates are eliminated to the extent of the Company's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been adjusted where necessary to ensure consistency with the policies adopted by the Company.
- I. In the case that an associate issues new shares and the Company does not subscribe or acquire new shares proportionately, which results in a change in the Company's ownership percentage of the associate but maintains significant influence on the associate, then 'capital surplus' and 'investments accounted for using the equity method' shall be adjusted for the increase or decrease of its share in equity interest. If the above condition causes a decrease in the Company's ownership percentage of the associate, in addition to the above adjustment, the amounts previously recognised in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately on the same basis as would be required if the relevant assets or liabilities were disposed of.
- J. The Company accounts for its interest in a joint venture using the equity method. Unrealised profits and losses arising from the transactions between the Company and its joint venture are eliminated to the extent of the Company's interest in the joint venture. The Company's share in its associates' post-acquisition profits or losses is recognised in profit or loss, and its share in post-acquisition movements in other comprehensive income is recognised in other comprehensive income. However, when the transaction provides evidence of a reduction in the net realisable value of current assets or an impairment loss, all such losses shall be recognised immediately. When the Company's share in losses in a joint venture equals or exceeds its interest in the joint venture together with any other unsecured receivables, the Company does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the joint venture.
- K. Pursuant to the Regulations Governing the Preparation of Financial Statements by Securities Issuers, profit (loss) of the current period and other comprehensive income in the parent company only financial statements shall equal to the amount attributable to owners of the parent in the consolidated financial statements. Owners' equity in the parent company only financial statements shall equal to equity attributable to owners of the parent in the consolidated financial statements.

(15) Property, plant and equipment

- A. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalised.

- B. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.
- C. Land is not depreciated. Other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. Each component of property, plant and equipment that is significant is depreciated separately.
- D. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each balance sheet date. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', from the date of the change. The estimated useful lives of property, plant and equipment are as follows:

The estimated useful lives of property, plant and equipment are as follows:

Buildings and structures	2~50 years
Machinery and equipment	2~10 years
Office equipment	2~ 6 years
Others	1~10 years

(16) Leasing arrangements (lessee)-right-of-use assets/lease liabilities/leases (lessee)

- A. Leases are recognised as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Company. For short-term leases or leases of low-value assets, lease payments are recognised as an expense on a straight-line basis over the lease term.
- B. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate. Lease payments are comprised of fixed payments, less any lease incentives receivable.
The Company subsequently measures the lease liability at amortised cost using the interest method and recognises interest expense over the lease term. The lease liability is remeasured and the amount of remeasurement is recognised as an adjustment to the right-of-use asset when there are changes in the lease term or lease payments and such changes do not arise from contract modifications.
- C. At the commencement date, the right-of-use asset is stated at cost comprising the following:
 - (a) The amount of the initial measurement of lease liability; and

(b) Any lease payments made at or before the commencement date.

The right-of-use asset is measured subsequently using the cost model and is depreciated from the commencement date to the earlier of the end of the asset's useful life or the end of the lease term. When the lease liability is remeasured, the amount of remeasurement is recognised as an adjustment to the right-of-use asset.

(17) Investment property

An investment property is stated initially at its cost and measured subsequently using the cost model. Except for land, investment property is depreciated on a straight-line basis over its estimated useful life of 50 years.

(18) Intangible assets

Intangible assets, mainly computer software are amortised on a straight-line basis, and their estimated useful lives are as follows:

Computer software	1~10 years
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(19) Impairment of non-financial assets

The Company assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. When the circumstances or reasons for recognising impairment loss for an asset in prior years no longer exist, the impairment loss shall be reversed to the extent of the loss previously recognised in profit or loss. Such recovery of impairment loss shall not result to the asset's carrying amount greater than its amortised cost where no impairment loss was recognised.

(20) Borrowings

- A. Borrowings comprise long-term and short-term bank borrowings and other long-term and short-term loans. Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.
- B. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

(21) Accounts and notes payable

- A. Accounts payable are liabilities for purchases of raw materials, goods or services and notes payable are those resulting from operating and non-operating activities.
- B. The short-term notes and accounts payable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(22) Financial liabilities at fair value through profit or loss

- A. Financial liabilities are classified in this category of held for trading if acquired principally for the purpose of repurchasing in the short-term. Derivatives are also categorised as financial liabilities held for trading unless they are designated as hedges.
- B. At initial recognition, the Company measures the financial liabilities at fair value. All related transaction costs are recognised in profit or loss. The Company subsequently measures these financial liabilities at fair value with any gain or loss recognised in profit or loss.

(23) Convertible bonds payable

Convertible bonds issued by the Company contain conversion right (that is, the bondholders have the right to convert the bonds into the Company's common shares by exchanging a fixed amount of cash for a fixed number of common shares), call options, and put options. The Company classifies the convertible bonds upon issuance as a financial asset, a financial liability or an equity instrument in accordance with the contract terms. Details are as follows:

- A. The embedded call options and put options are recognised initially at net fair value as 'financial assets or financial liabilities at fair value through profit or loss'. They are subsequently remeasured and stated at fair value on each balance sheet date; the gain or loss is recognised as 'gain or loss on valuation of financial assets or financial liabilities at fair value through profit or loss'.
- B. The host contracts of bonds are initially recognised at fair value. Any difference between the initial recognition and the redemption value is accounted for as the premium or discount on bonds payable and subsequently is amortised in profit or loss as an adjustment to 'finance costs' over the period of circulation by using the effective interest method.
- C. The embedded conversion right which meet the definition of an equity instrument are initially recognised in 'capital surplus-share options' at the residual amount of total issuance proceed less the amount of financial assets or financial liabilities at fair value through profit or loss and bonds payable as stated above. Conversion right is not subsequently remeasured.
- D. Any transaction costs directly attributable to the issuance are allocated to each liability or equity component in proportion to the initial carrying amount of each abovementioned item.
- E. When bondholders exercise conversion right, the liability component of the bonds (including bonds payable and 'financial assets or financial liabilities at fair value through profit or loss')

shall be remeasured on the conversion date. The issuance cost of converted common shares is the total book value of the abovementioned liability component and ‘capital surplus-share options’.

(24) Derecognition of financial liabilities

A financial liabilities is derecognised when the obligation under the liability specified in the contract is either discharged or cancelled or expires.

(25) Non-hedging derivatives

Non-hedging derivatives are initially recognised at fair value on the date a derivative contract is entered into and recorded as financial assets or financial liabilities at fair value through profit or loss. They are subsequently remeasured at fair value and the gains or losses are recognised in profit or loss.

(26) Provisions for other liabilities

Provisions (mainly are product warranties) are recognised when the Company has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be reliably estimated. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation on the balance sheet date, which is discounted using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to passage of time is recognised as interest expense. Provisions are not recognised for future operating losses.

(27) Employee benefits

A. Short-term employees benefits

Short-term employees benefits are measured at the undiscounted amount of the benefits expected to be paid in respect of service rendered by employees in a period and should be recognised as expense in that period when the employees render service.

B. Pensions

(a) Defined contribution plans

For defined contribution plans, the contributions are recognised as pension expense when they are due on an accrual basis. Prepaid contributions are recognised as an asset to the extent of a cash refund or a reduction in the future payments.

(b) Defined benefit plans

i. Net obligation under a defined benefit plan is defined as the present value of an amount of pension benefits that employees will receive on retirement for their services with the

Company in current period or prior periods. The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The net defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The rate used to discount is determined by using interest rates of government bonds (at the balance sheet date) of a currency and term consistent with the currency and term of the employment benefit obligations.

ii. Remeasurements arising on defined benefit plans are recognised in other comprehensive income in the period in which they arise and are recorded as retained earnings.

C. Termination benefits

Termination benefits are employees benefits provided in exchange for the termination of employment as a result from either the Company's decision to terminate an employee's employment before the normal retirement date, or an employee's decision to accept an offer of redundancy benefits in exchange for the termination of employment. The Company recognises expense as it can no longer withdraw an offer of termination benefits or it recognises relating restructuring costs, whichever is earlier. Benefits that are expected to be due more than 12 months after balance sheet date shall be discounted to their present value.

D. Employees' compensation and directors' and supervisors' remuneration

Employees' compensation and directors' and supervisors' remuneration are recognised as expense and liability, provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequently actual distributed amounts is accounted for as changes in estimates. If employee compensation is distributed by shares, the Company calculates the number of shares based on the closing price at the previous day of the Board Meeting's resolution.

(28) Employee share-based payment

A. For the equity-settled share-based payment arrangements, the employees services received are measured at the fair value of the equity instruments granted at the grant date, and are recognised as compensation cost over the vesting period, with a corresponding adjustment to equity. The fair value of the equity instruments granted shall reflect the impact of market vesting conditions and non-vesting conditions. Compensation cost is subject to adjustment based on the service conditions that are expected to be satisfied and the estimates of the number of equity instruments that are expected to vest under the non-market vesting conditions at each balance sheet date. Ultimately, the amount of compensation cost recognised is based on the number of equity instruments that eventually vest.

B. Restricted stocks:

(a) Restricted stocks issued to employees are measured at the fair value of the equity instruments granted at the grant date, and are recognised as compensation cost over the vesting period.

- (b) For restricted stocks where employees do not need to pay to acquire those stocks, if employees resign during the vesting period, the Company will repurchase without paying consideration and retire those stocks, the Company recognises such stocks repurchased as share capital and a deduction to capital surplus at the grant date, in accordance with the terms of restricted stocks.

(29) Income tax

- A. The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or items recognised directly in equity, in which cases the tax is recognised in other comprehensive income or equity.
- B. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders resolve to retain the earnings.
- C. Deferred income tax is recognised, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the parent company only financial statements. Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.
- D. Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. At each balance sheet date, unrecognised and recognised deferred income tax assets are reassessed.
- E. Current income tax assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. Deferred income tax assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset current tax assets against current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realise the asset and settle the liability simultaneously.

(30) Share capital

- A. Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or stock options are shown in equity as a deduction, net of tax, from the proceeds.
- B. Where the Company repurchases the Company's equity share capital that has been issued, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Company's equity holders. Where such shares are subsequently reissued, the difference between their book value and any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's equity holders.

(31) Dividends

In 2020, the cash dividends were distributed and recognized as liabilities when the Company's shareholders' meeting was resolved. In 2021, in accordance with the Articles of Incorporation of the Company stipulates that it is recognized as a liability in the financial statements after a special resolution of the Board of Directors. Also, the distribution of stock dividends shall be recognized as stock dividends to be distributed when the company's shareholders' meeting resolves the distribution, and shall be listed on the base date of issuance of new shares.

(32) Revenue recognition

A. Sales of goods

- (a) The Company manufactures and sells memory related products and electric tricycle. Sales are recognised when control of the products has transferred, being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the wholesaler's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, or the Company has objective evidence that all criteria for acceptance have been satisfied.
- (b) Revenue from these sales is recognised based on the price specified in the contract, net of the estimated sales returns, volume discounts and sales discounts. Annual expected purchase and accumulated experience is used to estimate and provide for the volume discounts and sales discounts and allowances, which was recognised as refund liabilities, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. The estimation is subject to an assessment at each reporting date.
- (c) The sales usually are made with a credit term of cash on delivery and 120 days after monthly billings. As the time interval between the transfer of committed goods or service and the payment of customer does not exceed one year, the Company does not adjust the transaction price to reflect the time value of money.

- (d) The Company's obligation to provide a refund for faulty products under the standard warranty terms is recognised as a provision.
 - (e) A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.
- B. Sales of services
- (a) The Company provides installation and memory product original equipment manufacturing services. Revenue from providing services is recognised in the accounting period in which the services are rendered. For fixed-price contracts, revenue is recognised based on the actual service provided up to the end of the reporting period as a proportion of the total services to be provided. This is determined based on the proportion of contract costs incurred for services performed as of the financial reporting date to the estimated total costs for the service contract.
 - (b) The Company's revenues, costs and progress towards complete satisfaction of a performance obligation is subject to a revision whenever there is a change in circumstances. Any increase or decrease in revenue or costs due to an estimate revision is reflected in profit or loss during the period when the management become aware of the changes in circumstances.

(33) Government grants

Government grants are recognised at their fair value only when there is reasonable assurance that the Company will comply with any conditions attached to the grants and the grants will be received. Government grants are recognised in profit or loss on a systematic basis over the periods in which the Company recognises expenses for the related costs for which the grants are intended to compensate.

(34) Business combinations

A. The Group uses the acquisition method to account for business combinations. The consideration transferred for an acquisition is measured as the fair value of the assets transferred, liabilities incurred or assumed and equity instruments issued at the acquisition date, plus the fair value of any assets and liabilities resulting from a contingent consideration arrangement. All acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. For each business combination, the Group measures at the acquisition date components of non-controlling interests in the acquiree that are present ownership interests and entitle their holders to the proportionate share in the entity's net assets in the event of liquidation at either fair value or the present ownership instruments' proportionate share in the recognised amounts of the acquiree's identifiable net assets. All other non-controlling interests should be measured at the acquisition-date fair value.

- B. The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of any previous equity interest in the acquiree over the fair value of the identifiable assets acquired and the liabilities assumed is recorded as goodwill at the acquisition date. If the total of consideration transferred, non-controlling interest in the acquiree recognised and the fair value of previously held equity interest in the acquiree is less than the fair value of the identifiable assets acquired and the liabilities assumed, the difference is recognised directly in profit or loss on the acquisition date.

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

The preparation of these parent company only financial statements requires management to make critical judgements in applying the Company's accounting policies and make critical assumptions and estimates concerning future events. Assumptions and estimates may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors. Such assumptions and estimates have a risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. The related information is addressed below:

(1) Critical judgements in applying the Company's accounting policies

Investment property

The Company uses a portion of the property for its own use and another portion to earn rentals or for capital appreciation. When these portions cannot be sold separately and cannot be leased out separately under a finance lease, the property is classified as investment property only if the own-use portion was immaterial.

(2) Critical accounting estimates and assumptions

A. Assessment of accounts receivable

The Company manages collections and assumes the related credit risks for their receivables. Management assesses customers' credit quality and collections periodically and adjusts customers' credit policies accordingly. In addition, impairment assessment of accounts receivable was implemented in accordance with IFRS 9. The Company applies the modified approach using provision matrix to estimate expected credit loss under the provision matrix basis. The Company took into account factors that may influence customers' ability to pay, such as individual customer's past due period, financial status and economic condition at the balance sheet date and historical experience, and used the forecastability to assess the default possibility of accounts receivable.

B. Evaluation of inventories

The Company evaluates the amounts of normal inventory consumption, obsolete inventories and market selling value using judgements to estimate the net realisable value of inventories and writes down the cost of inventories to the net realisable value. Due to the technological innovation, environmental changes and sales performance, inventory values may change, which will affect the

evaluation of inventories.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Cash on hand and revolving funds	\$ 575	\$ 462
Checking accounts and demand deposits	1,095,065	1,798,307
Time deposits	<u>1,750,470</u>	<u>-</u>
	<u>\$ 2,846,110</u>	<u>\$ 1,798,769</u>

- A. The Company transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.
- B. The Company's cash and cash equivalents due to restricted use are recognised as current financial assets at amortised cost, value amounting \$1,111,420 and \$807,360 for the years ended December 31, 2022 and 2021, respectively. Related information is provided in Note 8.
- C. The time deposits with maturities of more than three months to a year that were classified as financial assets at amortised cost-current amounted to \$15,355 and \$0 as at December 31, 2022 and 2021, respectively.

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

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Current items:		
Financial assets (liabilities) mandatorily measured at fair value through profit or loss		
-Listed (TSE and OTC) stocks	\$ 19,732	\$ 19,732
-Beneficiary certificates	40,913	30,180
-Put and call options of convertible bonds	<u>-</u>	<u>1,978</u>
subtotal	60,645	51,890
Valuation adjustment	(5,091)	(4,982)
	<u>\$ 55,554</u>	<u>\$ 46,908</u>
Non-current items:		
Financial assets (liabilities) mandatorily measured at fair value through profit or loss		
Unlisted stocks	\$ 166,800	\$ -
Valuation adjustment	<u>38,851</u>	<u>-</u>
	<u>\$ 205,651</u>	<u>\$ -</u>

- A. Amounts recognised in profit or loss in relation to financial assets and liabilities at fair value through profit or loss are listed below:

	Years ended December 31,	
	2022	2021
<u>Financial assets and liabilities at fair value through profit or loss</u>		
-Listed stocks, beneficiary certificates and gold passbook	\$ 35,541	\$ 180,131
-Non-hedging derivatives	(38,306)	9,641
-Put and call options of convertible bonds	(449)	3,229
	<u>(\$ 3,214)</u>	<u>\$ 193,001</u>

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

C. Information relating to fair value is provided in Note 12(3).

(3) Financial assets at fair value through other comprehensive income

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Non-current items-equity instruments:		
-Emerging stocks	\$ 415,163	\$ 115,200
-Unlisted stocks and non-emerging stocks	<u>231,062</u>	<u>91,959</u>
	646,225	207,159
Valuation adjustment	(<u>268,026</u>)	(<u>111,318</u>)
	<u>\$ 378,199</u>	<u>\$ 95,841</u>

A. The Company has elected to classify equity instruments that are considered to be strategic investments as financial assets at fair value through other comprehensive income.

B. The Company did not sell financial assets at fair value through other comprehensive income for the years ended December 31, 2022 and 2021.

C. Amounts recognised in profit or loss and other comprehensive income in relation to the financial assets at fair value through other comprehensive income are listed below:

	Years ended December 31,	
	2022	2021
<u>Equity instruments at fair value through other comprehensive income</u>		
Fair value change recognised in other comprehensive income (losses)	(\$ 155,861)	\$ 54,186
Cumulative gains reclassified to retained earnings due to derecognition	\$ 847	\$ -
Dividend income recognised in profit or loss		
Held at end of year	\$ 1,265	\$ 1,450
Derecognised during the year	-	-
	<u>\$ 1,265</u>	<u>\$ 1,450</u>

D. The Company has no financial assets at fair value through other comprehensive income pledged to others as collateral.

E. Information relating to fair value is provided in Note 12(3).

(4) Notes and accounts receivable

	December 31, 2022	December 31, 2021
Notes receivable	\$ 829	\$ 1,251
Accounts receivable	2,136,078	3,058,521
Accounts receivable-related parties	1,849,495	2,722,146
	<u>3,985,573</u>	<u>5,780,667</u>
Less: Allowance for uncollectible accounts	(1,894)	(2,329)
	<u>\$ 3,983,679</u>	<u>\$ 5,778,338</u>
Overdue receivables (shown as other non-current assets)	\$ 81	\$ 166
Less: Allowance for uncollectible accounts	(81)	(166)
	<u>\$ -</u>	<u>\$ -</u>

Overdue receivables refer to the amount that were outsourced for debt collections or were in debt litigations, or the balance at risk that were reported to insurance companies.

A. The ageing analysis of notes and accounts receivable and the information relating to credit risk are provided in Note 12(2).

B. As of December 31, 2022 and 2021, notes and accounts receivable were all from contracts with customers. And as of January 1, 2021, the balance of notes and accounts receivables from contracts with customers amounted to \$1,135 and \$3,654,749, respectively.

C. No collateral was held by the Company for above mentioned notes and accounts receivable.

(5) Transfer of financial assets

For the years ended December 31, 2022 and 2021, the Company entered into a factoring agreement with banks to sell its accounts receivable. Under the agreement, the Company is not obligated to bear the default risk of the transferred accounts receivable, but is liable for the losses incurred on any business dispute. The Company does not have any continuing involvement in the transferred accounts receivable. Thus, the Company derecognised the transferred accounts receivable, and the related information is as follows:

(USD amounts in thousands)

December 31, 2022						
Purchaser of accounts receivable	Accounts receivable transferred	Amount derecognised	Facilities	Amount advanced	Amount available for advance	Interest rate of amount advanced
Mega International Commercial Bank	\$ 46,219 (USD 1,505)	\$ 46,219 (USD 1,505)	USD 32,000	\$ - (USD -)	\$ 41,597 (USD 1,355)	Note 1
Bank of Taiwan	- (USD -)	- (USD -)	USD 13,000	- (USD -)	- (USD -)	Note 1
Bank of Taiwan	30,932	30,932	\$ 153,550	27,839	-	Note 1
Standard Chartered Bank	- (USD -)	- (USD -)	USD 19,735	- (USD -)	- (USD -)	Note 1
CTBC Bank	38,531 (USD 1,255)	38,531 (USD 1,255)	USD 21,700	- (USD -)	34,678 (USD 1,130)	Note 1
	<u>\$ 115,682</u>	<u>\$ 115,682</u>		<u>\$ 27,839</u>	<u>\$ 76,275</u>	

(USD amounts in thousands)

December 31, 2021						
Purchaser of accounts receivable	Accounts receivable transferred	Amount derecognised	Facilities	Amount advanced	Amount available for advance	Interest rate of amount advanced
Mega International Commercial Bank	\$ - (USD -)	\$ - (USD -)	USD 32,000	\$ - (USD -)	\$ - (USD -)	Note 2
Bank of Taiwan	100,121 (USD 3,617)	100,121 (USD 3,617)	USD 13,000	90,108 (USD 3,255)	- (USD -)	Note 2
Bank of Taiwan	-	-	\$ 138,400	-	-	Note 2
Standard Chartered Bank	219,333 (USD 7,924)	219,333 (USD 7,924)	USD 19,735	197,400 (USD 7,132)	- (USD -)	Note 2
CTBC Bank	126,298 (USD 4,563)	126,298 (USD 4,563)	USD 21,700	113,668 (USD 4,107)	- (USD -)	Note 2
	<u>\$ 445,752</u>	<u>\$ 445,752</u>		<u>\$ 401,176</u>	<u>\$ -</u>	

As of December 31, 2022 and 2021, the Company has retention for the factoring of accounts receivable (shown as "Other receivables") amounting to \$87,843 and \$44,576, respectively.

Note 1: The advanced amount carried the interest rate of 1.8% as at December 31, 2022.

Note 2: The advanced amount carried the interest rate of 0.440%~0.867% as at December 31, 2021.

(6) Inventories

	December 31, 2022		
	Cost	Allowance for valuation loss	Book value
Raw materials	\$ 325,561	(\$ 16,959)	\$ 308,602
Work in progress	3,073,536	(101,360)	2,972,176
Semi-finished goods	153,361	(11,915)	141,446
Finished goods	1,712,471	(217,699)	1,494,772
	<u>\$ 5,264,929</u>	<u>(\$ 347,933)</u>	<u>\$ 4,916,996</u>

	December 31, 2021		
	Cost	Allowance for valuation loss	Book value
Raw materials	\$ 1,093,500	(\$ 7,509)	\$ 1,085,991
Work in progress	3,454,209	(24,701)	3,429,508
Semi-finished goods	154,524	(5,585)	148,939
Finished goods	2,335,844	(75,478)	2,260,366
	<u>\$ 7,038,077</u>	<u>(\$ 113,273)</u>	<u>\$ 6,924,804</u>

A. Inventories are not pledged as collateral.

B. The cost of inventories recognised as expense for the year:

	Years ended December 31,	
	2022	2021
Cost of goods sold	\$ 26,742,744	\$ 32,976,299
Loss on decline in market value in market value	234,660	63,237
Others	13,606	31,319
	<u>\$ 26,991,010</u>	<u>\$ 33,070,855</u>

(7) Investments accounted for using the equity method

The Company's long-term equity investments accounted for using the equity method is as follows:

Investee	December 31, 2022	December 31, 2021
Asset accounts:		
Subsidiaries:		
CI CAI GUANG AGRICULTURAL BIOTECHNOLOGY CO., LTD.	\$ 714,125	\$ 709,060
ZHAO-XING INVESTMENT CO., LTD.	796,695	1,136,951
JIOU LONG AGRICULTURAL BIOTECHNOLOGY CO., LTD.	177,847	178,656
LONG TIAN AGRICULTURAL BIOTECHNOLOGY CO., LTD.	733,880	732,810
LIWANLI Innovation Co., Ltd.	832,686	786,435
ADATA HOLDINGS CO., LTD.	6,273,276	5,919,523
ADATA TECHNOLOGY (U.S.A) CO., LTD.	697,138	490,191
ADATA TECHNOLOGY B.V.	8,952	7,545
MACHDATA INTERMEDIACAO DE NEGOCIOS LTDA.	2,080,890	1,152,481
ADATA TECHNOLOGY (JAPAN) CO., LTD.	14,846	14,080
ADATA TECHNOLOGY MEXICO SDRL DE CV.	10,137	8,058
ALLIED TREASURE INC. LIMITED	366,118	369,699
JET CASTLE LIMITED	2,993	2,719
AROBOT INNOVATION (SAMOA) HOLDINGS CO., LTD.	8,425	7,654
WE LEAD BIOTECH CO., LTD (Note)	1,650	-
FULLSUNGLOBAL DEVELOPMENT Company Limited	226,227	-
Awayspeed Technology Company Limited	27,078	31,243
	<u>12,972,963</u>	<u>11,547,105</u>
Associates:		
IROC CO., LTD.	436,992	467,080
ATRACK TECHNOLOGY INC.	327,801	351,481
WE LEAD BIOTECH CO., LTD (Note)	-	14,830
Others	78,047	38,801
	<u>842,840</u>	<u>872,192</u>
Joint ventures:		
Taiwan Sports Lottery Co., Ltd.	1,523,720	1,062,831
	<u>\$ 15,339,523</u>	<u>\$ 13,482,128</u>
Liabilities accounts(Other liabilities, others):		
Associates:		
Others	(\$ 3,299)	(\$ 1,422)

The investment gain accounted for using the equity method for the years ended December 31, 2022 and 2021 amounted to \$1,380,005 and \$1,574,656, respectively, of which the amounts of \$704,488 and \$509,506 were based on the financial statements audited by other auditors, and others were based on the financial statements audited by the auditors appointed by the Company.

Note :The Company has 39.41% of the equity interest in WE LEAD BIOTECH CO., LTD. and is the largest shareholder. As the General Manager is appointed by the Company, the Company has control over WE LEAD BIOTECH CO., LTD. in substance, and was included in the consolidated financial statements since June 1, 2022, related information is provided in Note 6(34).

A. Subsidiaries

Details of the Company's subsidiaries are provided in Note 4(3) of the Company's 2022 consolidated financial statements.

B. Associates

The Company's associates are all individually immaterial to the Company, and the carrying amount of the Company's interests in all individually immaterial associates and the Company's share in the operating results are summarised below:

(a) As of December 31, 2022 and 2021, the carrying amount of the Company's individually immaterial associates amounted to \$839,541 and \$870,770, respectively.

(b) Share in the operating results are summarised below:

	Years ended December 31,	
	2022	2021
Loss for the year	(\$ 58,976)	(\$ 8,821)
Other comprehensive income (loss), net of tax	(543)	216
Total comprehensive loss	<u>\$ (59,519)</u>	<u>(\$ 8,605)</u>

(c) The Company holds 26.14% of ATrack Technology Inc. and is the single largest shareholder of the company. Considering the degree of participation of other shareholders of ATrack Technology Inc. and the record of voting rights for major resolutions, the Company has only obtained two seats of seven in the Board of Directors of ATrack Technology Inc. Since the Company has no actual ability to lead the relevant activities, so it has no control over the company and only has a significant influence.

C. Joint venture

(a) The basic information of the joint ventures that are material to the Company is as follows:

Company name	Principal place of business	Shareholding ratio		Nature of relationship	Methods of measurement
		December 31, 2022	December 31, 2021		
Taiwan Sports Lottery Co., Ltd.	Taiwan	51.07%	47.62%	Joint venture	Equity method

(b) The summarised financial information of the joint ventures, Taiwan Sports Lottery Co., Ltd., that are material to the Company is as follows:

i. Balance sheet

	<u>Taiwan Sports Lottery Co., Ltd.</u>	
	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Cash and cash equivalents	\$ 2,061,622	\$ 1,936,401
Other current assets	1,359,939	225,150
Current assets	<u>3,421,561</u>	<u>2,161,551</u>
Non-current assets	<u>572,091</u>	<u>637,403</u>
Total assets	<u>\$ 3,993,652</u>	<u>\$ 2,798,954</u>
Current financial liabilities (Note)	(\$ 492,276)	(\$ 233,560)
Other current liabilities	(435,440)	(239,896)
Current liabilities	<u>(927,716)</u>	<u>(473,456)</u>
Non-current liabilities	<u>(82,345)</u>	<u>(93,598)</u>
Total liabilities	<u>(\$ 1,010,061)</u>	<u>(\$ 567,054)</u>
Total net assets	<u>\$ 2,983,591</u>	<u>\$ 2,231,900</u>
Share in joint venture's net assets	<u>\$ 1,523,720</u>	<u>\$ 1,062,831</u>
Carrying amount of the joint venture	<u>\$ 1,523,720</u>	<u>\$ 1,062,831</u>

Note: It was excluding accounts payable, other payables and provision.

ii. Statement of comprehensive income

	<u>Taiwan Sports Lottery Co., Ltd.</u>	
	<u>Years ended December 31,</u>	
	<u>2022</u>	<u>2021</u>
Revenue	<u>\$ 3,218,408</u>	<u>\$ 2,487,193</u>
Depreciation and amortisation	<u>(\$ 79,275)</u>	<u>(\$ 78,280)</u>
Interest income	<u>\$ 2,790</u>	<u>\$ 298</u>
Profit before income tax	<u>\$ 1,566,434</u>	<u>\$ 1,011,807</u>
Income tax expense	<u>(317,943)</u>	<u>(202,365)</u>
Profit for the year from continuing operations	<u>1,248,491</u>	<u>809,442</u>
Total comprehensive income	<u>\$ 1,248,491</u>	<u>\$ 809,442</u>
Dividends received from joint venture	<u>\$ 300,000</u>	<u>\$ 300,000</u>

(c) The Company's principal joint venture, Taiwan Sports Lottery Co., Ltd., has no quoted market prices.

(8) Property, plant and equipment

	<u>Land</u>	<u>Buildings and structures</u>			<u>Office equipment</u>	<u>Others</u>	<u>Total</u>
	<u>Owner-occupied</u>	<u>Owner-occupied</u>	<u>Lease</u>	<u>Subtotal</u>	<u>Owner-occupied</u>	<u>Owner-occupied</u>	
<u>At January 1, 2022</u>							
Cost	\$ 882,409	\$ 534,723	\$ 17,229	\$ 551,952	\$ 33,300	\$ 249,195	\$ 1,716,856
Accumulated depreciation	-	(188,764)	(4,042)	(192,806)	(26,253)	(117,514)	(336,573)
	<u>\$ 882,409</u>	<u>\$ 345,959</u>	<u>\$ 13,187</u>	<u>\$ 359,146</u>	<u>\$ 7,047</u>	<u>\$ 131,681</u>	<u>\$ 1,380,283</u>
<u>2022</u>							
Opening net book amount as at January 1	\$ 882,409	\$ 345,959	\$ 13,187	\$ 359,146	\$ 7,047	\$ 131,681	\$ 1,380,283
Additions	2,082,522	1,603,403	-	1,603,403	20,175	8,821	3,714,921
Disposals	-	-	-	-	-	(125)	(125)
Transfers for the year (Note)	815,271	7,155	(3,593)	3,562	-	1,490	820,323
Depreciation charge	-	(35,150)	(240)	(35,390)	(6,260)	(26,726)	(68,376)
Closing net book amount as at December 31	<u>\$ 3,780,202</u>	<u>\$ 1,921,367</u>	<u>\$ 9,354</u>	<u>\$ 1,930,721</u>	<u>\$ 20,962</u>	<u>\$ 115,141</u>	<u>\$ 5,847,026</u>
<u>At December 31, 2022</u>							
Cost	\$ 3,780,202	\$ 2,146,694	\$ 12,223	\$ 2,158,917	\$ 53,311	\$ 258,066	\$ 6,250,496
Accumulated depreciation	-	(225,327)	(2,869)	(228,196)	(32,349)	(142,925)	(403,470)
	<u>\$ 3,780,202</u>	<u>\$ 1,921,367</u>	<u>\$ 9,354</u>	<u>\$ 1,930,721</u>	<u>\$ 20,962</u>	<u>\$ 115,141</u>	<u>\$ 5,847,026</u>

	<u>Land</u>	<u>Buildings and structures</u>			<u>Office equipment</u>	<u>Others</u>	
	<u>Owner-occupied</u>	<u>Owner-occupied</u>	<u>Lease</u>	<u>Subtotal</u>	<u>Owner-occupied</u>	<u>Owner-occupied</u>	<u>Total</u>
<u>At January 1, 2021</u>							
Cost	\$ 882,409	\$ 534,574	\$ 17,229	\$ 551,803	\$ 28,990	\$ 246,538	\$ 1,709,740
Accumulated depreciation	-	(179,334)	(3,306)	(182,640)	(23,228)	(93,584)	(299,452)
	<u>\$ 882,409</u>	<u>\$ 355,240</u>	<u>\$ 13,923</u>	<u>\$ 369,163</u>	<u>\$ 5,762</u>	<u>\$ 152,954</u>	<u>\$ 1,410,288</u>
<u>2021</u>							
Opening net book amount as at January 1	\$ 882,409	\$ 355,240	\$ 13,923	\$ 369,163	\$ 5,762	\$ 152,954	\$ 1,410,288
Additions	-	149	-	149	4,784	5,181	10,114
Disposals	-	-	-	-	-	-	-
Transfers for the year (Note)	-	-	-	-	-	2,631	2,631
Depreciation charge	-	(9,430)	(736)	(10,166)	(3,499)	(29,085)	(42,750)
Closing net book amount as at December 31	<u>\$ 882,409</u>	<u>\$ 345,959</u>	<u>\$ 13,187</u>	<u>\$ 359,146</u>	<u>\$ 7,047</u>	<u>\$ 131,681</u>	<u>\$ 1,380,283</u>
<u>At December 31, 2021</u>							
Cost	\$ 882,409	\$ 534,723	\$ 17,229	\$ 551,952	\$ 33,300	\$ 249,195	\$ 1,716,856
Accumulated depreciation	-	(188,764)	(4,042)	(192,806)	(26,253)	(117,514)	(336,573)
	<u>\$ 882,409</u>	<u>\$ 345,959</u>	<u>\$ 13,187</u>	<u>\$ 359,146</u>	<u>\$ 7,047</u>	<u>\$ 131,681</u>	<u>\$ 1,380,283</u>

Note : Including amount transferred from prepayment for equipment (shown as 'Other non-current assets').

A: No property, plant and equipment were capitalized interest.

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

(9) Leasing arrangements-lessee

- A. The Company leases various assets including buildings and structures and transportation equipment. Rental contracts are typically made for periods of 2 to 8 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased assets may not be sold, subleased, lent to the third party or granted to the third party in any circumstance.
- B. The carrying amount of right-of-use assets and the depreciation charge are as follows:

	<u>Buildings and structures</u>	<u>Transportation equipment</u>	<u>Total</u>
Balance, January 1, 2022	\$ 12,582	\$ 1,188	\$ 13,770
Additions	40,156	6,601	46,757
Modification-contract termination	-	(3,216)	(3,216)
Modification-consideration adjustment	(900)	-	(900)
Depreciation	(17,658)	(1,632)	(19,290)
Balance, December 31, 2022	<u>\$ 34,180</u>	<u>\$ 2,941</u>	<u>\$ 37,121</u>

	<u>Buildings and structures</u>	<u>Transportation equipment</u>	<u>Total</u>
Balance, January 1, 2021	\$ 18,275	\$ 1,244	\$ 19,519
Additions	22,621	995	23,616
Modification-contract termination	(10,237)	(114)	(10,351)
Depreciation	(18,077)	(937)	(19,014)
Balance, December 31, 2021	<u>\$ 12,582</u>	<u>\$ 1,188</u>	<u>\$ 13,770</u>

- C. Information on profit or loss in relating to lease contracts is as follows:

	<u>Years ended December 31,</u>	
	<u>2022</u>	<u>2021</u>
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 695	\$ 407
Expense on short-term lease contracts	8,181	5,006
Expense on leases of low-value assets	379	415
Gain on lease modification	(16)	(564)
	<u>\$ 9,239</u>	<u>\$ 5,264</u>

- D. Apart from the cash outflow relating to the lease expense mentioned above in Note 6(9)C., information about the principal repayment of lease liability for the years ended December 31, 2022 and 2021 is provided in Note 6(36).

(10) Leasing arrangements-lessor

- A. The Company leases various assets including land and buildings. Rental contracts are typically made for periods of 1 and 10 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. To protect the lessor's ownership rights on the leased assets, leased assets may not be sold, subleased, lent to the third party or granted to the third party in any circumstance
- B. For the years ended December 31, 2022 and 2021, information about the Company recognised rent income based on the operating lease agreement which does not include variable lease payments is provided in Note 6(26).
- C. The maturity analysis of the lease payments under the operating leases is as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Next 1 year	\$ 3,029	\$ 6,442
Next 2 years	32	2,451
Next 3 years	-	32
	<u>\$ 3,061</u>	<u>\$ 8,925</u>

(11) Investment property

	<u>Land</u>	<u>Buildings and structures</u>	<u>Total</u>
<u>At January 1, 2022</u>			
Cost	\$ 186,014	\$ 83,603	\$ 269,617
Accumulated depreciation	-	(11,365)	(11,365)
	<u>\$ 186,014</u>	<u>\$ 72,238</u>	<u>\$ 258,252</u>
<u>2022</u>			
Opening net book amount as at January 1	\$ 186,014	\$ 72,238	\$ 258,252
Depreciation Charge	-	(1,639)	(1,639)
Closing net book amount as at December 31	<u>\$ 186,014</u>	<u>\$ 70,599</u>	<u>\$ 256,613</u>
<u>At December 31, 2022</u>			
Cost	\$ 186,014	\$ 83,603	\$ 269,617
Accumulated depreciation	-	(13,004)	(13,004)
	<u>\$ 186,014</u>	<u>\$ 70,599</u>	<u>\$ 256,613</u>

	<u>Land</u>	<u>Buildings and structures</u>	<u>Total</u>
<u>At January 1, 2021</u>			
Cost	\$ 1,608,161	\$ 83,603	\$ 1,691,764
Accumulated depreciation	-	(9,726)	(9,726)
Accumulated impairment	(597,559)	-	(597,559)
	<u>\$ 1,010,602</u>	<u>\$ 73,877</u>	<u>\$ 1,084,479</u>
<u>2021</u>			
Opening net book amount as at January 1	\$ 1,010,602	\$ 73,877	\$ 1,084,479
Disposals	(789,516)	-	(789,516)
Depreciation Charge	-	(1,639)	(1,639)
Impairment loss	(35,072)	-	(35,072)
Closing net book amount as at December 31	<u>\$ 186,014</u>	<u>\$ 72,238</u>	<u>\$ 258,252</u>
<u>At December 31, 2021</u>			
Cost	\$ 186,014	\$ 83,603	\$ 269,617
Accumulated depreciation	-	(11,365)	(11,365)
	<u>\$ 186,014</u>	<u>\$ 72,238</u>	<u>\$ 258,252</u>

A. Rental income from the investment property and direct operating expenses arising from the investment property are shown below:

	<u>Years ended December 31,</u>	
	<u>2022</u>	<u>2021</u>
Rental income from investment property	<u>\$ 6,300</u>	<u>\$ 6,097</u>
Direct operating expenses arising from the investment property that generated rental income for the year	<u>\$ 1,639</u>	<u>\$ 1,639</u>

B. The fair value of the investment property held by the Company as at December 31, 2022 and 2021 was \$505,354 and \$422,703, respectively. The above fair value is assessed by the Company's management with the market fair value of similar property.

C. No investment property were capitalized interest.

D. Information about the investment property that was pledged to others as collateral is provided in Note 8.

(12) Intangible assets

	Software	
	2022	2021
<u>At January 1</u>		
Cost	\$ 193,706	\$ 170,178
Accumulated amortisation and impairment	(159,009)	(139,580)
	<u>\$ 34,697</u>	<u>\$ 30,598</u>
Opening net book amount as at January 1	\$ 34,697	\$ 30,598
Additions	8,287	23,528
Transfers for the year	310	-
Amortisation charge	(15,635)	(19,429)
Closing net book amount as at December 31	<u>\$ 27,659</u>	<u>\$ 34,697</u>
<u>December 31</u>		
Cost	\$ 202,013	\$ 193,706
Accumulated amortisation and impairment	(174,354)	(159,009)
	<u>\$ 27,659</u>	<u>\$ 34,697</u>

A. Details of amortisation on intangible assets are as follows:

	Years ended December 31,	
	2022	2021
Selling expenses	\$ 327	\$ 549
General and administrative expenses	13,471	16,174
Research and development expenses	1,796	2,673
Operating costs	41	33
	<u>\$ 15,635</u>	<u>\$ 19,429</u>

B. No intangible assets were capitalised interest.

C. The Company has no intangible assets pledged to others.

(13) Impairment of non-financial assets

Details of the Company's impairment loss are as follows:

	Years ended December 31,			
	2022		2021	
	Recognised in profit or (loss)	Recognised in other comprehensive income (loss)	Recognised in profit or (loss)	Recognised in other comprehensive income (loss)
Impairment loss-investment property-land (Note)	<u>\$ -</u>	<u>\$ -</u>	<u>(\$ 35,072)</u>	<u>\$ -</u>

Note :The impairment on investment properties arose from the Company's land investment in Shihlin District, Taipei City. The management assessed impairment valuation based on the report prepared by independent real estate appraisers and market prices and recognised the difference between fair value and carrying amount as impairment losses.

(14) Other non-current assets

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Prepayments for equipment	\$ 51,240	\$ 36,810
Prepayments for real estate acquisition	-	815,271
Current prepayments for investments	-	161,269
Others	92,960	86,619
	<u>\$ 144,200</u>	<u>\$ 1,099,969</u>

(15) Short-term borrowings

<u>Type of borrowings</u>	<u>December 31, 2022</u>	<u>Interest rate range</u>	<u>Collateral</u>
Unsecured loans	\$ 4,725,453	0.85%~1.93%	None

<u>Type of borrowings</u>	<u>December 31, 2021</u>	<u>Interest rate range</u>	<u>Collateral</u>
Unsecured loans	\$ 7,987,928	0.48%~0.95%	None

Information on interest expense recognised in profit or loss is provided in Note 6(28).

(16) Other current liabilities

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Refund liabilities	\$ 9,101	\$ 18,520
Advance receipts for technology licensing revenue	20,729	36,246
Others	18,974	7,882
	<u>\$ 48,804</u>	<u>\$ 62,648</u>

(17) Bonds payable

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Bonds payable	\$ -	\$ 210,400
Less: Discount on bonds payable	-	(4,295)
	<u>\$ -</u>	<u>\$ 206,105</u>

A. The terms of the 6th domestic convertible bonds issued by the Company are as follows:

- (a) The regulatory authority has approved the 6th domestic secured convertible bonds issued by the Company. The total issuance amount is \$1,500,000 at 100% of the bond's face value with coupon rate of 0%, covering a 5-year period of issuance and a circulation period from May 8, 2019 to May 8, 2024. The convertible bonds will be settled by cash with principal value at maturity. The bonds were listed on the Taipei Exchange on May 8, 2019.
- (b) The bondholders have the right to ask for conversion of the bonds into common shares of the Company during the period from three months after the bonds issuance date to the maturity date, except for the suspended transfer period as specified in the terms of the bonds or the regulations. The rights and obligations of the new shares converted from the bonds are the same as the issued and outstanding common shares. As of April 26, 2021, all the convertible bonds had been converted.

- (c) The conversion price is set up based on the pricing model specified in the terms of the bonds, and is subject to adjustments if the condition of the anti-dilution triggered subsequently. The conversion price was NT\$52.2 per share at issuance. The conversion price was adjusted from NT\$52.2 (in dollars) per share to NT\$51 (in dollars) per share since July 27, 2020.
 - (d) The bondholders have the right to redeem the bonds at the price of the bonds' principal value plus 1.51% interests upon three years after the issuance date.
 - (e) The Company may repurchase all the outstanding bonds in cash at the bonds' principal value in the following 30 trading days when the closing price of the Company's common shares is above the conversion price by 30% for 30 consecutive trading days during the period from the date after three months of the bonds issuance to 40 days before the maturity date.
 - (f) The Company may repurchase all the outstanding bonds in cash at the bonds' principal value at any time when the outstanding balance of the bonds is less than 10% of total initial issuance amount during the period from the date after three months of the bonds issuance to 40 days before the maturity date.
 - (g) Under the terms of the bonds, all bonds redeemed (including bonds repurchased from the Taipei Exchange), repaid, and converted are retired and not to be re-issued; all rights and obligations attached to the bonds are also extinguished.
 - (h) For the years ended December 31, 2022 and 2021, the convertible bonds of \$0 and \$563,100 had been converted into 0 shares and 11,041,046 shares of common stocks, respectively.
 - (i) As of December 31, 2022, the convertible bonds of \$0 had been repurchased by the Company from the Taipei Exchange.
 - (j) Upon issuance of convertible bonds, the equity conversion right amounting to \$58,800 were separated from the liability component and were recognised in 'capital surplus-share options' in accordance with IAS 32. The call options embedded in bonds payable were separated from their host contracts in accordance with IFRS 9 because the economic characteristics and risks of the embedded derivatives were not closely related to those of the host contracts. The effective annual interest rates of the bonds after separation is 0.9724%.
- B. The terms of the 7th domestic secured convertible bonds issued by the Company are as follows:
- (a) The regulatory authority has approved the 7th domestic secured convertible bonds issued by the Company. The total issuance amount is \$1,000,000 at 100% of the bond's face value with coupon rate of 0%, covering a 5-year period of issuance and a circulation period from September 28, 2020 to September 28, 2025. The convertible bonds will be settled by cash with principal value at maturity. The bonds were listed on the Taipei Exchange on September 28, 2020.
 - (b) The bondholders have the right to ask for conversion of the bonds into common shares of the Company during the period from three months after the bonds issuance date to the maturity date, except for the suspended transfer period as specified in the terms of the bonds or the regulations. The rights and obligations of the new shares converted from the bonds are the same as the issued and outstanding common shares.
 - (c) The conversion price is set up based on the pricing model specified in the terms of the bonds

and is subject to adjustments if the condition of the anti-dilution triggered subsequently. The conversion price was NT\$57.7 per share at issuance. The conversion price was adjusted from NT\$57.7 (in dollars) per share to NT\$56.1 (in dollars) per share since August 15, 2021 because of the distribution of cash dividends. The conversion price was adjusted from NT\$56.1 (in dollars) per share to NT\$50.8 (in dollars) per share since July 28, 2022 because of the distribution of cash dividends.

- (d) The bondholders have the right to redeem the bonds at the price of the bonds' principal value plus 1.51% interests upon three years after the issuance date.
- (e) The Company may repurchase all the outstanding bonds in cash at the bonds' principal value in the following 30 trading days when the closing price of the Company's common shares is above the conversion price by 30% for 30 consecutive trading days during the period from the date after three months of the bonds issuance to 40 days before the maturity date.
- (f) The Company may repurchase all the outstanding bonds in cash at the bonds' principal value at any time when the outstanding balance of the bonds is less than 10% of total initial issuance amount during the period from the date after three months of the bonds issuance to 40 days before the maturity date.
- (g) Under the terms of the bonds, all bonds redeemed (including bonds repurchased from the Taipei Exchange), repaid, and converted are retired and not to be re-issued; all rights and obligations attached to the bonds are also extinguished.
- (h) For the years ended December 31, 2022 and 2021, the convertible bonds of \$209,500 and \$789,600 had been converted into 3,796,101 shares and 13,779,456 shares of common stocks, respectively.
- (i) As of December 31, 2022, the convertible bonds of \$900 had been repurchased by the Company from the Taipei Exchange.
- (j) Upon issuance of convertible bonds, the equity conversion right amounting to \$27,500 were separated from the liability component and were recognised in 'capital surplus-share options' in accordance with IAS 32. The call options embedded in bonds payable were separated from their host contracts in accordance with IFRS 9 because the economic characteristics and risks of the embedded derivatives were not closely related to those of the host contracts. The effective annual interest rates of the bonds after separation is 0.7172%.

(18) Long-term borrowings

<u>Borrowings</u>	<u>Borrowings period and repayment term</u>	<u>Collateral</u>	<u>December 31, 2022</u>
Bank borrowings			
Bank syndicated loans (Note)	Borrowing period is from March 19, 2021 to March 19, 2026; interest is repayable monthly, principal paid at maturity, revolving credit	None	\$ 6,000,000
Secured borrowings	Borrowing period is from January 11, 2022 to January 11, 2037; interest is repayable monthly, principal paid monthly from 4th year, non-revolving credit	Please refer to Note 8	637,900
Secured borrowings	Borrowing period is from January 11, 2022 to January 11, 2037; interest is repayable monthly, principal paid monthly from 4th year, non-revolving credit	Please refer to Note 8	596,000
Secured borrowings	Borrowing period is from May 9, 2022 to May 9, 2024; interest is repayable monthly, principal paid at maturity, revolving credit	Please refer to Note 8	420,000
Unsecured borrowings	Borrowing period is from May 9, 2022 to May 9, 2024; interest is repayable monthly, principal paid at maturity, revolving credit	None	180,000
Unsecured borrowings	Borrowing period is from July 21, 2022 to July 21, 2037; principal paid half-yearly from the 18th month, non-revolving	None	220,000
Secured borrowings	Borrowing period is from January 11, 2022 to January 11, 2037; interest is repayable monthly, principal paid monthly from 4th year, non-revolving credit	Please refer to Note 8	520,000
Secured borrowings	Borrowing period is from July 7, 2017 to July 7, 2024; interest is repayable monthly, principal is paid monthly, non-revolving credit	Please refer to Note 8	47,726
Unsecured borrowings	Borrowing period is from December 21, 2020 to December 21, 2035; principal paid half-yearly from the 18th month, non-revolving credit	None	135,000
Secured borrowings	Borrowing period is from January 11, 2022 to January 11, 2037; interest is repayable monthly, principal paid monthly from 2nd year, non-revolving credit	Please refer to Note 8	281,000
Secured borrowings	Borrowing period is from January 11, 2022 to January 11, 2037; interest is repayable monthly, principal paid monthly from 4th year, non-revolving credit	Please refer to Note 8	655,120
Secured borrowings	Borrowing period is from June 6, 2022 to June 6, 2037; interest is repayable monthly, principal paid monthly from 4th year, non-revolving credit	Please refer to Note 8	627,000
Unsecured borrowings	Borrowing period is from August 24, 2022 to August 24, 2025; interest is repayable monthly, principal paid monthly, non-revolving credit	None	1,262,222

<u>Borrowings</u>	<u>Borrowings period and repayment term</u>	<u>Collateral</u>	<u>December 31, 2022</u>
Secured borrowings	Borrowing period is from November 23, 2022 to November 23, 2027; interest is repayable monthly, principal paid from the 4th year, non-revolving credit	Please refer to Note 8	295,280
			<u>11,877,248</u>
Less: Long-term liabilities, current portion			(<u>564,481</u>)
			<u>\$ 11,312,767</u>

The long-term borrowings carried interest rate of 1.4985%~1.9051% as at December 31, 2022.

<u>Borrowings</u>	<u>Borrowings period and repayment term</u>	<u>Collateral</u>	<u>December 31, 2021</u>
Bank borrowings			
Bank syndicated loans (Note)	Borrowing period is from March 19, 2021 to March 19, 2026; interest is repayable monthly, principal paid at maturity, revolving credit	None	\$ 4,450,000
Secured borrowings	Borrowing period is from July 7, 2017 to July 7, 2024; interest is repayable monthly, principal paid monthly, non-revolving credit	Please refer to Note 8	77,869
Unsecured borrowings	Borrowing period is from December 21, 2020 to December 21, 2025; principal paid half-yearly from the 18th month, non-revolving credit	None	180,000
			<u>4,707,869</u>
Less: Long-term liabilities, current portion			(<u>75,143</u>)
			<u>\$ 4,632,726</u>

The long-term borrowings carried interest rate of 1.0236%~1.05% as at December 31, 2021.

Information on interest expense recognised in profit or loss is provided in Note 6(28).

Note: In March 2021, the Company entered into a five-year syndicated loan agreement with 12 banks-Bank of Taiwan and as the lead bank and managing bank-and obtained a credit line in the amount of \$6,000,000. Since the second quarter of 2021, the loan agreement specifies that the financial ratios, including current ratio, the gearing ratio and interest coverage, and tangible net equity based on its annual parent company only financial statements audited by independent auditors and semi-annual parent company only financial statements reviewed by independent auditors shall conform to the terms and conditions.

Based on the consolidated financial statements, the Company has not breached any undertaking under a long-term loan agreement as at December 31, 2022 and 2021.

(19) Pension plan

A. Defined benefit pension plan

(a) The Company has defined benefit pension plans in accordance with the Labor Standards Law, covering all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Act. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company contributes monthly an amount equal to 2% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. Also, the Company would assess the balance in the aforementioned labor pension reserve account by the end of December 31, every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method, to the employees expected to qualify for retirement in the following year, the Company will make contributions for the deficit by next March.

(b) The amounts recognised in the balance sheet are as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Present value of defined benefit obligations	(\$ 22,420)	(\$ 24,643)
Fair value of plan assets	<u>38,344</u>	<u>34,613</u>
Net defined benefit assets (shown as other non-current assets, others)	<u>\$ 15,924</u>	<u>\$ 9,970</u>

(c) Movements in net defined benefit assets are as follows:

	Present value of defined benefit obligations	Fair value of Plan assets	Net defined benefit asset (liability)
Year ended December 31, 2022			
Balance at January 1	(\$ 24,643)	\$ 34,613	\$ 9,970
Interest (expense) income	(177)	252	75
	<u>(24,820)</u>	<u>34,865</u>	<u>10,045</u>
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	2,562	2,562
Change in financial assumptions	1,667	-	1,667
Experience adjustments	733	-	733
	<u>2,400</u>	<u>2,562</u>	<u>4,962</u>
Pension fund contribution	-	917	917
Balance at December 31	<u>(\$ 22,420)</u>	<u>\$ 38,344</u>	<u>\$ 15,924</u>

	Present value of defined benefit obligations	Fair value of Plan assets	Net defined benefit asset (liability)
Year ended December 31, 2021			
Balance at January 1	(\$ 26,710)	\$ 33,152	\$ 6,442
Interest (expense) income	(99)	124	25
	<u>(26,809)</u>	<u>33,276</u>	<u>6,467</u>
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	471	471
Change in demographic assumptions	(591)	-	(591)
Change in financial assumptions	1,121	-	1,121
Experience adjustments	1,636	-	1,636
	<u>2,166</u>	<u>471</u>	<u>2,637</u>
Pension fund contribution	-	866	866
Balance at December 31	<u>(\$ 24,643)</u>	<u>\$ 34,613</u>	<u>\$ 9,970</u>

(d) The Bank of Taiwan was commissioned to manage the Fund of the defined benefit pension plan in accordance with the Fund's annual investment and utilisation plan and the "Regulations for Revenues, Expenditures, Safeguard and Utilisation of the Labor Retirement Fund" (Article 6: The scope of utilisation for the Fund includes deposit in domestic or foreign financial institutions, investment in domestic or foreign listed, over-the-counter, or private placement equity securities, investment in domestic or foreign real estate securitisation products, etc.). With regard to the utilisation of the Fund, its minimum earnings in the annual distributions on the final financial statements shall be no less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. If the earnings is less than aforementioned rates, government shall make payment for

the deficit after being authorised by the Regulator. The Company has no right to participate in managing and operating that fund and hence the Company is unable to disclose the classification of plan asset fair value in accordance with IAS 19 paragraph 142. The composition of fair value of plan assets as of December 31, 2022 and 2021 is given in the Annual Labor Retirement Fund Utilization Report announced by the government.

(e) The principal actuarial assumptions used were as follows:

	Years ended December 31,	
	2022	2021
Discount rate	1.35%	0.72%
Future salary increases	4.50%	4.50%

Mortality rate was estimated based on the 5th Taiwan Standard Ordinary Experience Mortality Table.

	Discount rate		Future salary increases	
	Increase 0.25%	Decrease 0.25%	Increase 0.5%	Decrease 0.5%
<u>December 31, 2022</u>				
Effect on present value of defined benefit obligation	(\$ 650)	\$ 673	\$ 1,300	(\$ 1,233)
<u>December 31, 2021</u>				
Effect on present value of defined benefit obligation	(\$ 789)	\$ 813	\$ 1,577	(\$ 1,479)

The sensitivity analysis above is based on one assumption which changed while the other conditions that remain unchanged. In practice, more than one assumption may change all at once. The method of analyzing sensitivity and the method of calculating net pension liability in the balance sheet are the same.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

(f) Expected contributions to the defined benefit pension plans of the Company for the year ending December 31, 2023 amount to \$912.

(g) As of December 31, 2022, the weighted average duration of the retirement plan is 11 years.

B. Defined contribution pension plan

(a) Effective July 1, 2005, the Company has established a defined contribution pension plan (the “New Plan”) under the Labor Pension Act (the “Act”), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company contributes monthly an amount based on 6% of the employees’ monthly salaries and wages to the employees’ individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.

(b) The pension costs under the defined contribution pension plans of the Company for the years ended December 31, 2022 and 2021 were \$34,146 and \$31,931, respectively.

(20) Share-based payment/Subsequent event

A. The Company's share-based payment arrangements were as follows:

(a) Shares of employees restricted stocks

The Company proposed to issue a total of 2.5 million shares of employees restricted stocks with par value of \$10 (in dollars), totaling \$25,000, as resolved at meetings of Board of Directors and shareholders on March 27, 2020 and June 19, 2020, respectively. The employees restricted stocks were effective on October 13, 2020 as approved by the authorities, and were resolved at the Board Meeting to be issued on December 10, 2020 (the granted date) of 2.5 million shares with the subscription price of \$0 (in dollars) per share. The capital increase effective date was set on January 4, 2021. The aforementioned restricted stocks were issued for the full-time employees.

<u>Type of arrangement</u>	<u>Grant date</u>	<u>Quantity granted</u>	<u>Contract period</u>	<u>Vesting conditions</u>	<u>Settlement method</u>
Restricted stocks to employees	December 10, 2020	2,500,000 shares	2 years	Performance conditions achieved (Note)	Equity-settled

Note: For the employees who achieved both personal and company's performance requirements, the maximum ratio of vested stocks for different service periods of employees is as follows:

- (i) 50% of allocated stocks if the employee whose services have reached 1 year since the allocation of restricted stock.
- (ii) 50% of allocated stocks if the employee whose services have reached 2 years since the allocation of restricted stock.

The aforementioned restricted stocks cannot be transferred or entitled to the dividend distribution during the vesting period, but voting right is not restricted on these stocks. Employees are required to return the stocks received if they resign during the vesting period.

(b) Treasury stock transferred to the employees

The Board of Directors of the Company resolved to transfer treasury stock amounting to 1,500,000 shares to employees at a subscription price of \$45 per share on July 15, 2021, the date of disbursement to employees is July 28, 2021.

<u>Type of arrangement</u>	<u>Grant date</u>	<u>Quantity granted</u>	<u>Contract period</u>	<u>Vesting conditions</u>	<u>Settlement method</u>
Treasury stock transferred to the employees	July 15,2021	1,500,000 shares	N/A	Immediately vested	Equity-settled

(c)The Company proposed to issue a total of 2.5 million shares of employees restricted stocks with par value of \$10 (in dollars), totaling \$25,000, as resolved at meetings of Board of Directors on March 13, 2023. The aforementioned restricted stocks for which no consideration is payable to the Company will be proposed to the stockholders' meeting after the Board of Directors resolve.

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

(a) Shares of employees restricted stocks

	2022		2021	
	Amount(shares)	Weighted-average exercise price (in dollars)	Amount(shares)	Weighted-average exercise price (in dollars)
Restricted stocks to employees outstanding at January 1	1,241,000	-	-	-
Issuance of restricted stocks to employees	-	-	2,500,000	-
Cancellation of restricted stocks to employees	(41,000)	-	(22,800)	-
Restricted stocks to employees vested	(1,200,000)	-	(1,236,200)	-
Restricted stocks to employees outstanding at December 31	<u>-</u>	-	<u>1,241,000</u>	-

(b) Treasury stock transferred to the employees

	2022		2021	
	Amount(shares)	Weighted-average exercise price (in dollars)	Amount(shares)	Weighted-average exercise price (in dollars)
Stocks options to employees outstanding at January 1	-	-	-	-
Issuance of restricted stocks to employees	-	-	1,500,000	45
Exercise stocks options by employees	-	-	(1,500,000)	45
Restricted stocks to employees outstanding at December 31	<u>-</u>	-	<u>-</u>	-
Exercisable stocks options at December 31	<u>-</u>	-	<u>-</u>	-

C. The relevant information about the fair value of the stock option estimated in the share-based payment transaction of the Company is as follows:

(a) Shares of employees restricted stocks

The fair value of stock options granted is measured using the Monte Carlo simulation model.

Type of Arrangement	Grant date	Stock price (in dollars)	Exercise price (in dollars)	Expected price volatility (Note)	Expected option life	Expected dividends	Risk-free interest rate	Fair value per unit
Restricted stocks to employees	December 10, 2020	74.7	-	39.80%	2 years	9.7%	0.2113% ~ 0.2289%	62.60

Note1: Expected price volatility rate was estimated by using the annualised standard deviation by using the daily rates of returns of the Company's historical stock prices.

(b) Treasury stock transferred to the employees

The fair value of stock options granted is measured using the Black-Scholes model.

Type of Arrangement	Grant date	Stock price (in dollars)	Exercise price (in dollars)	Expected price volatility (Note)	Expected option life	Expected dividends	Risk-free interest rate	Fair value per unit
Treasury stock transferred to the employees	July 15, 2021	119.5	45	49.63%	0.041 year	0.0%	0.1786%	74.503

Note2: The expected volatility is calculated by using the stock price of the company in the last year as the sample range.

D. Related effects incurred on share-based payment transactions are shown below:

(a) Wages and salaries

Wages and salaries incurred on the abovementioned transactions are shown below:

	Years ended December 31,	
	2022	2021
Restricted stocks to employees	\$ 32,105	\$ 110,620
Treasury stock transferred to employees	-	111,755
	<u>\$ 32,105</u>	<u>\$ 222,375</u>

(b) Capital surplus

Capital surplus incurred on the abovementioned transactions are shown below:

	Years ended December 31,	
	2022	2021
Restricted stocks to employees	(\$ 2,157)	(\$ 26,199)
Treasury stock transferred to employees	-	101,472
	<u>(\$ 2,157)</u>	<u>\$ 75,273</u>

(21) Share capital

A. As of December 31, 2022, the Company's authorized capital was \$6,000,000, consisting of 600,000,000 shares of ordinary stock (including 25,000,000 shares reserved for employees stock options), and the paid-in capital was \$2,674,264 with a par value of \$10 (in dollars) per share, equivalent to 266,426,448 shares. The Company's actual outstanding shares was 263,465,448 shares, net of treasury shares. All proceeds from shares issued have been collected. Movements in the number of the Company's ordinary shares outstanding, excluding treasury stock, are as follows: (unit: shares)

	Years ended December 31,	
	2022	2021
At January 1	259,710,347	230,912,645
Conversion of convertible bonds	3,796,101	24,820,502
Issuance of restricted stock to employees	-	2,500,000
Cancellation of restricted stocks to employees	(41,000)	(22,800)
Treasury stocks transferred to the employees	-	1,500,000
At December 31	<u>263,465,448</u>	<u>259,710,347</u>

B. Conversion of convertible bonds

For the years ended December 31, 2022 and 2021, the Company issued 3,796,101 shares and 24,820,502 shares of ordinary shares because of conversion of secured convertible bonds. The registration for part of the issuance of conversion was completed.

C. Treasury shares

(a) The Company

i. Reason for share reacquisition and movements in the number of the Company's treasury shares are as follows:

		December 31, 2022	
Name of company holding the shares	Reason for reacquisition	Number of shares	Carrying amount
The Company	To be reissued to employees	3,961,000	\$ <u>204,870</u>

		December 31, 2021	
Name of company holding the shares	Reason for reacquisition	Number of shares	Carrying amount
The Company	To be reissued to employees	3,961,000	\$ <u>204,870</u>

ii. Pursuant to the R.O.C. Securities and Exchange Law, the number of shares bought back as treasury share should not exceed 10% of the number of the Company's issued and outstanding shares and the amount bought back should not exceed the sum of retained earnings, paid-in capital in excess of par value and realised capital surplus.

iii. Pursuant to the R.O.C. Securities and Exchange Law, treasury stock should not be pledged as collateral and is not entitled to dividends before it is reissued to the employees.

iv. Pursuant to the R.O.C. Securities and Exchange Law, treasury stocks should be reissued to the employees within three years and shares not reissued within the three-year period are to be retired.

v. Details of repurchasing outstanding shares:

Year	Shares	Amount	Final termination for reissuance
2020(10 th)	5,461,000	\$ 282,450	May 2023

(i) 2020(10th)

On March 19, 2020, the Board of Directors of the Company resolved to purchase treasury shares. The expected number of shares to be repurchased was 6 million shares, and the Company has repurchased 5,461,000 shares amounting to \$282,450. The Board of Directors of the Company has resolved to transfer 1,500,000 treasury stocks that the Company repurchased in 2020 for the tenth time to employees at a transfer price of \$45 on July 15, 2021. The grant date of the shared-based payment giving is July 15, 2021. After the deduction of securities transaction tax, the amount of the securities transaction was \$67,297 and was actually transferred to the employees on July 15, 2021.

(b) Subsidiaries

The subsidiary of the Company, LIWANLI Innovation Co., Ltd., and its subsidiaries is the subsidiary over which the Company has substantial control since June 30, 2017, Such investment on the Company's shares is a general investment. Details are as follows:

	<u>December 31, 2022</u>	
	<u>Number of shares</u>	<u>Carrying amount</u>
LIWANLI Innovation Co., Ltd. and its subsidiaries	780,000	\$ <u>40,549</u>

	<u>December 31, 2021</u>	
	<u>Number of shares</u>	<u>Carrying amount</u>
LIWANLI Innovation Co., Ltd. and its subsidiaries	1,330,000	\$ <u>70,360</u>

(22) Capital surplus

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

Year ended December 31, 2022

	Share premium	Stock ptions	Changes in ownership interests in subsidiaries	Donated assets	Treasury share transactions	Difference between consideration and carrying amount of subsidiaries acquired or disposed	Change in net equity of associates and joint ventures accounted for under equity method	Employee restricted stocks	Total
At January 1	\$ 5,354,765	\$ 5,786	\$ 23,801	\$ 466	\$ 152,177	\$ 10,708	\$ -	\$ 65,277	\$ 5,612,980
Reclassification	-	-	6,887	-	-	(6,887)	-	-	-
Conversion of convertible bonds	173,333	(5,762)	-	-	-	-	-	-	167,571
Cancellation of employee restricted stock	-	-	-	-	-	-	-	(2,157)	(2,157)
Disposal of parent company's shares by subsidiaries	-	-	-	-	8,515	-	-	-	8,515
Adjustments of capital surplus for company's cash dividends received by subsidiaries	-	-	-	-	4,781	-	-	-	4,781
Acquisition of additional equity interest in a subsidiary	-	-	-	-	-	(3,821)	-	-	(3,821)
Employee restricted shares vested	63,120	-	-	-	-	-	-	(63,120)	-
Change in net equity of associates and joint ventures accounted for under equity method	-	-	-	-	-	-	967	-	967
Return of employee stock ownership trust from employee resignation	-	-	-	-	19	-	-	-	19
Redemption of convertible bonds	-	(24)	-	-	-	-	-	-	(24)
At December 31	<u>\$ 5,591,218</u>	<u>\$ -</u>	<u>\$ 30,688</u>	<u>\$ 466</u>	<u>\$ 165,492</u>	<u>\$ -</u>	<u>\$ 967</u>	<u>\$ -</u>	<u>\$ 5,788,831</u>

Year ended December 31, 2021

	Share premium	Stock ptions	Changes in ownership interests in subsidiaries	Donated assets	Treasury share transactions	Difference between consideration and carrying amount of subsidiaries acquired or disposed	Change in net equity of associates and joint ventures accounted for under equity method	Employee restricted stocks	Total
At January 1	\$ 4,189,302	\$ 49,574	\$ 23,801	\$ 374	\$ 46,470	\$ 10,708	\$ -	\$ 156,500	\$ 4,476,729
Conversion of convertible bonds	1,100,439	(43,788)	-	-	-	-	-	-	1,056,651
Issuance of employee restricted stocks	-	-	-	-	-	-	-	(25,000)	(25,000)
Cancellation of employee restricted stock	-	-	-	-	-	-	-	(1,199)	(1,199)
Adjustments of capital surplus for company's cash dividends received by subsidiaries	-	-	-	-	4,235	-	-	-	4,235
Employee restricted shares vested	65,024	-	-	-	-	-	-	(65,024)	-
Exercise the right of disgorgement	-	-	-	92	-	-	-	-	92
Transfer treasury stocks to employees	-	-	-	-	101,472	-	-	-	101,472
At December 31	<u>\$ 5,354,765</u>	<u>\$ 5,786</u>	<u>\$ 23,801</u>	<u>\$ 466</u>	<u>\$ 152,177</u>	<u>\$ 10,708</u>	<u>\$ -</u>	<u>\$ 65,277</u>	<u>\$ 5,612,980</u>

(23) Retained earnings/Subsequent event

A. Earnings allocation under the Company's Articles of Incorporation

- (a) After the amended Articles of Incorporation adopted at the shareholders' meeting on June 14, 2022

Under the Company's Articles of Incorporation, the Company distributes earnings or offsets losses after the end of every half fiscal year. When distributing earnings, the Company shall first estimate and reserve an amount for employees bonuses and directors' remuneration in accordance with Article 32, Paragraph 1, and then allocate 10 % of the remaining amount as legal reserve, except when the accumulated legal reserve has reached the Company's paid-in capital. The Company shall also allocate or reserve the special reserve in accordance with the law. The Board of Directors shall prepare a dividend distribution proposal for any remaining amount along with undistributed earnings at the beginning of the period. If it is distributed in cash, it shall be decided by a majority vote at a Board Meeting with at least two thirds of directors in attendance, and the decision shall be reported during a shareholders' meeting for approval if it involves the issuance of new shares. Based on consistent and balanced principles, the Company's dividend policy is adopted taking into consideration the Company's operating results, financial structure and future operational plans. According to the dividend policy, cash dividends shall account for at least 10% of the total dividends distributed.

The Company adopts the principle of steady and balanced for its dividend policy, and takes into consideration its profitability, financial structure, and future development. At least 10% of dividends each year shall be distributed in cash. Whether all or a part of dividends and bonuses or legal reserve and capital surplus are paid in cash shall be decided by a majority vote in a Board Meeting with at least two thirds of directors in attendance and the decision shall be reported during a shareholders' meeting.

- (b) Before the amended Articles of Incorporation adopted at the shareholders' meeting on June 14, 2022

Under the Company's Articles of Incorporation, if the Company's final accounts show a profit, the Company shall first pay taxes in accordance with the law and the offset accumulated losses, and then allocate 10% of the remaining amount as legal reserve, except when the accumulated legal reserve has reached the Company's paid-in capital. The Company shall then allocate or reverse the special reserve in accordance with the law.

The Board of Directors shall prepare a dividend distribution proposal for the amount remaining after distribution in the preceding paragraph plus undistributed earnings in previous years, and then submit the proposal to the shareholders' meeting for resolution.

The Company adopts the principle of steady and balance for its dividend policy, and takes into consideration its profitability, financial structure, and future development. At least 10% of dividends each year shall be distributed in cash. Whether all or a part of dividends and bonuses or legal reserve and capital surplus are paid in cash shall be decided by a majority vote in a Board

Meeting with at least two thirds of directors in attendance, and the decision shall be reported during a shareholders' meeting.

- B. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the balance of the reserve exceeds 25% of the Company's paid-in capital.
- C. Unappropriated earnings
- (a) In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.
- (b) The amounts previously set aside by the Company as special reserve of \$138,382 on initial application of IFRSs in accordance with Order No. Financial-Supervisory-Securities-Corporate-1010012865, dated April 6, 2012, shall be reversed proportionately when the relevant assets are used, disposed of, or reclassified subsequently.
- D. Distribution of earnings
- (a) The appropriations of earnings of year 2022 as resolved by the Board of Directors on March 13, 2023 is as follows:

	<u>Year ended December 31, 2022</u>	
	<u>Amount</u>	<u>Dividends per share (in dollars)</u>
Legal reserve appropriated	\$ 78,418	
Special reserve (reversal)	(184,875)	
Cash dividends	<u>526,931</u>	2.0
	<u>\$ 420,474</u>	

- (b) On August 11, 2022, the Board of Directors passed a resolution that no surplus would be distributed in the first-half of 2022.
- (c) The appropriations of earnings of years 2021 and 2020 as resolved by the shareholders on June 14, 2022 and July 12, 2021 are as follows:

	Years ended December 31,			
	2021		2020	
	Amount	Dividends per share (in dollars)	Amount	Dividends per share (in dollars)
Legal reserve appropriated	\$ 224,946		\$ 108,468	
Special reserve appropriated	78,098		83,323	
Cash dividends	<u>1,421,581</u>	5.5	<u>808,194</u>	3.5
	<u>\$ 1,724,625</u>		<u>\$ 999,985</u>	

(24) Other equity items

	2022			
	Currency translation	Unrealised gains (losses) on valuation	Unearned stock-based employee compensation	Total
At January 1	(\$ 936,516)	(\$ 313,417)	(\$ 34,672)	(\$ 1,284,605)
Compensation cost for employee restricted stocks	-	-	32,105	32,105
Cancellation of employee restricted stocks	-	-	2,567	2,567
Revaluation-gross:				
-Parent company	- (	155,861)	- (	155,861)
-Subsidiaries	- (	47,122)	- (	47,122)
-Tax on subsidiaries	-	3,999	-	3,999
-Associates	- (	913)	- (	913)
Valuation reclassified to retained earnings:				
-Generated in a business combination	-	705	-	705
-Parent company	- (	847)	- (	847)
-Subsidiaries	-	3,578	-	3,578
Currency translation differences:				
-Parent company	476,300	-	-	476,300
-Associates	370	-	-	370
-Tax on currency translation differences	(95,334)	-	-	(95,334)
At December 31	<u>(\$ 555,180)</u>	<u>(\$ 509,878)</u>	<u>\$ -</u>	<u>(\$ 1,065,058)</u>

	2021			
	Currency translation	Unrealised gains (losses) on valuation	Unearned stock-based employee compensation	Total
At January 1	(\$ 761,786)	(\$ 410,049)	(\$ 146,719)	(\$ 1,318,554)
Compensation cost for employee restricted stocks	-	-	110,620	110,620
Cancellation of employee restricted stocks	-	-	1,427	1,427
Revaluation-gross:				
-Parent company	-	54,186	-	54,186
-Subsidiaries	-	46,303	-	46,303
-Tax on subsidiaries	-	(4,183)	-	(4,183)
-Associates	-	326	-	326
Currency translation differences:				
-Parent company	(218,301)	-	-	(218,301)
-Associates	(110)	-	-	(110)
-Tax on currency translation differences	43,681	-	-	43,681
At December 31	(\$ 936,516)	(\$ 313,417)	(\$ 34,672)	(\$ 1,284,605)

(25) Operating revenue

A. The Company derives revenue from the transfer of goods and services over time and at a point in time in the following major product lines and geographical regions:

	Contract revenue					
Year ended December 31, 2022	Country T	Country C	Country A	Country J	Others	Total
Timing of revenue recognition						
At a point in time	\$ 6,622,264	\$ 10,118,506	\$ 7,074,805	\$ 1,217,267	\$ 3,611,015	\$ 28,643,857
Over time	1,123	-	-	-	-	1,123
	<u>\$ 6,623,387</u>	<u>\$ 10,118,506</u>	<u>\$ 7,074,805</u>	<u>\$ 1,217,267</u>	<u>\$ 3,611,015</u>	<u>\$ 28,644,980</u>
	Contract revenue					
Year ended December 31, 2021	Country T	Country C	Country A	Country J	Others	Total
Timing of revenue recognition						
At a point in time	\$ 7,666,409	\$ 12,387,956	\$ 9,766,866	\$ 2,091,059	\$ 4,390,481	\$ 36,302,771
Over time	6	-	-	-	-	6
	<u>\$ 7,666,415</u>	<u>\$ 12,387,956</u>	<u>\$ 9,766,866</u>	<u>\$ 2,091,059</u>	<u>\$ 4,390,481</u>	<u>\$ 36,302,777</u>

B. Contract liabilities

(a) The Company has recognised the following revenue-related contract liabilities:

	December 31, 2022	December 31, 2021	January 1, 2021
Contract liabilities:			
Sales revenue and service revenue contract	\$ 79,053	\$ 36,343	\$ 6,903

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

	Years ended December 31,	
	2022	2021
Sales revenue and service revenue contract	\$ 36,343	\$ 6,903

(26) Other income

	Years ended December 31,	
	2022	2021
Dividend income	\$ 1,331	\$ 5,840
Rental revenue	9,861	9,361
Government grants revenue	12,023	30,074
Technology licensing revenue	15,516	15,474
Lottery management revenue	15,053	11,658
Other income	23,538	25,484
	\$ 77,322	\$ 97,891

(27) Other gains and losses

	Years ended December 31,	
	2022	2021
Losses on disposal of property, plant and equipment	(\$ 104)	\$ -
Gain on disposal of investment property	-	3,606
Gain on disposal of investments accounted for using the equity method	28	-
Gain on lease modification - contract termination	16	564
Net currency exchange gains	289,342	35,144
Net (losses) gains on financial assets and liabilities at fair value through profit or loss	(\$ 3,214)	\$ 193,001
Gain on redemption of convertible bonds	24	-
Impairment loss on investment property	-	(35,072)
Loss on investments accounted for using the equity method reassessment at fair value	(22,322)	-
Depreciation charges on investment property	(1,639)	(1,639)
Others	7,030	(31,205)
	\$ 269,161	\$ 164,399

(28) Finance costs

	Years ended December 31,	
	2022	2021
Bank borrowings	\$ 199,654	\$ 112,287
Lease liabilities	695	407
Amortization of bond discount	1,854	8,089
	<u>\$ 202,203</u>	<u>\$ 120,783</u>

(29) Expenses by nature

	Years ended December 31,	
	2022	2021
Employee benefit expense	<u>\$ 1,102,501</u>	<u>\$ 1,373,404</u>
Depreciation charges on property, plant and equipment	<u>\$ 68,376</u>	<u>\$ 42,750</u>
Depreciation charges on right-of-use assets	<u>\$ 19,290</u>	<u>\$ 19,014</u>
Amortisation charges on intangible assets	<u>\$ 15,635</u>	<u>\$ 19,429</u>

(30) Employee benefit expenses

	Years ended December 31,	
	2022	2021
Wages and salaries	\$ 947,536	\$ 1,200,639
Labour and health insurance fees	71,933	66,589
Pension costs	34,071	31,906
Directors' remuneration	9,149	29,123
Other personnel expenses	39,812	45,147
	<u>\$ 1,102,501</u>	<u>\$ 1,373,404</u>

A. The Company's Articles of Incorporation provides that, if the Company has any profit for the current year, the Company ratio shall not be lower than 1% for employees' compensation in the form of shares or in cash as resolved by the Board of Directors. For employees of subsidiaries of the Company meeting certain specific requirements can share the distribution, the qualification requirements are set by the Chairman of the Board. The Company can distribute directors' and supervisors' remuneration no higher than 1%.

A company may, by a resolution adopted by a majority vote at a meeting of Board of Directors attended by two-thirds of the total number of directors, and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting. However, if a company has accumulated deficit, earnings should be used in offsetting losses, then distributed as the employees' compensation and directors' and supervisors' remuneration in accordance with above

mentioned proportion.

- B. For the years ended December 31, 2022 and 2021, employees' compensation was accrued at \$43,691 and \$85,983, respectively; directors' and supervisors' remuneration was accrued at \$8,738 and \$28,661, respectively. The aforementioned amounts were recognised in salary expenses.

The employees' compensation and directors' and supervisors' remuneration were estimated and accrued based on 5% and 1% of distributable profit of current year for the year ended December 31, 2022, respectively.

Employees' compensation and directors' and supervisors' remuneration of 2021 amounting to \$85,983 and \$28,661, respectively, as resolved by the Board of Directors were in agreement with those amounts recognised in the 2021 financial statements. As of December 31, 2022, the amounts of \$85,983 and \$28,661 were distributed in the form of cash, respectively.

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

(31) Income tax

- A. Income tax expense (benefit)

- (a) Components of income tax expense (benefit):

	Years ended December 31,	
	2022	2021
Current tax:		
Current income tax liabilities	\$ -	\$ 112,942
Current income tax assets	(72,536)	(1,111)
Prior year tax refunded (paid)	-	1,111
Prepaid income tax	78,171	87,097
Prior year income tax underestimation (over)	(67,031)	(38,872)
Current land value increment tax	-	34,156
Total current tax	<u>(61,396)</u>	<u>195,323</u>
Deferred tax:		
Origination and reversal of temporary differences	<u>53,210</u>	<u>380,772</u>
Income tax expense (benefit)	<u>(\$ 8,186)</u>	<u>\$ 504,095</u>

(b) The Company did not have income tax charged/(credited) to equity. The income tax (benefit) expense relating to components of other comprehensive income is as follows:

	Years ended December 31,	
	2022	2021
Currency translation differences	\$ 95,334	(\$ 43,681)
Remeasurement of defined benefit obligations	993	527
	<u>\$ 96,327</u>	<u>(\$ 43,154)</u>

B. Reconciliation between income tax expense (benefit) and accounting profit :

	Years ended December 31,	
	2022	2021
Tax calculated based on profit before tax and statutory tax rate	\$ 164,280	\$ 550,290
Tax exempt income by tax regulation	(7,114)	(37,808)
Gains on domestic investments accounted for using the equity method	(125,345)	(78,389)
Losses on domestic investments accounted for using the equity method	22,175	4,669
Capital reduction for cover accumulated deficits of investments accounted for using the equity method	-	(8,781)
Tax-exemption of domestic dividend income	(266)	(1,168)
Impairment loss on investment property	-	7,015
Losses on investments accounted for using the equity method reassessment at fair value	4,464	-
Change in assessment of realisation of deferred tax assets	-	46,824
Prior year income tax (over) underestimation	(67,031)	(38,872)
Land value increment tax	-	34,156
Others	651	26,159
Income tax expense (benefit)	<u>(\$ 8,186)</u>	<u>\$ 504,095</u>

C. Amounts of deferred tax assets or liabilities as a result of temporary differences and tax loss are as follows :

	2022			
	January 1	Recognised in profit or (loss)	Recognised in other comprehensive income (loss)	December 31
	Deferred tax assets:			
-Temporary differences:				
Loss on inventory	\$ 22,655	\$ 46,932	\$ -	\$ 69,587
Amount of allowance for bad debts that exceed the limit for tax purpose	10,163	-	-	10,163
Unrealised gross profit from sales	1,913	60,333	-	62,246
Unrealised loss on domestic investments accounted for using the equity method	31,145	55,350	-	86,495
Payable for unpaid annual leave	5,529	738	-	6,267
Provisions for liabilities	1,825	4,289	-	6,114
Currency translation differences	234,128	-	(95,334)	138,794
Unrealised foreign exchange loss	1,424	1,251	-	2,675
Others	6,704	(2,557)	-	4,147
Subtotal	<u>315,486</u>	<u>166,336</u>	<u>(95,334)</u>	<u>386,488</u>
Deferred tax liabilities:				
-Temporary differences:				
Unrealised gains on valuation	(10,478)	8,834	-	(1,644)
Net defined benefit assets	(1,994)	(198)	(993)	(3,185)
Unrealised investment income	(796,402)	(228,182)	-	(1,024,584)
Subtotal	<u>(808,874)</u>	<u>(219,546)</u>	<u>(993)</u>	<u>(1,029,413)</u>
Total	<u>(\$ 493,388)</u>	<u>(\$ 53,210)</u>	<u>(\$ 96,327)</u>	<u>(\$ 642,925)</u>
	2021			
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	December 31
Deferred tax assets:				
-Temporary differences:				
Loss on inventory	\$ 10,007	\$ 12,648	\$ -	\$ 22,655
Amount of allowance for bad debts that exceed the limit for tax purpose	10,163	-	-	10,163
Unrealised gross profit from sales	33,462	(31,549)	-	1,913
Unrealised loss on domestic investments accounted for using the equity method	70,197	(39,052)	-	31,145
Payable for unpaid annual leave	4,572	957	-	5,529
Provisions for liabilities	2,100	(275)	-	1,825
Currency translation differences	190,447	-	43,681	234,128
Unrealised foreign exchange loss	2,931	(1,507)	-	1,424
Others	56,500	(49,796)	-	6,704
Subtotal	<u>380,379</u>	<u>(108,574)</u>	<u>43,681</u>	<u>315,486</u>
Deferred tax liabilities:				
-Temporary differences:				
Unrealised gains on valuation	(13,032)	2,554	-	(10,478)
Net defined benefit assets	(1,288)	(179)	(527)	(1,994)
Unrealised investment income	(593,829)	(202,573)	-	(796,402)
Subtotal	<u>(608,149)</u>	<u>(200,198)</u>	<u>(527)</u>	<u>(808,874)</u>
Total	<u>(\$ 227,770)</u>	<u>(\$ 308,772)</u>	<u>\$ 43,154</u>	<u>(\$ 493,388)</u>

D. The amounts of deductible temporary difference that are not recognised as deferred tax assets are as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Accumulated impairment loss of investments accounted for using the equity method	\$ 134,819	\$ 134,819

E. The Company's income tax returns through 2020 have been assessed and approved by the Tax Authority.

(32) Earnings per share

	<u>Year ended December 31, 2022</u>		
	<u>Amount after tax</u>	<u>Weighted average number of ordinary shares outstanding (share in thousands)</u>	<u>Earnings per share (in dollars)</u>
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders	\$ 829,584	260,382	\$ 3.19
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders	829,584	260,382	
Assumed conversion of all dilutive potential ordinary shares			
-Employees' compensation	-	1,040	
-Convertible bonds	2,303	911	
-Restricted stocks	-	1,152	
Profit attributable to ordinary shareholders plus assumed conversion of all dilutive potential ordinary shares	\$ 831,887	263,485	\$ 3.16

	Year ended December 31, 2021		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders	\$ 2,247,354	245,822	\$ 9.14
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders	2,247,354	245,822	
Assumed conversion of all dilutive potential ordinary shares			
-Employees' compensation	-	1,195	
-Convertible bonds	4,860	13,051	
-Restricted stocks	-	2,000	
Profit attributable to ordinary shareholders plus assumed conversion of all dilutive potential ordinary shares	\$ 2,252,214	262,068	\$ 8.59

(33) Transactions with non-controlling interest

A. Acquisition of additional equity interest in a subsidiary

(a) In the period between August 1, 2022 to December 31, 2022, the Company acquired an additional 3.65% of shares in its subsidiary—LIWANLI Innovation Co., Ltd. for a total cash consideration of \$58,265. The effect of changes in interests in LIWANLI Innovation Co., Ltd. on the equity attributable to owners of the parent for the year ended December 31, 2022 is shown below:

	Years ended December 31,	
	2022	2021
Consideration paid to non-controlling interest	(\$ 58,265)	\$ -
Carrying amount of non-controlling interest acquired	30,107	-
	<u>(\$ 28,158)</u>	<u>\$ -</u>
Capital surplus		
- difference between proceeds on actual acquisition of or disposal of equity interest in a subsidiary and its carrying amount	(\$ 3,821)	\$ -
Reduction of unappropriated retained earnings	(24,337)	-
	<u>(\$ 28,158)</u>	<u>\$ -</u>

(b) On October 19, 2022, the Company acquired an additional 23.34% of shares in its subsidiary—FULLSUNGLOBAL DEVELOPMENT Company Limited for a total cash consideration of \$92,400. The effect of changes in interests in FULLSUNGLOBAL DEVELOPMENT Company Limited on the equity attributable to owners of the parent for

the year ended December 31, 2022 is shown below:

	Years ended December 31,	
	2022	2021
Consideration paid to non-controlling interest	(\$ 92,400)	\$ -
Carrying amount of non-controlling interest acquired	71,158	-
Reduction of unappropriated retained earnings	(\$ 21,242)	\$ -

B. Disposal of equity interest in a subsidiary (that did not result in a loss of control)

On August 24, 2022, the Company's subsidiary—WE LEAD BIOTECH CO., LTD. disposed of 0.38% of shares in the Company's subsidiary—LIWANLI Innovation Co., Ltd. for a total cash consideration of \$5,887. The effect of changes in interests in LIWANLI Innovation Co., Ltd. on the equity attributable to owners of the parent for the year ended December 31, 2022 is shown below:

	Years ended December 31,	
	2022	2021
Consideration received from non-controlling interest	\$ 5,887	\$ -
Carrying amount of non-controlling interest disposed	(6,244)	-
Reduction of unappropriated retained earnings	(\$ 357)	\$ -

(34) Business combinations

In 2022, the Company included WE LEAD BIOTECH CO., LTD. and FULLSUNGLOBAL DEVELOPMENT Company Limited as consolidated entities, the related information is provided in the Company's consolidated financial statements for the years ended December 31, 2022 and 2021.

(35) Supplemental cash flow information

A. Investing activities with partial cash payments:

	Years ended December 31,	
	2022	2021
Purchase of property, plant and equipment	\$ 3,714,921	\$ 10,114
Add: Opening balance of payable on equipment	3,304	3,352
Less: Ending balance of payable on equipment	(9,394)	(3,304)
Cash paid during the year	\$ 3,708,831	\$ 10,162

B. Financing activities with no cash flow effects:

	Years ended December 31,	
	2022	2021
Acquisition of right-of-use assets	\$ 46,757	\$ 23,616
Add: Additional lease liabilities during the year	(46,757)	(23,616)
Cash paid during the year	\$ -	\$ -

	Years ended December 31,	
	2022	2021
Convertible bonds converted to capital stocks	\$ 205,532	\$ 1,304,856

(36) Changes in liabilities from financing activities

	Short-term borrowings	Short-term notes and bill payable	Bonds payable	Long-term borrowings (including current portion)	Lease liabilities (current/non-current)
At January 1, 2022	\$ 7,987,928	\$ 500,000	\$ 206,105	\$ 4,707,869	\$ 13,790
Increase in cash flow from financing activities	-	-	-	13,313,883	-
Decrease in cash flow from financing activities	(3,262,475)	(300,000)	(900)	(6,144,504)	(16,327)
Increase in lease liabilities	-	-	-	-	46,757
Amortisation of discounts on bonds payable	-	-	1,854	-	-
Changes in other non-cash items	-	-	(207,059)	-	(4,132)
At December 31, 2022	<u>\$ 4,725,453</u>	<u>\$ 200,000</u>	<u>\$ -</u>	<u>\$ 11,877,248</u>	<u>\$ 40,088</u>

	Short-term borrowings	Short-term notes and bill payable	Bonds payable	Long-term borrowings (including current portion)	Lease liabilities (current/non-current)
At January 1, 2021	\$ 5,474,420	\$ 200,000	\$ 1,511,896	\$ 4,188,012	\$ 19,875
Increase in cash flow from financing activities	2,513,508	300,000	-	12,600,000	-
Decrease in cash flow from financing activities	-	-	-	(12,080,143)	(18,786)
Increase in lease liabilities	-	-	-	-	23,616
Amortisation of discounts on bonds payable	-	-	8,089	-	-
Changes in other non-cash items	-	-	(1,313,880)	-	(10,915)
At December 31, 2021	<u>\$ 7,987,928</u>	<u>\$ 500,000</u>	<u>\$ 206,105</u>	<u>\$ 4,707,869</u>	<u>\$ 13,790</u>

7. RELATED PARTY TRANSACTIONS

(1) Names of related parties and relationship

<u>Names of related parties</u>	<u>Relationship with the Company</u>
ADATA INTEGRATION BRAZIL S/A	Subsidiary
ADATA ELECTRONICS BRAZIL S/A	Subsidiary
ADATA TECHNOLOGY (HK) CO., LTD.	Subsidiary
ADATA TECHNOLOGY (INDIA) PVT. LTD.	Subsidiary
ADATA TECHNOLOGY (JAPAN) CO., LTD.	Subsidiary
ADATA TECHNOLOGY (U.S.A.) CO., LTD.	Subsidiary
ADATA TECHNOLOGY B.V.	Subsidiary
ADATA TECHNOLOGY MEXICO SDRL DE CV	Subsidiary
ADATA HOLDINGS CO., LTD.	Subsidiary
MACHDATA INTERMEDIACAO DE NEGOCIOS LTDA.	Subsidiary
CI CAI GUANG AGRICULTURAL BIOTECHNOLOGY CO., LTD.	Subsidiary
JIOU LONG AGRICULTURAL BIOTECHNOLOGY CO., LTD.	Subsidiary
ZHAO-XING INVESTMENT CO., LTD.	Subsidiary
ADATA TECHNOLOGY (SUZHOU) CO., LTD.	Subsidiary
ADATA ELECTRONICS (SHANGHAI) CO., LTD.	Subsidiary
LONG TIAN AGRICULTURAL BIOTECHNOLOGY CO., LTD.	Subsidiary
LIWANLI Innovation Co., Ltd.	Subsidiary
Awayspeed Technology Company Limited	Subsidiary
WE LEAD BIOTECH CO., LTD.	Subsidiary (Associate before June 1, 2022)
FULLSUNGLOBAL DEVELOPMENT Company Limited	Subsidiary (Associate before September 23, 2022)
IROC Co., Ltd.	Associate
Atrack Technology Inc.	Associate
Taiwan Biomedical Company	Associate
All In Digital Co., Ltd.	Associate
Xrider Industrial Co., Ltd	Associate
Taiwan Sports Lottery Co., Ltd.	Joint venture
ATESTINC CO., LTD.	Other related party
Esmond Natural (Taiwan) Co., Ltd.	Other related party
All directors and officials above vice general manager	The Company's key management and governance body

(2) Significant related party transactions and balances

A. Sales transaction

(a) Operating revenue

Operating revenue arising from sales to related parties is as follows:

	Years ended December 31,	
	2022	2021
Subsidiaries		
—ADATA TECHNOLOGY (HK) CO., LTD.	\$ 4,564,578	\$ 6,890,057
—ADATA TECHNOLOGY (U.S.A.) CO., LTD.	5,540,661	7,755,684
—ADATA ELECTRONICS (SHANGHAI) CO., LTD.	406,006	196,393
—Others	12,939	1,079
Associates	188	1,340
	<u>\$ 10,524,372</u>	<u>\$ 14,844,553</u>

Sales price to related parties are based on market price. The collection terms were shipped after pre-payment of goods to 120 days after monthly billings for the third parties as well as the related parties.

(b) Accounts receivable

Details of accounts receivable from related parties are as follows:

	December 31, 2022	December 31, 2021
Subsidiaries		
—ADATA TECHNOLOGY (HK) CO., LTD.	\$ 968,511	\$ 1,313,749
—ADATA TECHNOLOGY (U.S.A.) CO., LTD.	724,960	1,369,666
—ADATA ELECTRONICS (SHANGHAI) CO., LTD.	152,795	37,831
—Others	3,229	900
	<u>\$ 1,849,495</u>	<u>\$ 2,722,146</u>

B. Purchases of goods

(a) Purchases

Details of purchasing of goods and manufacturing services from related parties are as follows:

	<u>Years ended December 31,</u>	
	<u>2022</u>	<u>2021</u>
Purchases of goods:		
Subsidiaries	\$ 85,921	\$ 88,708
Associates	3,632	582
	<u>\$ 89,553</u>	<u>\$ 89,290</u>
Purchases of services:		
Subsidiary		
-ADATA TECHNOLOGY (SUZHOU)		
CO., LTD.	<u>\$ 2,297,756</u>	<u>\$ 3,008,205</u>

The purchase price and payment terms that the Company provided to related parties are based on the market prices. The payment terms to the third parties were paid upon receipt of goods to 90 days after monthly billings, and the payment terms to the related parties were 60 days after monthly billings.

(b) Accounts payable

Details of accounts payable arising from purchasing from aforementioned related parties are as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Subsidiaries		
— ADATA TECHNOLOGY (SUZHOU)	\$ 3,584,683	\$ 3,267,437
CO., LTD.		
Associates	80	-
	<u>\$ 3,584,763</u>	<u>\$ 3,267,437</u>

C. Acquisition of financial assets

<u>Counterparty</u>	<u>Accounts</u>	<u>No. of shares</u>	<u>Objects</u>	<u>Year ended December 31, 2022 Consideration</u>
CI CAI GUANG AGRICULTURAL BIOTECHNOLOGY CO., LTD.	Investments accounted for using the equity method	1,000,000	Stocks	\$ 10,000
LONG TIAN AGRICULTURAL BIOTECHNOLOGY CO.,LTD.	Investments accounted for using the equity method	500,000	Stocks	5,000
FULLSUNGLOBAL DEVELOPMENT Company Limited	Investments accounted for using the equity method	7,300,000	Stocks	73,000
Taiwan Sports Lottery Co., Ltd	Investments accounted for using the equity method	3,700,000	Stocks	133,200
Xrider Industrial Co, Ltd	Investments accounted for using the equity method	600,000	Stocks	9,000
ADATA HOLDINGS CO., LTD	Investments accounted for using the equity method	350,000	Stocks	10,531
MACHDATA INTERMEDIACAO DE NEGOCIOS LTDA	Investments accounted for using the equity method	25,983,626	Stocks	131,239
				<u>\$ 371,970</u>

Counterparty	Accounts	No. of shares	Objects	Year ended December 31, 2021	
				Consideration	
ZHAO-XING INVESTMENT CO., LTD.	Investments accounted for using the equity method	20,000,000	Stocks	\$	400,000
ADATA HOLDINGS CO., LTD.	Investments accounted for using the equity method	700,000	Stocks		19,596
MACHDATA INTERMEDIACAO DE NEGOCIOS LTDA	Investments accounted for using the equity method	29,008,675	Stocks		146,483
Atrack Technology Inc.	Investments accounted for using the equity method	5,000,000	Private common stocks		67,500
All In Digital Co.,Ltd.	Investments accounted for using the equity method	180,000	Stocks		1,800
MACHDATA INTERMEDIACAO DE NEGOCIOS LTDA	Other non-current assets -current prepayments for investments	25,936,326	Stocks		131,239
				\$	766,618

D. Transactions on liquidation of subsidiaries

Year ended December 31, 2022 : None

Counterparty	Accounts	No. of shares	Objects	Year ended December 31, 2021	
				Proceeds from liquidation	Gain (losses) on liquidation
ADATA TECHNOLOGY (KOREA) CO., LTD.	Investments accounted for using the equity method	1,100,000	Stocks	\$ 536	\$ 241

E. Lease and miscellaneous transactions

(a) Other income

The rent income and other income arising from lease and rendering technology licensing are as follows:

	Years ended December 31,	
	2022	2021
Subsidiaries		
— ADATA TECHNOLOGY (SUZHOU) CO., LTD.	\$ 10,849	\$ 42
— ADATA INTEGRATION BRAZIL S/A	16,650	17,514
— Others	1,099	866
Associates	682	152
Other related parties	18	23
	\$ 29,298	\$ 18,597

The decision and collection terms of rent for subletting office to related parties were agreed upon by both parties, and were paid monthly at the inception of lease commencement.

(b) Other receivables

Other receivables arising from the aforementioned transactions and payments on behalf of others are as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Subsidiaries	\$ 4,666	\$ 126
Associates	116	84
Other related parties	13	10
	<u>\$ 4,795</u>	<u>\$ 220</u>

(c) Other non-current liabilities

Details of guarantee deposits received arising from the lease transactions are as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Subsidiaries	\$ 123	\$ 123

(d) Other current liabilities

Details of other advance receipts arising from the technology licensing are as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Subsidiaries		
— ADATA INTEGRATION BRAZIL S/A	\$ 20,729	\$ 36,246

F. Issuance of lottery

Other receivables

To obtain the issuance right for sports lottery, the Company issued a performance guarantee of \$2,000,000. The guarantee period is 10.5 years, the information on other receivables arising from guaranteed expenses, interest expenses and payments on behalf of others is as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Joint ventures - Taiwan Sports Lottery Co., Ltd	\$ 37,197	\$ 33,987

Additionally, in order to commit to the above performance guarantee, the amounts of collateral, which consists of a time deposit provided by joint ventures, were all \$100,610 as of December 31, 2022 and 2021.

G. Lottery management revenue

(a) Other income

Other income arising from rendering management services to related parties are as follows:

	<u>Years ended December 31,</u>	
	<u>2022</u>	<u>2021</u>
Joint ventures - Taiwan Sports Lottery Co., Ltd	\$ 15,053	\$ 11,658

(b) Other receivables

Details of other receivables arising from above transactions are as follows:

	Years ended December 31,	
	2022	2021
Joint ventures - Taiwan Sports Lottery Co., Ltd	\$ 15,053	\$ 11,658

H. Other transactions

(a) Operating expenses/other payables

i. Service expense and other payables arising from rendering services to related parties are as follows:

	Years ended December 31,	
	2022	2021
Service expense:		
Subsidiaries	\$ 134,959	\$ 145,593
Associates	22	-
Other related parties	40	363
	<u>\$ 135,021</u>	<u>\$ 145,956</u>
	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Other payables:		
Subsidiaries	\$ 18,561	\$ 13,451
Other related parties	-	58
	<u>\$ 18,561</u>	<u>\$ 13,509</u>

(b) Other payables

Other payables arising from payments on behalf of related parties are as follows:

	December 31, 2022	December 31, 2021
Subsidiaries	\$ 515	\$ 245
Associates	74	120
Other related parties	-	29
	<u>\$ 589</u>	<u>\$ 394</u>

(c) Other income/Other receivables

Dividend income arising from investment in associates (shown as deduction of investment accounted for using the equity method) is as follows:

	Years ended December 31,	
	2022	2021
Joint ventures	\$ 300,000	\$ 300,000
Associates	1,350	-
	<u>\$ 301,350</u>	<u>\$ 300,000</u>

As of December 31, 2022 and 2021, other receivables arising from aforementioned transactions were all \$0.

I. Guarantee

(a) The Company entered into a loan agreement with banks. Part of the loan is collateralised by

key management.

- (b) The Company entered into a loan agreement with banks. Details of the related parties' land pledged as guarantee are as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Subsidiaries	\$ -	\$ 1,581,129

- (c) The Company provision of endorsements and guarantees loan amount for subsidiaries as guarantor.

	<u>Years ended December 31,</u>	
	<u>2022</u>	<u>2021</u>
Guranteed amount		
-ADATA INTEGRATION BRAZIL S/A	\$ 307,100	\$ 276,800
-ADATA ELECTRONICS BRAZIL S/A	614,200	692,000
	<u>\$ 921,300</u>	<u>\$ 968,800</u>
Actual amount drawn down		
-ADATA INTEGRATION BRAZIL S/A	\$ 104,670	\$ 116,525
-ADATA ELECTRONICS BRAZIL S/A	145,375	503,039
	<u>\$ 250,045</u>	<u>\$ 619,564</u>

(3) Key management compensation

	<u>Years ended December 31,</u>	
	<u>2022</u>	<u>2021</u>
Short-term employee benefits	\$ 174,370	\$ 268,934
Post-employment benefits	953	942
Shared-based payment	13,083	40,440
	<u>\$ 188,406</u>	<u>\$ 310,316</u>

8. PLEDGED ASSETS

The Company's assets pledged as collateral are as follows:

<u>Pledged asset</u>	<u>Book value</u>		<u>Purpose</u>
	<u>December 31, 2022</u>	<u>December 31, 2021</u>	
Current financial assets at amortised cost	\$ 1,111,420	\$ 807,360	Pledged to Sports Administration, Ministry of Education, credit facility and proceeds from issuing bonds
Property, plant and equipment	5,663,934	1,202,635	Credit facility
Investement property	84,697	258,252	Credit facility and proceeds from issuing bonds
	<u>\$ 6,860,051</u>	<u>\$ 2,268,247</u>	

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT COMMITMENTS

(1) Significant contingent liabilities

None.

(2) Significant unrecognised contract commitments

A. As of December 31, 2022 and 2021, the Company issued promissory notes for borrowing facilities, proceeds from issuing bonds, accounts receivable factorings facilities, project guarantee and government subsidy program amounting to \$26,573,724 and \$27,492,961, respectively.

B. As of December 31, 2022 and 2021, the Company has commitments to make future payments for the purchase of goods, plants expansion, office space and construction improvements that has committed to make future payments of \$0 and \$2,604,903, respectively.

C. As of December 31, 2022 and 2021, the amounts of outstanding letters of credit issued by the Company for inventory purchases and provision of endorsements and guarantees were \$1,334,880 and \$1,086,640, respectively.

D. To obtain the issuance right for sports lottery in 2013, the Company issued a performance guarantee of \$2,000,000 and used its subsidiaries' land as collateral. As of December 31, 2022 and 2021, the amount of collateral were \$0 and \$708,178, respectively.

E. As of December 31, 2022 and 2021, the amounts of provision of endorsements and guarantees to others and actual drawn down by the Company were \$921,000 and \$250,045; \$968,800 and \$619,564, respectively.

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

(1) The appropriations of earnings of year 2022 was resolved by the Board of Directors on March 13, 2023, please refer to Note 6(23).

(2) The issuance of employees restricted stocks for year 2023 was resolved by the Board of Directors on March 13, 2023, please refer to Note 6(20).

12. Others

(1) Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders,

issue new shares or sell assets to reduce debt. The Company monitors capital on the basis of the debt ratio. This ratio is calculated as total liabilities divided by total assets.

During the year ended December 31, 2022, the Company's strategy, was unchanged from 2021. As of December 31, 2022 and 2021, the debt to assets ratio is provided in the parent company only balance sheets.

(2) Financial instruments

A. Financial instruments by category

Please refer to the parent company only balance sheets and related information in Note 6 for the Company's financial assets (including cash and cash equivalents, financial assets at fair value through profit or loss – current, current financial assets at amortised cost, notes receivable, accounts receivable (including related parties), other receivables (including related parties), financial assets at fair value through profit or loss – non-current, non-current financial assets at fair value through other comprehensive income, refundable deposits); and financial liabilities (short-term borrowings, short-term notes and bills payable, notes payable, accounts payable (including related parties), other payables (including related parties), other current liabilities – refund liabilities, lease liabilities (current/non-current), bonds payable, long-term borrowings (including current portion), guarantee deposits received).

B. Financial risk management policies

- (a) The Company's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk.
- (b) Risk management is carried out by a central treasury department (Company treasury) under policies approved by the management. Company treasury identifies, evaluates and hedges financial risks in close co-operation with the Company's operating units. The management provides written principles for overall risk management, as well as written policies covering specific areas and matters, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

C. Significant financial risks and degrees of financial risks

(a) Market risk

i. Foreign exchange risk

- (i) The Company operates internationally and is exposed to exchange rate risk arising from the transactions of the Company used in various functional currency, primarily with respect to the USD and RMB. Exchange rate risk arises from future commercial transactions and recognised assets and liabilities.
- (ii) Management has set up a policy to require each department in the Company to manage their foreign exchange risk against their functional currency. Each department is required to hedge their entire foreign exchange risk exposure with the Company treasury

(iii) The Company's businesses involve some non-functional currency operations (the Company's functional currency is NTD). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

	December 31, 2022		
	Foreign currency amount	Exchange rate	Book value
	(In thousands)		(NTD)
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 163,603	30.7100	\$ 5,024,248
<u>Investments accounted for using the equity method</u>			
USD:NTD	227,250	30.7100	6,978,839
BRL:NTD	357,849	5.8150	2,080,890
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	194,756	30.7100	5,980,957
December 31, 2021			
	Foreign currency amount	Exchange rate	Book value
	(In thousands)		(NTD)
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 257,379	27.6800	\$ 7,124,251
<u>Investments accounted for using the equity method</u>			
USD:NTD	226,782	27.6800	6,277,326
BRL:NTD	266,566	4.8552	1,294,231
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	350,688	27.6800	9,707,044

(iv) The total exchange (loss) gain, including realised and unrealised, arising from significant foreign exchange variation on the monetary items held by the Company for the years ended December 31, 2022 and 2021, please refer to Note 6(27).

(v) Analysis of foreign currency market risk arising from significant foreign exchange variation:

	Year ended December 31, 2022		
	Sensitivity analysis		Effect on other
	Degree of variation	Effect on profit or (loss)	comprehensive income
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	1%	\$ 50,242	\$ -
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	1%	(59,810)	\$ -

	Year ended December 31, 2021		
	Sensitivity analysis		Effect on other
	Degree of variation	Effect on profit or (loss)	comprehensive income
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	1%	\$ 71,243	\$ -
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	1%	(97,070)	\$ -

ii. Price risk

- (i) The Company's equity securities, which are exposed to price risk, are the held financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income. To manage its price risk arising from investments in equity securities, the Company diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Company.
- (ii) The Company's investments in equity securities comprise shares, gold passbook and open-end funds issued by the domestic and foreign companies. The prices of equity securities would change due to the change of the future value of investee companies. If the prices of these equity securities had increased/decreased by 1% with all other variables held constant, pre-tax profit for the years ended December 31, 2022 and 2021 would have increased/decreased by \$2,612 and \$469, respectively, as a result of gains/losses on equity securities classified as at fair value through profit or loss. Other components of equity would have increased/decreased by \$3,782 and \$958, respectively, as a result of other comprehensive income classified as equity investment at fair value through other comprehensive income.

iii. Cash flow and fair value interest rate risk

- (i) The Company's main interest rate risk arises from long-term and short-term borrowings with variable rates, which expose the Company to cash flow interest rate

risk. The Company's borrowings at variable rate were mainly denominated in New Taiwan dollars and US dollars.

- (ii) The Company's borrowings are measured at amortised cost. The borrowings are periodically contractually repriced and to that extent are also exposed to the risk of future changes in market interest rates.
- (iii) If the borrowing interest rate had increased/decreased by 1% with all other variables held constant, profit, net of tax for the years ended December 31, 2022 and 2021 would have increased/decreased by \$168,027 and \$131,958, respectively. The main factor is that changes in interest expense result in floating-rate borrowings.

(b) Credit risk

- i. Credit risk refers to the risk of financial loss to the Company arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms, and the contract cash flows of debt instruments stated at amortised cost, at fair value through profit or loss.
- ii. Credit risk refers to the risk of financial loss to the Company arising from default by the clients or counterparties of financial instruments on the contract obligations. According to the Company's credit policy, each operating unit in the Company is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, considering their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the management. The utilisation of credit limits is regularly monitored.
- iii. Credit risk of investments in debt instruments at amortised cost refers to the risk of financial loss to the Company arising from default by the counterparties on the contract obligations. The Company transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.
- iv. Based on historical experience, if the contract payments were past due over 31 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.
- v. The Company adopts the assumptions under historical experience, the default occurs when the contract payments are past due over 91 days.
- vi. The Company classifies customers' accounts receivable in accordance with geographic area, product categories, and the nature of customer risk. The Company applies the simplified approach using provision matrix to estimate expected credit loss under the

provision matrix basis.

vii. The following indicators are used to determine whether the credit impairment of debt instruments has occurred:

- (i) It becomes probable that the issuer will enter bankruptcy or other financial reorganisation due to their financial difficulties;
- (ii) The disappearance of an active market for that financial asset because of financial difficulties;
- (iii) Default or delinquency in interest or principal repayments;
- (iv) Adverse changes in national or regional economic conditions that are expected to cause a default.

viii. In terms of default financial assets, the Company will continue executing the recourse procedures to secure their rights. The Company wrote-off the financial assets, which cannot be reasonably expected to be recovered, after initiating recourse procedures.

ix. The Company used the forecastability of future economic situation to adjust historical and timely information to assess the default possibility of notes and accounts receivable and overdue receivables. The provision matrix is as follows:

	Not past due	Up to 90 days past due	Over 91 days past due	Individual assessment	Total
<u>December 31, 2022</u>					
Expected loss rate	0.05%	1%~3%	100.00%	100.00%	
Notes receivable	\$ 829	\$ -	\$ -	\$ -	\$ 829
Accounts receivable	3,911,442	74,131	-	-	3,985,573
Over due receivable	-	-	-	81	81
Total book value	<u>\$ 3,912,271</u>	<u>\$ 74,131</u>	<u>\$ -</u>	<u>\$ 81</u>	<u>\$ 3,986,483</u>
Loss allowance	<u>(\$ 1,113)</u>	<u>(\$ 781)</u>	<u>\$ -</u>	<u>(\$ 81)</u>	<u>(\$ 1,975)</u>

	Not past due	Up to 90 days past due	Over 91 days past due	Individual assessment	Total
<u>December 31, 2021</u>					
Expected loss rate	0.05%	1%~3%	100.00%	100.00%	
Notes receivable	\$ 1,251	\$ -	\$ -	\$ -	\$ 1,251
Accounts receivable	5,715,855	64,724	88	-	5,780,667
Over due receivable	-	-	-	166	166
Total book value	<u>\$ 5,717,106</u>	<u>\$ 64,724</u>	<u>\$ 88</u>	<u>\$ 166</u>	<u>\$ 5,782,084</u>
Loss allowance	<u>(\$ 1,564)</u>	<u>(\$ 677)</u>	<u>(\$ 88)</u>	<u>(\$ 166)</u>	<u>(\$ 2,495)</u>

The above ageing analysis was based on past due date.

x. Movements in relation to the Company applying the simplified approach to provide loss allowance for accounts and overdue receivables are as follows:

	2022		
	Accounts receivable	Overdue receivables	Total
At January 1	(\$ 2,329)	(\$ 166)	(\$ 2,495)
Expected credit impairment gain (loss)	414	-	414
Reclassify to overdue receivables	21	(21)	-
Derecognised	-	106	106
At December 31	<u>(\$ 1,894)</u>	<u>(\$ 81)</u>	<u>(\$ 1,975)</u>

	2021		
	Accounts receivable	Overdue receivables	Total
At January 1	(\$ 1,257)	(\$ 838)	(\$ 2,095)
Expected credit impairment gain (loss)	(1,072)	389	(683)
Derecognised	-	283	283
At December 31	<u>(\$ 2,329)</u>	<u>(\$ 166)</u>	<u>(\$ 2,495)</u>

(c) Liquidity risk

- i. Cash flow forecasting is performed by Company treasury. Company treasury monitors rolling forecasts of the Company's liquidity requirements to ensure it has sufficient cash to meet operational needs while always maintaining sufficient headroom on its undrawn committed borrowing facilities so that the Company does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities. Such forecasting takes into consideration the Company's debt financing plans, covenant compliance, compliance with internal balance sheet ratio targets.
- ii. Surplus cash over and above balance required for working capital management are transferred to the Company treasury. Company treasury invests surplus cash in interest bearing current accounts, time deposits, money market deposits and marketable securities, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient head-room as determined by the above-mentioned forecasts. As at December 31, 2022 and 2021, the Company held aforementioned investments (excluding cash and cash equivalent) position of \$55,554 and \$46,908, respectively, that are expected to readily generate cash inflows for managing liquidity risk.
- iii. The Company has the following undrawn borrowing facilities:

	December 31, 2022	December 31, 2021
Floating rate:		
Expiring within one year	\$ 13,573,088	\$ 9,561,802
Expiring beyond one year	50,000	2,816,000
	<u>\$ 13,623,088</u>	<u>\$ 12,377,802</u>

The facilities expiring within one year are annual facilities subject to review at various dates during 2023. The remaining facilities are for the Company's operational needs.

iv. The Company's derivative financial liabilities and non-derivative financial liabilities are analyzed based on the remaining period at the balance sheet date to the contractual maturity date. Except for those listed in the table below, the Company's non-derivative financial liabilities will expire within 1 year and the amount of the Company's non-derivative financial liabilities were in line with the amount recognised in the balance sheet. The contractual undiscounted cash flows are disclosed as follows:

Non-derivative financial liabilities

<u>December 31, 2022</u>	<u>Less than 1 year</u>	<u>Over 1 year</u>	<u>Total</u>
Lease liabilities (current/non-current)	\$ 6,633	\$ 35,611	\$ 42,244
Long-term borrowings (including current portion)	658,312	11,567,076	12,225,388

<u>December 31, 2021</u>	<u>Less than 1 year</u>	<u>Over 1 year</u>	<u>Total</u>
Lease liabilities (current/non-current)	\$ 12,945	\$ 941	\$ 13,886
Bonds payable	-	210,400	210,400
Long-term borrowings (including current portion)	75,254	4,673,388	4,748,642

(3) Fair value information

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

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

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. The fair value of the Company's investment in unlisted stocks forward exchange contracts, financial products, and issuance of put and call options of convertible bonds is included in Level 2.

Level 3: Unobservable inputs for the asset or liability. The Company's investment in private placement shares are included.

B. Fair value information of investment property at cost is provided in Note 6(11).

C. Financial instruments not measured at fair value

The carrying amounts of the Company's financial instruments that were not measured at fair value (including cash and cash equivalents, current financial assets at amortised cost notes

receivable, notes receivable, accounts receivable (including related parties), other receivables (including related parties), refundable deposits, short-term borrowings, short-term notes and bills payable, notes payable, accounts payable (including related parties), other payables (including related parties), other current liabilities – refund liabilities, lease liabilities (current/non-current), bonds payable, long-term borrowings (including current portion) and guarantee deposits received) are approximate to their fair values.

D. The related information of financial and non-financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities is as follows:

(a) The related information of natures of the assets and liabilities is follows:

December 31, 2022	Level 1	Level 2	Level 3	Total
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
- Equity securities and beneficiary certificates	\$ 55,554	\$ 205,651	\$ -	\$ 261,205
Financial assets at fair value through other comprehensive income				
- Equity securities	254,752	123,447	-	378,199
	<u>\$ 310,306</u>	<u>\$ 329,098</u>	<u>\$ -</u>	<u>\$ 639,404</u>
December 31, 2021	Level 1	Level 2	Level 3	Total
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
- Equity securities, beneficiary certificates	\$ 44,930	\$ -	\$ -	\$ 44,930
- Put and call options of convertible bonds	-	1,978	-	1,978
Financial assets at fair value through other comprehensive income				
- Equity securities	72,102	23,739	-	95,841
	<u>\$ 117,032</u>	<u>\$ 25,717</u>	<u>\$ -</u>	<u>\$ 142,749</u>

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

i. The instruments the Company used market quoted prices as their fair values (that is, Level 1) are listed below by characteristics:

	Listed (TSE and OTC) stocks	Open-end fund
Market quoted price	Closing price	Net asset value

ii. Except for financial instruments with active markets, the fair value of other financial instruments is measured by using valuation techniques or by reference to counterparty quotes. The fair value of financial instruments measured by using valuation techniques can be referred to current fair value of instruments with similar terms and characteristics in substance, discounted cash flow method or other valuation methods, including

- calculated by applying model using market information available at the balance sheet date.
- iii. When assessing non-standard and low-complexity financial instruments, for example, debt instruments without active market, the Company adopts valuation technique that is widely used by market participants. The inputs used in the valuation method to measure these financial instruments are normally observable in the market.
 - iv. The Company considers adjustments for credit risks to measure the fair value of financial and non-financial instruments to reflect credit risk of the counterparty and the Company's credit quality.
- E. For the years ended December 31, 2022 and 2021, there was no transfer between Level 1 and Level 2.
- F. The following chart is the movement of Level 3:

	<u>2022</u>	<u>2021</u>
	Financial assets at fair value through other comprehensive income	Financial assets at fair value through other comprehensive income
At January 1	\$ -	\$ 11,969
Recognised in other comprehensive income (loss)	-	10,674
Transfer out from level 3	-	(22,643)
At December 31	<u>\$ -</u>	<u>\$ -</u>

- G. In 2021, due to the supplemental public issuance of private common shares of NANOPLUS LTD., sufficient observable market information could be obtained, so the Company transferred the fair value used from the third level to the Level 1.
- H. Investment segment is in charge of valuation procedures for fair value measurements being categorised within Level 3, which is to verify independent fair value of financial instruments. Such assessment is to ensure the valuation results are reasonable by applying independent information to make results close to current market conditions, confirming the resource of information is independent, reliable and in line with other resources and represented as the exercisable price, and frequently calibrating valuation model, updating inputs used to the valuation model and making any other necessary adjustments to the fair value.
- I. The Company has carefully assessed the valuation models and assumptions used to measure fair value; therefore, the fair value measurement is reasonable. However, use of different valuation models or assumptions may result in difference measurement. For December 31, 2022 and 2021, there will be no significant effect on other comprehensive income from financial assets and liabilities categorised within Level 3 if the value of net assets increased and decreased by 1%.

(4) Others

Due to the outbreak of COVID-19 in January 2020, governments across various countries have successively implemented various epidemic prevention measures. Although the number of working days in some areas has been reduced, the Company responded quickly and immediately adjusted the production capacity allocation in various regions. The overall production and sales of the Group were only slightly affected. The Company has also taken relevant countermeasures. In addition to continuing to maintain close contact with customers and manufacturers, it is also committed to strengthening employees health management to mitigate the impact on operations. The Company's individual financial status and individual operating results in 2022 will not be affected by the epidemic with a significant impact.

13. SUPPLEMENTARY DISCLOSURES

(1) Significant transactions information

- A. Loans to others: Please refer to table 1.
- B. Provision of endorsements and guarantees to others: Please refer to table 2.
- C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Please refer to table 3.
- D. Acquisition or sale of the same security with the accumulated cost exceeding \$300 million or 20% of the Company's paid-in capital: None.
- E. Acquisition of real estate reaching NT\$300 million or 20% of paid-in capital or more: Please refer to table 4.
- F. Disposal of real estate reaching NT\$300 million or 20% of paid-in capital or more: None.
- G. Purchases or sales of goods from or to related parties reaching NT\$100 million or 20% of paid-in capital or more: Please refer to table 5.
- H. Receivables from related parties reaching NT\$100 million or 20% of paid-in capital or more: Please refer to table 6.
- I. Trading in derivative instruments undertaken during the reporting periods: Please refer to Notes 6(2) and 12(3).
- J. Significant inter-company transactions during the reporting periods: Please refer to table 7.

(2) Information on investees

Names, locations, and other information of investee companies (not including investees in Mainland China): Please refer to table 8.

(3) Information on investments in Mainland China

- A. Basic information: Please refer to table 9.
- B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: Please refer to table 10.

(4) Major shareholders information

No shareholders hold more than 5% of the Company's shares.

ADATA TECHNOLOGY CO., LTD.

Loans to others

Year ended December 31, 2022

Table 1

Expressed in thousands of NTD

(Except as otherwise indicated)

Number	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the year ended December 31, 2022	Balance at December 31, 2022	Actual amount drawn down	Interest rate	Nature of loan	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party	Ceiling on total loans granted	Footnote
													Item	Value			
0	ADATA TECHNOLOGY CO., LTD.	ADATA ELECTRONICS BRAZIL S/A	Other receivables due from related parties	Y	\$ 307,100	\$ 307,100	\$ -	4.5%	Short-term financing	\$ -	Operations	\$ -	None	\$ -	\$ 1,174,119	\$ 3,522,357	Notes 1 and 2
0	ADATA TECHNOLOGY CO., LTD.	ADATA ELECTRONICS BRAZIL S/A	Other receivables due from related parties	Y	307,100	-	-	3.5%	Short-term financing	-	Operations	-	None	-	1,174,119	3,522,357	Notes 1 and 2

Note 1: In accordance with Article 4 of the Operational Procedures for Loans to Others:

- (1) The Company's total lending amount must not exceed 40% of the net assets disclosed in the Company's latest financial statements, and not exceed 30% for short-term financing purpose.
- (2) The loans to each company entity whom the Company has transactions with, the lending amount must not exceed the higher of the Company's purchases from or sales to the counterparty.
- (3) The loans to each entity for short-term financing purpose must not exceed 10% of the net assets disclosed in the Company's latest financial statements.
- (4) Limit on the loans to others provided by the foreign companies whose voting rights are 100% owned directly and indirectly by the Company or limit on loans for financing granted by and to subsidiaries of which the ultimate parent directly or indirectly holds 100% of its voting shares is not applicable for the limit of 40% of the creditor's net assets. However, limit on the total loans to others and the individual loan must not exceed 40% of the Company's net assets disclosed in the Company's latest financial statements. Loans shall be matured in 1 year, which can be expended based on the actual situation under the approval from the Board of Directors. The abovementioned limit on the total loans to others and individual loans do not apply to items (2) and (3).

Note 2: Abovementioned net assets amount is based on the recent audited or reviewed financial report attested by the auditor.

ADATA TECHNOLOGY CO., LTD.
Provision of endorsements and guarantees to others
Year ended December 31, 2022

Table 2

Expressed in thousands of NTD
(Except as otherwise indicated)

Number	Endorser/guarantor	Party being endorsed/guaranteed		Limit on endorsements/guarantees provided for a single party	Maximum outstanding endorsement/guarantee amount as of December 31, 2022	Outstanding endorsement/guarantee amount at December 31, 2022	Actual amount drawn down	Amount of endorsements/guarantees secured with collateral	Ratio of accumulated endorsement/guarantee amount to net asset value of the endorser/guarantor company	Ceiling on total amount of endorsements/guarantees provided	Provision of endorsements/guarantees by parent company to subsidiary	Provision of endorsements/guarantees by subsidiary to parent company	Provision of endorsements/guarantees to the party in Mainland China	Footnote
		Company name	Relationship with the endorser/guarantor											
0	ADATA TECHNOLOGY CO., LTD.	ADATA INTEGRATION BRAZIL S/A	Note 2	\$ 1,174,119	\$ 614,200	\$ 307,100	\$ 104,670	\$ 61,420	2.62	\$ 5,870,595	Y	N	N	Note 3
0	ADATA TECHNOLOGY CO., LTD.	ADATA ELECTRONICS BRAZIL S/A	Note 2	1,174,119	1,228,400	614,200	145,375	-	5.23	5,870,595	Y	N	N	Note 3
1	LONG TIAN AGRICULTURAL BIOTECHNOLOGY CO., LTD.	ADATA TECHNOLOGY CO., LTD.	Note 1	776,000	708,178	-	-	-	-	776,000	N	Y	N	Note 4
2	CI CAI GUANG AGRICULTURAL BIOTECHNOLOGY CO., LTD.	ADATA TECHNOLOGY CO., LTD.	Note 1	760,000	697,659	-	-	-	-	760,000	N	Y	N	Note 4
3	JIOU LONG AGRICULTURAL BIOTECHNOLOGY CO., LTD.	ADATA TECHNOLOGY CO., LTD.	Note 1	181,000	175,292	-	-	-	-	181,000	N	Y	N	Note 4
4	MACHDATA INTERMEDIACAO DE NEGOCIOS LTDA.	ADATA INTERGRATION BRAZIL S/A	Note 2	231,989	26,168	26,168	26,168	26,168	1.13	1,159,940	N	N	N	Note 3
4	MACHDATA INTERMEDIACAO DE NEGOCIOS LTDA.	ADATA ELECTRONICS BRAZIL S/A	Note 2	231,989	37,798	37,798	37,798	37,798	1.63	1,159,940	N	N	N	Note 3

Note 1: The endorsed/guaranteed parent company directly or indirectly owns more than 50% voting shares of the endorser/guarantor subsidiary.

Note 2: The endorser/guarantor parent company and its subsidiaries jointly own more than 50% voting shares of the endorsed/guaranteed company.

Note 3: In accordance with Article 4 of Operational Procedures for Provision of Endorsements and Guarantees to Others, the ceiling on total amount of endorsements/guarantees provided is:

- (1) Less than 50% of the Company's net assets for total endorsements/guarantees provided for others.
- (2) Less than 10% of the Company's net assets for endorsements/guarantees provided for each entity the ceiling does not apply in each subsidiary to which the Company directly and indirectly has 100% voting rights but must not exceed 20% of the Company's net assets.
- (3) The ceiling amount of endorsements/guarantees provided for each entity whom the Company has transactions with must not exceed the higher of the Company's purchases from or sales to the counterparty in addition to the aforementioned limitations.

Note 4: According to the Company's procedures for endorsement, the limits for endorsement amount are as follows:

- (1) The total amount of external endorsement may not exceed the Company's paid-in capital.
- (2) The total amount of endorsement to one company may not exceed 50% of the Company's paid-in capital, and the total amount of endorsement to the parent company or a subsidiary holding 100% of direct or indirect voting rights may not exceed the Company's paid-in capital.
- (3) The ceiling amount of endorsements/guarantees provided for each entity whom the Company has transactions with must not exceed the higher of the Company's purchases from or sales to the counterparty in addition to the aforementioned limitations.

Note 5: Abovementioned net assets amount is based on the recent audited or reviewed financial report attested by the auditor.

ADATA TECHNOLOGY CO., LTD.

Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)

Year ended December 31, 2022

Table 3

Expressed in thousands of NTD

(Except as otherwise indicated)

Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	As of December 31, 2022				
				Number of shares	Book value	Ownership (%) (note)	Fair value (note)	Footnote
ADATA TECHNOLOGY CO., LTD.	Beneficiary Certificates - Cathay US ESG Fund (USD)	Not applicable	Financial assets at fair value through profit or loss-current	30,000	\$ 7,665	-	\$ 7,665	-
ADATA TECHNOLOGY CO., LTD.	Beneficiary Certificates - Jih Sun Vietnam Opportunity Fund-N (USD)	Not applicable	Financial assets at fair value through profit or loss-current	20,000	3,955	-	3,955	-
ADATA TECHNOLOGY CO., LTD.	Beneficiary Certificates -PGIM Global New Supply Chain Fund-AN (USD)	Not applicable	Financial assets at fair value through profit or loss-current	20,000	4,822	-	4,822	-
ADATA TECHNOLOGY CO., LTD.	Beneficiary Certificates - SinoPac ESG Global Digital Infrastructure Fund Acc. (USD)	Not applicable	Financial assets at fair value through profit or loss-current	37,000	10,283	-	10,283	-
ADATA TECHNOLOGY CO., LTD.	Beneficiary Certificates - Mega Singapore Real Estate Income Fund-A (USD)	Not applicable	Financial assets at fair value through profit or loss-current	3,200	988	-	988	-
ADATA TECHNOLOGY CO., LTD.	Beneficiary Certificates - Yuanta 2 to 10 Years Investment Grade Corporate Bond Fund-A (USD)	Not applicable	Financial assets at fair value through profit or loss-current	30,000	9,160	-	9,160	-
ADATA TECHNOLOGY CO., LTD.	Domestic listed common stock - ARBOR TECHNOLOGY CORPORATION	None	Financial assets at fair value through profit or loss-current	690,599	18,681	0.72	18,681	-
					<u>\$ 55,554</u>		<u>\$ 55,554</u>	
ADATA TECHNOLOGY CO., LTD.	Domestic non-listed preferred stock - Kneron (Taiwan) Co., Ltd.	None	Financial assets at fair value through profit or loss-non-current	899,888	\$ 205,651	1.47	\$ 205,651	-
					<u>\$ 205,651</u>		<u>\$ 205,651</u>	
ADATA TECHNOLOGY CO., LTD.	Domestic emerging private placement common stock - NANOPLUS LTD.	None	Financial assets at fair value through other comprehensive profit or loss-non-current	1,257,232	\$ 19,990	0.73	\$ 19,990	-
ADATA TECHNOLOGY CO., LTD.	Domestic common stock - LIN BIOSCIENCE, INC.	None	Financial assets at fair value through other comprehensive profit or loss-non-current	1,349,207	234,762	1.87	234,762	-
ADATA TECHNOLOGY CO., LTD.	Domestic non-listed common stock - Media Development Co., Ltd.	None	Financial assets at fair value through other comprehensive profit or loss-non-current	3,000,000	-	15.87	-	-
ADATA TECHNOLOGY CO., LTD.	Domestic non-listed common stock - Abico Asia Capital Corp.	None	Financial assets at fair value through other comprehensive profit or loss-non-current	2,000,000	9,840	1.30	9,840	-
ADATA TECHNOLOGY CO., LTD.	Domestic non-listed common stock -TAIWAN ESPORTS LEAGUE CO., LTD.	The Company serves as a legal entity director of the company	Financial assets at fair value through other comprehensive profit or loss-non-current	92,331	603	1.32	603	-
ADATA TECHNOLOGY CO., LTD.	Domestic non-listed common stock - DIRECT CURRENT CO., LTD.	None	Financial assets at fair value through other comprehensive profit or loss-non-current	494,450	6,171	4.41	6,171	-

Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	As of December 31, 2022				
				Number of shares	Book value	Ownership (%) (note)	Fair value (note)	Footnote
ADATA TECHNOLOGY CO., LTD.	Domestic non-listed common stock - H2U Corporation	None	Financial assets at fair value through other comprehensive profit or loss-non-current	546,000	\$ 29,287	2.25	\$ 29,287	-
ADATA TECHNOLOGY CO., LTD.	Domestic non-listed common stock - Microprogram Information Co.,Ltd.	None	Financial assets at fair value through other comprehensive profit or loss-non-current	4,289,000	62,662	12.97	62,662	-
ADATA TECHNOLOGY CO., LTD.	Domestic non-listed common stock -Baasid international lab Co.,Ltd.	None	Financial assets at fair value through other comprehensive profit or loss-non-current	937,000	7,384	19.12	7,384	-
ADATA TECHNOLOGY CO., LTD.	Domestic non-listed common stock -Da Shiang Technology Co.,Ltd.	None	Financial assets at fair value through other comprehensive profit or loss-non-current	750,000	7,500	15.00	7,500	-
					<u>\$ 378,199</u>		<u>\$ 378,199</u>	
ZHAO-XING INVESTMENT CO., LTD.	Domestic listed common stock - SHIH WEI NAVIGATION CO., LTD.	None	Financial assets at fair value through profit or loss-current	10,000	\$ 251	-	\$ 251	-
ZHAO-XING INVESTMENT CO., LTD.	Domestic listed common stock - YANG MING MARINE TRANSPORT CORPORATION	None	Financial assets at fair value through profit or loss-current	1,000	66	-	66	-
ZHAO-XING INVESTMENT CO., LTD.	Domestic listed common stock - EVERGREEN MARINE CORPORATION	None	Financial assets at fair value through profit or loss-current	1,000	163	-	163	-
ZHAO-XING INVESTMENT CO., LTD.	Domestic listed common stock - WAN HAI LINES LTD.	None	Financial assets at fair value through profit or loss-current	1,000	80	-	80	-
ZHAO-XING INVESTMENT CO., LTD.	Domestic listed common stock - AES Holding Co., Ltd.	None	Financial assets at fair value through profit or loss-current	83,000	53,369	0.10	53,369	-
					<u>\$ 53,929</u>		<u>\$ 53,929</u>	
ZHAO-XING INVESTMENT CO., LTD.	Domestic listed common stock - DANEN TECHNOLOGY CORPORATION	None	Financial assets at fair value through other comprehensive profit or loss-non-current	5,391,080	\$ 81,675	7.05	\$ 81,675	-
ZHAO-XING INVESTMENT CO., LTD.	Domestic non-listed common stock - Ideahouse Co., Ltd.	None	Financial assets at fair value through other comprehensive profit or loss-non-current	327,683	-	5.38	-	-
ZHAO-XING INVESTMENT CO., LTD.	Domestic non-listed preferred stock -Abomen Technology Corporation	None	Financial assets at fair value through other comprehensive profit or loss-non-current	8,568	-	0.03	-	-
ZHAO-XING INVESTMENT CO., LTD.	Foreign non-listed preferred stock -Whistle holdco, LLC	None	Financial assets at fair value through other comprehensive profit or loss-non-current	654,000	27,070	0.73	27,070	-
ZHAO-XING INVESTMENT CO., LTD.	Foreign non-listed preferred stock -JANUS TECHNOLOGY GROUP, INC.	None	Financial assets at fair value through other comprehensive profit or loss-non-current	864,052	-	4.01	-	-
ZHAO-XING INVESTMENT CO., LTD.	Domestic non-listed common stock - Innostor Technology Corp.	None	Financial assets at fair value through other comprehensive profit or loss-non-current	16,462	-	0.19	-	-
ZHAO-XING INVESTMENT CO., LTD.	Domestic non-listed common stock - Embestor Technology Inc.	None	Financial assets at fair value through other comprehensive profit or loss-non-current	500,000	8,365	1.92	8,365	-
ZHAO-XING INVESTMENT CO., LTD.	Domestic non-listed common stock - ALOUD INTELLIGENCE SERVICES CORP. LTD.	None	Financial assets at fair value through other comprehensive profit or loss-non-current	1,000,000	2,890	16.67	2,890	-
ZHAO-XING INVESTMENT CO., LTD.	Domestic non-listed common stock - MEGA GROWTH VENTURE CAPITAL CO., LTD.	None	Financial assets at fair value through other comprehensive profit or loss-non-current	2,490,000	7,868	2.36	7,868	-

Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	As of December 31, 2022				
				Number of shares	Book value	Ownership (%) (note)	Fair value (note)	Footnote
ZHAO-XING INVESTMENT CO., LTD.	Foreign non-listed common stock - Joy capital Ltd.	None	Financial assets at fair value through other comprehensive profit or loss-non-current	800,000	\$ 3,440	11.76	\$ 3,440	-
ZHAO-XING INVESTMENT CO., LTD.	Domestic non-listed common stock - TransWorld Production Co.	None	Financial assets at fair value through other comprehensive profit or loss-non-current	120,000	359	1.25	359	-
ZHAO-XING INVESTMENT CO., LTD.	Domestic non-listed common stock - Yi Sheng Security Service Co., Ltd.	None	Financial assets at fair value through other comprehensive profit or loss-non-current	1,000,000	-	9.35	-	-
ZHAO-XING INVESTMENT CO., LTD.	Domestic non-listed common stock - Mucho International Co., Ltd.	None	Financial assets at fair value through other comprehensive profit or loss-non-current	2,000,000	-	17.08	-	-
ZHAO-XING INVESTMENT CO., LTD.	Domestic non-listed common stock - Dragon Yi Investment Ltd.	None	Financial assets at fair value through other comprehensive profit or loss-non-current	400,000	12,284	12.90	12,284	-
					<u>\$ 143,951</u>		<u>\$ 143,951</u>	
ADATA INVESTMENT COMPANY LIMITED	Foreign non-listed company Capital Contribution Certificate - Golden Crown Green Energy Ltd.	None	Financial assets at fair value through other comprehensive profit or loss-non-current	3,522,440	\$ -	0.67	\$ -	-
ADATA INVESTMENT COMPANY LIMITED	Foreign non-listed company Capital Contribution Certificate - Vantage Metro Limited	None	Financial assets at fair value through other comprehensive profit or loss-non-current	166,670	-	2.25	-	-
					<u>\$ -</u>		<u>\$ -</u>	
ADATA CAPITAL CO., LTD.	Foreign non-listed company Capital Contribution Certificate - Asustor Inc.	None	Financial assets at fair value through other comprehensive profit or loss-non-current	1,982,628	\$ 79,087	13.22	\$ 79,087	-
					<u>\$ 79,087</u>		<u>\$ 79,087</u>	
ADATA TECHNOLOGY (INDIA) PRIVATE LTD.	Foreign non-listed company Capital Contribution Certificate - Leaf Technologies Ltd.	None	Financial assets at fair value through other comprehensive profit or loss-non-current	250	\$ -	1.60	\$ -	-
					<u>\$ -</u>		<u>\$ -</u>	
ADATA TECHNOLOGY (HK) CO., LTD.	Foreign non-listed company Capital Contribution Certificate - LANGOGO GLOBAL LIMITED	None	Financial assets at fair value through other comprehensive profit or loss-non-current	10,257,355	\$ -	11.44	\$ -	-
ADATA TECHNOLOGY (HK) CO., LTD.	Foreign non-listed company Capital Contribution Certificate - JOINT MOUNTAIN TECHNOLOGY CO., LTD.	None	Financial assets at fair value through other comprehensive profit or loss-non-current	7,407,400	76,921	7.41	76,921	-
ADATA TECHNOLOGY (HK) CO., LTD.	Foreign non-listed company Capital Contribution Certificate - NOTTA INC.	None	Financial assets at fair value through other comprehensive profit or loss-non-current	10,257,355	48,951	7.27	48,951	-
					<u>\$ 125,872</u>		<u>\$ 125,872</u>	
ADVANCED DATA TECHNOLOGY (SUZHOU) CO., LTD.	CHINA MINSHENG BANK SUZHOU BARNCH - Asset management increasing returns daily financial product	Not applicable	Financial assets at fair value through profit or loss-current	-	\$ 4,037	-	\$ 4,037	-
					<u>\$ 4,037</u>		<u>\$ 4,037</u>	

Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	As of December 31, 2022				
				Number of shares	Book value	Ownership (%) (note)	Fair value (note)	Footnote
ADATA TECHNOLOGY (SUZHOU) CO., LTD.	Foreign non-listed company Capital Contribution Certificate - Beijing Function Capital Management Co., Ltd.	None	Financial assets at fair value through other comprehensive profit or loss-non-current	1,000,000	\$ 4,408	10.00	\$ 4,408	-
ADATA TECHNOLOGY (SUZHOU) CO., LTD.	Foreign non-listed company Capital Contribution Certificate - Shanghai Shangguang Enterprise Management Consulting Co., Ltd.	None	Financial assets at fair value through other comprehensive profit or loss-non-current	323,778	93,896	1.44	93,896	-
ADATA TECHNOLOGY (SUZHOU) CO., LTD.	Foreign non-listed company Capital Contribution Certificate - SuZhou Qdreamer Technology Co., Ltd.	None	Financial assets at fair value through other comprehensive profit or loss-non-current	250,000	30,856	3.76	30,856	-
ADATA TECHNOLOGY (SUZHOU) CO., LTD.	Foreign non-listed company Capital Contribution Certificate - Qingdao Nuotai Biotechnology Co., LTD.	None	Financial assets at fair value through other comprehensive profit or loss-non-current	2,307,692	141,232	18.75	141,232	-
ADATA TECHNOLOGY (SUZHOU) CO., LTD.	Foreign non-listed company Capital Contribution Certificate - Jiangxi Fire Eye Intelligence Co., Ltd.	None	Financial assets at fair value through other comprehensive profit or loss-non-current	1,800,000	\$ 992	18.00	\$ 992	-
					<u>\$ 271,384</u>		<u>\$ 271,384</u>	
LIWANLI Innovation Co., Ltd.	Domestic common stock - LIN BIOSCIENCE, INC.	None	Financial assets at fair value through profit or loss-current	208,000	36,192	0.29	36,192	-
					<u>\$ 36,192</u>		<u>\$ 36,192</u>	
LIWANLI Innovation Co., Ltd.	Domestic non-listed common stock - DISK KING TECHNOLOGY CO., LTD.	None	Financial assets at fair value through other comprehensive profit or loss-non-current	125,600	\$ -	10.23	\$ -	-
LIWANLI Innovation Co., Ltd.	Domestic non-listed common stock - DIRECT CURRENT CO., LTD.	None	Financial assets at fair value through other comprehensive profit or loss-non-current	274,350	3,424	2.44	3,424	-
					<u>\$ 3,424</u>		<u>\$ 3,424</u>	
Zhen Lian Investment Co., Ltd.	Domestic common stock - LIN BIOSCIENCE, INC.	None	Financial assets at fair value through profit or loss-current	50,000	8,700	0.07	8,700	-
					<u>\$ 8,700</u>		<u>\$ 8,700</u>	

Note: The fair value of listed stocks, OTC stocks, and closed-end mutual funds are based on latest quoted fair prices of accounting period. Open-end and balanced mutual funds are based on the net assets value at the balance sheet date. Unlisted stocks are measured at fair value based on the Company's evaluation.

ADATA TECHNOLOGY CO., LTD.
Purchase of real estate reaching NT\$300 million or 20% of paid-in capital or more
Year ended December 31, 2022

Table 4

Expressed in thousands of NTD
(Except as otherwise indicated)

Real estate acquired by	Real estate	Transaction date or date of the event	Transaction Amount	Status of disbursements	Counterparty	Relationship with the seller	Where the counterparty is a related party, the previously transferred information				Basis or reference used in setting the price	Reason for acquisition	Other commitments
							Owner	Relationship with the issuer	Date of transfer	Amount			
ADATA TECHNOLOGY CO., LTD.	Property, plant and equipment	Feb 15, 2022	\$ 738,665	The consideration has been paid in full.	QUAN WEI INVESTMENT CO., LTD.	None	None	None	None	\$ -	Based on appraisal report issued by the real estate appraisal firm (resolved by Board of Directors)	To address the need of business and staff expansion of the group	None
ADATA TECHNOLOGY CO., LTD.	Property, plant and equipment	Aug 11, 2022	369,110	The consideration has been paid in full.	CHONG HONG CONSTRUCTION CO., LTD.	None	None	None	None	-	Based on appraisal report issued by the real estate appraisal firm (resolved by Board of Directors)	To address the need of business and staff expansion of the group	None

ADATA TECHNOLOGY CO., LTD.

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

Year ended December 31, 2022

Table 5

Expressed in thousands of NTD
(Except as otherwise indicated)

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction		Percentage of total purchases (sales)	Credit term	Differences in transaction terms compared to third party transactions		Notes/accounts receivable (payable)		Footnote
			Purchases (sales)	Amount			Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	
ADATA TECHNOLOGY CO., LTD.	ADATA TECHNOLOGY (HK) CO., LTD.	The Company's Subsidiary	Sales	(\$ 4,564,578) (	18)	Collection within 90 days after sale	None	None	\$ 968,511	24	-
ADATA TECHNOLOGY CO., LTD.	ADATA ELECTRONICS (SHANHAI) CO., LTD.	The Company's Subsidiary	Sales	(406,006) (	2)	Collection within 90 days after sale	None	None	152,795	4	-
ADATA TECHNOLOGY CO., LTD.	ADATA TECHNOLOGY (U.S.A.) CO., LTD.	The Company's Subsidiary	Sales	(5,540,661) (	22)	Collection terms are 90 days (End of month)	None	None	724,960	18	-
ADATA TECHNOLOGY (SUZHOU) CO., LTD	ADATA TECHNOLOGY CO., LTD	The Company	Processing income	(2,297,756) (	74)	Collection terms are 60 days (End of month)	None	None	3,584,683	71	-
ADATA INTEGRATION BRAZIL S/A	ADATA ELECTRONICS BRAZIL S/A	The Company's Subsidiary	Sales	(3,643,047) (	100)	Collection terms are 90 days (End of month)	None	None	1,096,822	100	-
ADATA TECHNOLOGY (HK) CO., LTD.	ADATA TECHNOLOGY CO., LTD.	The Company	Purchases	4,564,578	95	Collection within 90 days after sale	None	None	(968,511) (	99)	-
ADATA ELECTRONICS (SHANHAI) CO., LTD.	ADATA TECHNOLOGY CO., LTD.	The Company	Purchases	406,006	93	Collection within 90 days after sale	None	None	(152,795) (	91)	-
ADATA TECHNOLOGY (U.S.A.) CO., LTD.	ADATA TECHNOLOGY CO., LTD.	The Company	Purchases	5,540,661	100	Collection terms are 90 days (End of month)	None	None	(724,960) (	100)	-
ADATA ELECTRONICS BRAZIL S/A	ADATA INTEGRATION BRAZIL S/A	The Company's Subsidiary	Purchases	3,643,047	51	Collection terms are 90 days (End of month)	None	None	(1,096,822) (	80)	-
ADATA TECHNOLOGY CO., LTD	ADATA TECHNOLOGY (SUZHOU) CO., LTD	The Company's Subsidiary	Processing fees	2,297,756	5	Collection terms are 60 days (End of month)	None	None	(3,584,683) (	61)	-

ADATA TECHNOLOGY CO., LTD.

Receivables from related parties reaching NT\$100 million or 20% of paid-in capital or more

Year ended December 31, 2022

Table 6

Expressed in thousands of NTD

(Except as otherwise indicated)

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2022	Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
					Amount	Action taken		
ADATA TECHNOLOGY CO., LTD.	ADATA TECHNOLOGY (HK) CO., LTD.	The Company's Subsidiary	\$ 968,511	4.00	\$ -	Not applicable	\$ 499,463	\$ -
ADATA TECHNOLOGY CO., LTD.	ADATA ELECTRONICS (SHANHAI) CO., LTD.	The Company's Subsidiary	152,795	4.26	-	Not applicable	63,201	-
ADATA TECHNOLOGY CO., LTD.	ADATA TECHNOLOGY (U.S.A.) CO., LTD.	The Company's Subsidiary	724,960	5.29	-	Not applicable	390,000	-
ADATA TECHNOLOGY (SUZHOU) CO., LTD.	ADATA TECHNOLOGY CO., LTD.	The Company	3,584,683	5.72	-	Not applicable	788,649	-
ADATA INTEGRATION BRAZIL S/A	ADATA ELECTRONICS BRAZIL S/A	The Company's Subsidiary	1,096,822	4.13	-	Not applicable	300,217	-

ADATA TECHNOLOGY CO., LTD.
Significant inter-company transactions during the reporting periods
Year ended December 31, 2022

Table 7

Expressed in thousands of NTD
(Except as otherwise indicated)

Number (Note 1)	Company name	Counterparty	Relationship	Transaction			Percentage of consolidated total operating revenues or total assets (Note 2)
				General ledger account	Amount	Transaction terms	
0	ADATA TECHNOLOGY CO., LTD.	ADATA TECHNOLOGY (U.S.A.) CO., LTD.	Parent company to subsidiary company	Sales	\$ 5,540,661	Note 3	16
0	ADATA TECHNOLOGY CO., LTD.	ADATA TECHNOLOGY (U.S.A.) CO., LTD.	Parent company to subsidiary company	Accounts receivable	724,960	Note 4	2
0	ADATA TECHNOLOGY CO., LTD.	ADATA TECHNOLOGY (HK) CO., LTD.	Parent company to subsidiary company	Sales	4,564,578	Note 3	13
0	ADATA TECHNOLOGY CO., LTD.	ADATA TECHNOLOGY (HK) CO., LTD.	Parent company to subsidiary company	Accounts receivable	968,511	Note 4	3
0	ADATA TECHNOLOGY CO., LTD.	ADATA ELECTRONICS (SHANHAI) CO., LTD.	Parent company to subsidiary company	Sales	406,006	Note 3	1
0	ADATA TECHNOLOGY CO., LTD.	ADATA ELECTRONICS (SHANHAI) CO., LTD.	Parent company to subsidiary company	Accounts receivable	152,795	Note 4	0
0	ADATA TECHNOLOGY CO., LTD.	ADATA TECHNOLOGY (SUZHOU) CO., LTD.	Parent company to subsidiary company	Process expense	2,297,756	Note 5	7
0	ADATA TECHNOLOGY CO., LTD.	ADATA TECHNOLOGY (SUZHOU) CO., LTD.	Parent company to subsidiary company	Accounts payable	3,584,683	Note 5	10
1	ADATA INTEGRATION BRAZIL S/A	ADATA ELECTRONICS BRAZIL S/A	Subsidiary company to Subsidiary company	Sales	3,643,047	Note 3	10
1	ADATA INTEGRATION BRAZIL S/A	ADATA ELECTRONICS BRAZIL S/A	Subsidiary company to Subsidiary company	Accounts receivable	1,096,822	Note 4	3
2	LIWANLI Innovation Co., Ltd.	LIWANLI ADVANCED BIOLOGICAL TECHNOLOGY (SHENZHEN) CO., LTD.	Parent company to Subsidiary company	Accounts receivable	51,260	Note 4	0

Note 1: The parent company is numbered "0". The subsidiaries are numbered in order starting from '1'.

Note 2: Regarding the ratio of transaction amount to consolidated total operating revenues or total assets, it is computed based on the ending balance to consolidated total assets for balance sheet accounts and based on accumulated amount in the interim to consolidated total operating revenues for income statement accounts.

Note 3: The sale prices were similar to those given to third parties.

Note 4: The credit terms made to the third party were shipped after pre-payment to 120 days after monthly billings. The credit terms made to the related party were shipped after pre-payment to 120 days after monthly billings.

Note 5: Processing price and payment terms to the related party are available to the third party.

ADATA TECHNOLOGY CO., LTD.
The related information on investees are as follows (not including investees in Mainland China)
Year ended December 31, 2022

Table 8

Expressed in thousands of NTD
(Except as otherwise indicated)

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2022			Net profit (loss) of the investee for the year ended December 31, 2022	Investment income (loss) recognised by the Company for year ended December 31, 2022	Footnote
				Balance as at December 31, 2022	Balance as at December 31, 2021	Number of shares	Ownership (%)	Book value			
ADATA TECHNOLOGY CO., LTD.	CI CAI GUANG AGRICULTURAL BIOTECHNOLOGY CO., LTD.	Republic of China	Herb cultivation and farm business	\$ 760,000	\$ 750,000	76,000,000	100.00	\$ 714,125	(\$ 4,935)	(\$ 4,935)	Note 1(1)
ADATA TECHNOLOGY CO., LTD.	ZHAO-XING INVESTMENT CO., LTD.	Republic of China	General Investment	1,295,001	1,295,001	130,000,000	100.00	796,695	(262,912)	(262,912)	Note 1(1)
ADATA TECHNOLOGY CO., LTD.	JIOU LONG AGRICULTURAL BIOTECHNOLOGY CO., LTD.	Republic of China	Herb cultivation and farm business	181,000	181,000	18,100,000	100.00	177,847	(809)	(809)	Note 1(1)
ADATA TECHNOLOGY CO., LTD.	LONG TIAN AGRICULTURAL BIOTECHNOLOGY CO., LTD.	Republic of China	Herb cultivation and farm business	776,000	771,000	77,600,000	100.00	733,880	(3,930)	(3,930)	Note 1(1)
ADATA TECHNOLOGY CO., LTD.	ADATA HOLDINGS CO., LTD.	British Cayman Islands	General Investment	2,541,114	2,530,583	79,837,598	100.00	6,273,276	460,931	460,931	Note 1(1)
ADATA TECHNOLOGY CO., LTD.	ADATA TECHNOLOGY (U.S.A.) CO., LTD.	U.S.A.	Trading of electronic material and components	66,637	66,637	200,000	100.00	697,138	103,531	103,531	Note 1(1)
ADATA TECHNOLOGY CO., LTD.	ADATA TECHNOLOGY B.V.	Netherlands	Trading of electronic material and components	16,570	16,570	300,020	100.00	8,952	1,025	1,025	Note 1(1)
ADATA TECHNOLOGY CO., LTD.	MACHDATA INTERMEDIACAO DE NEGOCIOS LTDA.	Brazil	Trading of electronic material and components	1,597,378	1,466,139	205,983,626	100.00	2,080,890	616,796	616,796	Note 1(1)
ADATA TECHNOLOGY CO., LTD.	ADATA Technology (Japan) Co., Ltd.	Japan	Trading of electronic material and components	7,977	7,977	600	100.00	14,846	1,213	1,213	Note 1(1)
ADATA TECHNOLOGY CO., LTD.	ADATA Technology Mexico, SDRL DE CV.	Mexico	Trading of electronic material and components	6,872	6,872	6,649,647	100.00	10,137	626	626	Note 1(1)
ADATA TECHNOLOGY CO., LTD.	ALLIED TREASURE INC. LIMITED	Hong Kong	General Investment	744,985	744,985	178,776,000	100.00	366,118	(43,070)	(43,070)	Note 1(1)
ADATA TECHNOLOGY CO., LTD.	JET CASTLE LIMITED	Hong Kong	General Investment	48,135	48,135	1,500,000	100.00	2,993	(22)	(22)	Note 1(1)

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2022			Net profit (loss) of the investee for the year ended December 31, 2022	Investment income (loss) recognised by the Company for the year ended December 31, 2022	Footnote
				Balance as at December 31, 2022	Balance as at December 31, 2021	Number of shares	Ownership (%)	Book value			
ADATA TECHNOLOGY CO., LTD.	AROBOT INNOVATION (SAMOA) HOLDINGS CO., LTD.	Samoa Islands	General Investment	\$ 30,150	\$ 30,150	1,000,000	74.63	\$ 8,425	(\$ 88)	(\$ 66)	Note 1(1)
ADATA TECHNOLOGY CO., LTD.	Awayspeed Technology Company Limited	Republic of China	Sale of electric tricycle	34,100	34,100	3,410,000	56.83	27,078	(7,328)	(4,165)	Note 1(1)
ADATA TECHNOLOGY CO., LTD.	LIWANLI Innovation Co., Ltd.	Republic of China	Trading of electronic material and components and sales of biotechnology	1,050,320	992,054	43,852,925	54.37	832,686	(120,907)	(27,730)	Note 1(1)
ADATA TECHNOLOGY CO., LTD.	WE LEAD BIOTECH CO., LTD.	Republic of China	Portal website operation	24,000	24,000	800,000	39.41	1,650	(5,046)	(2,318)	Note 1(1)
ADATA TECHNOLOGY CO., LTD.	FULLSUNGLOBAL DEVELOPMENT Company Limited	Republic of China	Culture and education, cultural and creative and art and culture exhibition	282,000	-	26,000,000	78.79	226,227	(42,866)	(21,906)	Note 1(1)
ADATA TECHNOLOGY CO., LTD.	IROC CO., Ltd.	Republic of China	Trading of electronic material and components and sales of biotechnology	561,657	561,657	6,748,970	26.20	436,992	(110,083)	(28,842)	Note 1(1)
ADATA TECHNOLOGY CO., LTD.	Master Acoustics International Corp. Limited	Hong Kong	The sales of sound optimised resonator, sound optimised coating and bioacoustics	6,037	6,037	153,000	33.41	4,515	(171)	(57)	Note 1(1)
ADATA TECHNOLOGY CO., LTD.	Mucho Herb Biotech Co., Ltd.	Republic of China	Developing, marketing, and selling of herb related products	55,000	55,000	5,500,000	23.50	-	-	-	Note 1(1)
ADATA TECHNOLOGY CO., LTD.	Taiwan Sports Lottery Co., Ltd.	Republic of China	Issuing or selling of Sports Lottery	383,200	250,000	28,700,000	51.07	1,523,720	1,248,491	626,722	Note 1(1)
ADATA TECHNOLOGY CO., LTD.	ATrack Technology Inc.	Republic of China	Manufacture and trading of electronic components	390,374	390,374	8,337,316	26.14	327,801	(90,857)	(23,750)	Note 1(1)
ADATA TECHNOLOGY CO., LTD.	Taiwan Biomedical Company	Republic of China	Trading of healthcare and skincare products as well as developing of new drugs	13,000	13,000	1,300,000	13.00	-	-	-	Note 1(1)
ADATA TECHNOLOGY CO., LTD.	All In Digital Co., Ltd.	Republic of China	Trading of electronic material and components and sales of biotechnology	1,800	1,800	180,000	18.00	(3,299)	(10,427)	(1,877)	Note 1(1)
ADATA TECHNOLOGY CO., LTD.	Amedifact Co., Ltd.	Republic of China	Medical equipment electronic and components	-	4,440	-	-	-	(2,212)	(223)	Note 1(1)
ADATA TECHNOLOGY CO., LTD.	Life Plus Co., Ltd.	Republic of China	Cloud service, cash flow payment integration, terminal point service	30,000	30,000	3,000,000	24.06	26,062	(15,047)	(3,622)	Note 1(1)

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2022			Net profit (loss) of the investee for the year ended December 31, 2022	Investment income (loss) recognised by the Company for the year ended December 31, 2022	Footnote
				Balance as at December 31, 2022	Balance as at December 31, 2021	Number of shares	Ownership (%)	Book value			
ADATA TECHNOLOGY CO., LTD.	XRIDER INDUSTRIAL CO., LTD.	Republic of China	Bicycle and Bike Parts manufacturing	\$ 47,228	\$ -	3,294,177	22.05	\$ 47,470	(\$ 3,241)	(\$ 605)	Note 1(1)
ZHAO-XING INVESTMENT CO., LTD.	Mucho Herb Biotech Co., Ltd.	Republic of China	Developing, marketing, and selling of herb related products	15,000	15,000	1,500,000	6.41	-	-	-	Notes 1(1) and 2
ZHAO-XING INVESTMENT CO., LTD.	ATrack Technology Inc.	Republic of China	Manufacture and trading of electronic components	8,974	8,917	676,000	2.12	40,944	(90,857)	-	Notes 1(1) and 2
WE LEAD BIOTECH CO., LTD.	LIWANLI Innovation Co., Ltd.	Republic of China	Trading of electronic material and components and sales of biotechnology	-	7,803	-	-	-	(120,907)	-	Notes 1(1) and 2
ADATA HOLDINGS CO., LTD.	ADATA TECHNOLOGY HOLDINGS CO., LTD.	British Cayman Islands	General Investment	1,847,058	1,847,058	57,928,317	100.00	6,196,851	469,046	-	Notes 1(1) and 2
ADATA HOLDINGS CO., LTD.	ADATA TECHNOLOGY (INDIA) PVT. LTD.	India	Trading of electronic components and computer peripherals	65,424	65,424	2,287,207	100.00	34,430	2,360	-	Notes 1(1) and 2
ADATA HOLDINGS CO., LTD.	ADATA INVESTMENT COMPANY LIMITED	Samoa Islands	General Investment	138,731	135,653	4,486,944	100.00	10,651	(3,196)	-	Notes 1(1) and 2
ADATA HOLDINGS CO., LTD.	ADATA CAPITAL CO.,LTD.	Samoa Islands	General Investment	102,058	94,605	3,450,322	100.00	87,366	(6,873)	-	Notes 1(1) and 2
ADATA INVESTMENT COMPANY LIMITED	AROBOT INNOVATION (SAMOA) HOLDINGS CO., LTD.	Samoa Islands	General Investment	10,251	10,251	340,000	25.37	8,377	(88)	-	Notes 1(1) and 2
ADATA TECHNOLOGY HOLDINGS CO., LTD.	ADATA TECHNOLOGY (HK) CO., LTD.	Hong Kong	Trading of electronic material and components	1,846,495	1,846,495	449,376,284	100.00	6,224,570	469,046	-	Notes 1(1) and 2
MACHDATA INTERMEDIACAO DE NEGOCIOS LTDA.	ADATA INTEGRATION BRAZIL S/A	Brazil	Design, manufacture and trading of semiconductor components	1,137,034	1,137,034	131,609,067	84.30	1,296,546	593,424	-	Notes 1(1) and 2
MACHDATA INTERMEDIACAO DE NEGOCIOS LTDA.	ADATA ELECTRONICS BRAZIL S/A	Brazil	Manufacture and trading of electronic components	289,599	55,462	52,812,026	84.30	840,216	202,741	-	Notes 1(1) and 2
ALLIED TREASURE INC. LIMITED	Alwin Co., Ltd.	Samoa Islands	Research, development, sales and manufacture of earphones	130,520	130,520	4,000,000	40.00	38,421	294	-	Notes 1(1) and 2
AROBOT INNOVATION (SAMOA) HOLDINGS CO., LTD.	AROBOT INNOVATION (HK) CO., LTD.	Hong Kong	General Investment	29,618	29,618	984,000	100.00	10,960	(59)	-	Notes 1(1) and 2

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2022			Net profit (loss) of the investee for the year ended December 31, 2022	Investment income (loss) recognised by the Company for year ended December 31, 2022	Footnote
				Balance as at December 31, 2022	Balance as at December 31, 2021	Number of shares	Ownership (%)	Book value			
LIWANLI Innovation Co., Ltd.	Zhen Lian Investment Co., Ltd.	Republic of China	General Investment	\$ 67,000	\$ 67,000	-	100.00	\$ 54,927	(\$ 23,120)	\$ -	Notes 1(2) and 2
LIWANLI Innovation Co., Ltd.	Hong Qi Investment Co., Ltd.	Republic of China	General Investment	70,000	70,000	-	100.00	44,962	(38,165)	-	Notes 1(2) and 2
LIWANLI Innovation Co., Ltd.	Longevity Wealth Limited	Hong Kong	General Investment	90,722	90,722	23,596,000	100.00	(16,711)	(6,343)	-	Notes 1(2) and 2
LIWANLI Innovation Co., Ltd.	IROC CO., Ltd.	Republic of China	Trading of electronic material and components and sales of biotechnology	45,000	45,000	1,836,006	7.13	125,361	(110,083)	-	Notes 1(2) and 2
LIWANLI Innovation Co., Ltd.	Taiwan Biomedical Company	Republic of China	Trading of healthcare and skincare products as well as developing of new drugs	12,000	12,000	1,200,000	12.00	-	-	-	Notes 1(2) and 2
LIWANLI Innovation Co., Ltd.	Alwayspeed Technology Company Limited	Republic of China	Sale of electric tricycle	6,000	6,000	600,000	10.00	6,000	(7,328)	-	Notes 1(2) and 2
LIWANLI Innovation Co., Ltd.	Mucho Herb Biotech Co., Ltd.	Republic of China	Developing, marketing, and selling of herb related products	30,000	30,000	3,000,000	12.82	-	-	-	Notes 1(2) and 2
LIWANLI Innovation Co., Ltd.	Amedifact Co., Ltd.	Republic of China	Medical equipment electronic and components	-	4,440	-	-	-	(2,212)	-	Notes 1(2) and 2
Longevity Wealth Limited	Alwin Co., Ltd.	Samoa Islands	Research, development, sales and manufacture of earphones	30,420	30,420	1,000,000	10.00	18,142	294	-	Notes 1(2) and 2

Note 1: Indicate the basis for investment income (loss) recognition in the number of one of the following two categories:

- (1) Financial statements audited by the independent auditors appointed by the Company.
- (2) Financial statements audited by other independent auditors.

Note 2: The investment income which was not disclosed was recognised by a subsidiary company.

ADATA TECHNOLOGY CO., LTD.
Information on investments in Mainland China
Year ended December 31, 2022

Table 9

Expressed in thousands of NTD
(Except as otherwise indicated)

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2022	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the year ended December 31, 2022		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2022	Net income of investee as of December 31, 2022	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2022 (Note 2)	Book value of investments in Mainland China as of December 31, 2022	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2022	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
ADATA TECHNOLOGY (SUZHOU) CO., LTD.	Manufacture and trade of electronic components and computer peripherals	\$ 1,299,223	2	\$ 1,299,223	\$ -	\$ -	\$ 1,299,223	\$ 391,467	100.00	\$ 391,467	\$ 5,343,462	\$ -	Notes 2(1) and 3
ADVANCED DATA TECHNOLOGY (SUZHOU) CO., LTD.	Manufacture and trade of electronic components and computer peripherals	592,704	2	592,704	-	-	592,704	36,085	100.00	36,085	813,176	-	Notes 2(1) and 4
ADATA ELECTRONICS (SHANGHAI) CO., LTD.	Trading of electronic material and components	131,134	2	131,134	-	-	131,134	151	100.00	151	65,467	-	Notes 2(1) and 5
ERATO (SZ) CORPORATION LTD.	Research, development, sales and manufacture of earphones	3,019	2	3,019	-	-	3,019	-	100.00	-	-	-	Notes 2(1) and 6
Suzhou Hejun New Energy Co., Ltd.	Manufacture and sale of solar cell, li-ion battery, battery	963,516	2	7,547	-	-	7,547	-	0.67	-	-	-	Note 8
Beijing Fengshi Capital Management Co., Ltd.	Consulting for investments and consulting service for business management	51,673	3	-	-	-	-	-	10.00	-	4,408	-	Note 9
Shandong Weigang Fengshi Technology Development Co., Ltd.	Consulting for investments and consulting service for business management	1,830,331	3	-	-	-	(13,746)	(13,746)	36.64	(739)	875,531	-	Notes 2(1) and 10
Function (Qingdao) Marine Technology Co., Ltd.	The research and development and trading of biotechnology products	91,860	3	-	-	-	-	122,229	25.00	32,570	40,843	-	Notes 2(1) and 11
Shanghai Shangguang Investment Co., Ltd.	Consulting for investments and consulting service for business management	97,300	3	-	-	-	-	-	1.44	-	93,896	-	Note 12
SuZhou Qdreamer Technology Co., Ltd.	The internet technology research and development and services and computer software and hardware research and development	6,169	3	-	-	-	-	-	3.76	-	30,856	-	Note 13
Shenzhen Fire Eye Intelligence Co., Ltd.	Development of network technology, providing network technology service and development and sales of software	64,738	3	-	-	-	-	4,315	30.00	2,130	71,001	-	Notes 2(1) and 14
Ningbo Xinrou Biotechnology Co., LTD.	Research and development, producing, wholesale and retailing of food	34,848	3	-	-	-	(6,998)	(6,998)	30.00	(2,059)	46,512	-	Notes 2(1) and 15
Qingdao Nuotai Biotechnology Co., LTD.	Producing and sales of marine biomaterial and research and development of biological products	53,612	3	-	-	-	-	-	18.75	-	141,232	-	Note 16

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2022	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the year ended December 31, 2022		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2022	Net income of investee as of December 31, 2022	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2022 (Note 2)	Book value of investments in Mainland China as of December 31, 2022	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2022	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
ADATA TECHNOLOGY (Qingdao) Co., LTD.	Manufacture and trade of electronic components and smart car equipment	\$ 438	3	\$ -	\$ -	\$ -	\$ -	(\$ 5)	100.00	(\$ 5)	\$ 424	\$ -	Notes 2(1) and 17
Skywin Technology (Qingdao) Co., Ltd.	Engineering technology research, test development, information consulting services and electronics wholesale of spare parts	856,050	3	-	-	-	-	(809)	33.33	(2,426)	307,061	-	Notes 2(1) and 18
LIWANLI ADVANCED BIOLOGICAL TECHNOLOGY (SHENZHEN) CO., LTD.	Wholesale and retail of food products	57,992	2	57,992	-	-	57,992	(6,343)	100.00	(6,343)	(26,724)	-	Notes 2(1) and 19
Qingdao Fengshi Chongke Biotechnology Co., Ltd.	Pet services and sales of pet food and supplies	180,239	3	-	-	-	-	(7,494)	25.00	(1,852)	42,234	-	Notes 2(2) and 20
Jiangxi Fire Eye Intelligence Co., Ltd.	Sales of information security devices and providing network technology service and development	7,990	3	-	-	-	-	-	18.00	-	992	-	Note 21

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

- (1) Directly invest in a company in Mainland China.
- (2) Through investing in an existing company in the third area, which then invested in the investee in Mainland China.
- (3) Others.

Note 2: The investment gain and loss on investees were recognized based on the follows:

- (1) Financial statements reviewed by the independent auditors appointed by the Company.
- (2) Financial statements that were not reviewed by the independent auditors.

Note 3: ADATA TECHNOLOGY (SUZHOU) CO., LTD. is a 100% owned subsidiary of ADATA TECHNOLOGY (HK) CO., LTD. ADATA TECHNOLOGY (HK) CO., LTD. is an indirect wholly-owned subsidiary of the Company. Total membership contribution is USD 40,000 thousand. The case was approved by investment commission.

Note 4: ADVANCED DATA TECHNOLOGY (SUZHOU) CO., LTD. is a 100% owned subsidiary of ADATA TECHNOLOGY (HK) CO., LTD. ADATA TECHNOLOGY (HK) CO., LTD. is an indirect wholly-owned subsidiary of the Company. Total membership contribution is USD 26,500 thousand. The case was approved by investment commission.

Note 5: ADATA ELECTRONICS (SHANGHAI) CO., LTD. is a 100% owned subsidiary of ADATA TECHNOLOGY (HK) CO., LTD. ADATA TECHNOLOGY (HK) CO., LTD. is an indirect wholly-owned subsidiary of the Company. Total membership contribution is USD 4,000 thousand. The case was approved by investment commission.

Note 6: ERATO (SZ) CORPORATION LTD. is a 100% owned subsidiary of ERATO (HK) CORPORATION LIMITED. ERATO (HK) CORPORATION LIMITED is an indirect wholly-owned subsidiary of the Company. Total membership contribution is USD100 thousand. The case was approved by investment commission. Erato (SZ) Corporation Limited was approved to be deregistered by Suzhou Industrial Park's supervisory authority on December 7, 2018, and the investee was liquidated. However, the deregistration is pending for approval from the Investment Commission, MOEA.

Note 7: Through the Company's indirect wholly-owned subsidiary- ADATA INVESTMENT CO., LTD., the Company instructed BVI Success-Field Investment Ltd. to sell 3.57% ownership of GOLDEN CROWN GREEN ENERGY LTD. and indirectly acquired the ownership of Golden Crown Energy Co. and Dongguan Hunag Jiang Qing Cheng Electronics Factory. Total membership contribution was USD1,031 thousand. The case was approved by the Investment Commission. Golden Crown Energy Co. and Dongguan Hunag Jiang Qing Cheng Electronics Factory filed cancellation registration to PRC on July 9, and March 2, 2012, respectively, the cancellation of investment was approved by investment commission on November 21, 2012. However, the facility of investment in Mainland China has not been released.

Note 8: Through the Company's indirect wholly-owned subsidiary- ADATA INVESTMENT CO., LTD., the Company instructed BVI Success-Field Investment Ltd. to sell 0.67% ownership of GOLDEN CROWN GREEN ENERGY LTD. and indirectly acquired the ownership of Suzhou Golden Crown New Energy Co., Ltd.. Total membership contribution was USD 248 thousand. The case was approved by the Investment Commission.

Note 9: The Company acquired a 10% equity interest in Beijing Fengshi Capital Management Co.,Ltd. in the amount of RMB 1,000 thousand through the Company's indirectly wholly-owned investee, ADATA TECHNOLOGY (SUZHOU) CO., LTD.

Note 10: The Company acquired a 5.82% equity interest in Shandong Fengshi Technology Development Co., Ltd. in the amount of RMB 29,531 thousand through the Company's indirectly wholly-owned investee, ADATA TECHNOLOGY (SUZHOU) CO., LTD.

The Company acquired a 30.82% equity interest in Shandong Fengshi Technology Development Co., Ltd. in the amount of RMB 175,000 thousand through the Company's indirectly wholly-owned investee, ADVANCED DATA TECHNOLOGY (SUZHOU) CO., LTD.

Note 11: The Company acquired a 25% equity interest in Fengshi (Qingdao) Marine Technology Co., Ltd. in the amount of RMB 5,000 thousand through the Company's indirectly wholly-owned investee, ADATA TECHNOLOGY (SUZHOU) CO., LTD.

Note 12: The Company acquired a 1.44% equity interest in Shanghai shanguang Investment Co.,Ltd. in the amount of RMB 12,999 thousand through the Company's indirectly wholly-owned investee, ADATA TECHNOLOGY (SUZHOU) CO., LTD.

Note 13: The Company acquired a 3.76% equity interest in SuZhou Qdreamer Technology Co.,Ltd in the amount of RMB 5,000 thousand through the Company's indirectly wholly-owned investee, ADATA TECHNOLOGY (SUZHOU) CO., LTD.

Note 14: The Company acquired a 30% equity interest in Shenzhen Fire Eye Intelligence Co. ,Ltd. in the amount of RMB14,385 thousand through the Company's indirectly wholly-owned investee, ADATA TECHNOLOGY (SUZHOU) CO., LTD.

Note 15: The Company acquired a 30% equity interest in Ningbo Xinrou Biotechnology co. LTD in the amount of RMB 13,573 thousand through the Company's indirectly wholly-owned investee, ADATA TECHNOLOGY (SUZHOU) CO., LTD.

Note 16: The Company acquired a 18.75% equity interest in Qingdao Nuotai Biotechnology co. LTD in the amount of RMB 30,000 thousand through the Company's indirectly wholly-owned investee, ADATA TECHNOLOGY (SUZHOU) CO., LTD.

Note 17: The Company acquired a 100% equity interest in ADATA TECHNOLOGY (Qingdao) CO., LTD. in the amount of RMB 100 thousand through the Company's indirectly wholly-owned investee, ADATA TECHNOLOGY (SUZHOU) CO., LTD.

Note 18: The Company acquired a 33% equity interest in Skywin Technology (Qingdao) Co., Ltd. in the amount of USD 10,000 thousand through the Company's indirectly wholly-owned investee, ADATA TECHNOLOGY (HK) CO., LTD.

Note 19: The Company established and acquired a 100% equity interest in LIWANLI ADVANCED BIOLOGICAL TECHNOLOGY (SHENZHEN) CO., LTD. through the Company's indirectly wholly-owned investee, Longevity Wealth Limited. The actual investment was USD 2,000 thousand.

Note 20: The Company acquired a 25% equity interest in Qingdao Fengshi Chongke Biotechnology Co., Ltd. in the amount of RMB 10,000 thousand through the Company's indirectly wholly-owned investee, ADATA TECHNOLOGY (SUZHOU) CO., LTD.

Note 21: The Company acquired a 18% equity interest in Jiangxi Fire Eye Intelligence Co., Ltd. through the Company's indirectly wholly-owned investee, ADATA TECHNOLOGY (SUZHOU) CO., LTD.

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2022	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)	Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA(Note 1)
ADATA TECHNOLOGY CO.,LTD.(Note 2)	\$ 2,066,820	\$ 2,354,741	\$ 7,576,708
LIWANLI Innovation Co., Ltd. (Note 3)	57,992	86,532	459,217

Note 1: The limitation is 60% of net worth.

Note 2: As of December 31, 2022, investment in Mainland China approved by the Investment Commission of the Ministry of Economic Affairs amounted to US\$73,379 thousand.

Note 3: As of December 31, 2022, LIWANLI Innovation Co., Ltd.'s investment in Mainland China approved by the Investment Commission of the Ministry of Economic Affairs amounted to US\$3,000 thousand.

ADATA TECHNOLOGY CO., LTD.

Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area
Year ended December 31, 2022

Table 10

Expressed in thousands of NTD
(Except as otherwise indicated)

Investee in Mainland China	Sale (purchase)		Property transaction		Accounts receivable (payable)		Provision of endorsements/guarantees or collaterals		Financing				Others	
	Amount	%	Amount	%	Balance at December 31, 2022	%	Balance at December 31, 2022	Purpose	Maximum balance during year ended December 31, 2022	Balance at December 31, 2022	Interest rate	Interest during year ended December 31, 2022		
ADATA TECHNOLOGY (SUZHOU) CO., LTD.	\$ -	-	\$ -	-	\$ -	-	\$ -	-	\$ -	-	-	\$ -	-	Note
LIWANLI ADVANCED BIOLOGICAL TECHNOLOGY (SHENZHEN) CO., LTD.	-	-	-	-	51,260	85	-	-	-	-	-	-	-	-
ADATA ELECTRONICS (SHANHAI) CO., LTD.	406,006	2	-	-	152,795	4	-	-	-	-	-	-	-	-

Note: The processing fees of the Company for the year ended December 31, 2022 amounted to \$2,297,756. Accounts payable of \$3,584,683 was recognised as of December 31, 2022.

ADATA TECHNOLOGY CO., LTD.
STATEMENT OF CASH AND CASH EQUIVALENTS
DECEMBER 31, 2022
(Expressed in thousands of New Taiwan dollars)

Statement 1

Item	Description	Amount
Cash on hand and revolving funds		\$ 575
Bank savings:		
Check account and demand deposits		
-TWD		168,872
-USD	USD 30,036,380.88, exchange rate 30.71	922,417
-EUR	EUR 7,401.12, exchange rate 32.72	242
-GBP	GBP 565.84, exchange rate 37.09	21
-JPY	JPY 15,113,287, exchange rate 0.2324	3,513
Time deposits		<u>1,750,470</u>
		<u>\$ 2,846,110</u>

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ADATA TECHNOLOGY CO., LTD.
STATEMENT OF ACCOUNTS RECEIVABLE
DECEMBER 31, 2022
(Expressed in thousands of New Taiwan dollars)

Statement 2

Client Name	Description	Amount	Note
General client -			
10881		\$ 289,133	
14088		199,569	
17339		198,303	
16873		113,704	
21749		111,424	
Others		1,223,945	None of the balances of each remaining client is greater than 5% of this account balance
Less: Allowances for uncollectible accounts		(1,894)	
		<u>2,134,184</u>	
Related parties -			
ADATA TECHNOLOGY (HK) CO., LTD.		968,511	
ADATA TECHNOLOGY (U.S.A) CO., LTD.		724,960	
ADATA ELECTRONICS (SHANGHAI) CO., LTD.		152,795	
Others		3,229	None of the balances of each remaining client is greater than 5% of this account balance
		<u>1,849,495</u>	
		<u>\$ 3,983,679</u>	

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ADATA TECHNOLOGY CO., LTD.
STATEMENT OF INVENTORIES
DECEMBER 31, 2022

(Expressed in thousands of New Taiwan dollars)

Statement 3

Item	Description	Amount		Note
		Cost	Net Realizable Value	
Raw materials	DRAM and NAND Flash	\$ 325,561	\$ 367,089	Net realisable value is the estimated selling price, less the estimated cost of completion and the estimated costs necessary to make the sales.
Work in progress	DRAM and NAND Flash	3,073,536	3,771,698	
Semi-finished goods	DRAM, NAND Flash and motors, etc.	153,361	157,892	
Finished goods	DRAM, NAND Flash, electric vehicle,	<u>1,712,471</u>	<u>1,669,689</u>	
		5,264,929	<u>\$ 5,966,368</u>	
		<u>(347,933)</u>		
		<u>\$ 4,916,996</u>		

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ADATA TECHNOLOGY CO., LTD.
STATEMENT OF CHANGES IN INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD
FOR THE YEAR ENDED DECEMBER 31, 2022
(Expressed in thousands of New Taiwan dollars)

Statement 4

Name	Beginning Balance		Addition (Note 1)		Investment	Other	Decrease (Note 3)		Ending Balance			Market Value or Net Assets Value of equity		Collateral
	Shares	Amount	Shares	Amount	Income (Loss)	Adjustments (Note2)	Shares (in shares)	Amount	Shares (in shares)	Percentage of Ownership	Amount	Unit Price (in dollars)	Total Amount	
CI CAI GUANG AGRICULTURAL BIOTECHNOLOGY CO., LTD.	75,000,000	\$ 709,060	1,000,000	\$ 10,000	(\$ 4,935)	\$ -	-	\$ -	76,000,000	100.00	\$ 714,125	\$ 9.40	\$ 714,125	None
ZHAO XING INVESTMENT CO., LTD.	130,000,000	1,136,951	-	-	(262,912)	(77,344)	-	-	130,000,000	100.00	796,695	6.13	796,695	None
JIOU LONG AGRICULTURAL BIOTECHNOLOGY CO., LTD.	18,100,000	178,656	-	-	(809)	-	-	-	18,100,000	100.00	177,847	9.83	177,847	None
LONG TIAN AGRICULTURAL BIOTECHNOLOGY CO., LTD.	77,100,000	732,810	500,000	5,000	(3,930)	-	-	-	77,600,000	100.00	733,880	9.46	733,880	None
ADATA HOLDINGS CO., LTD.	79,487,598	5,919,523	350,000	10,531	460,931	(117,709)	-	-	79,837,598	100.00	6,273,276	78.58	6,273,276	None
ADATA TECHNOLOGY (U.S.A.) CO., LTD.	200,000	490,191	-	-	103,531	103,416	-	-	200,000	100.00	697,138	3,485.69	697,138	None
ADATA TECHNOLOGY B.V.	300,020	7,545	-	-	1,025	382	-	-	300,020	100.00	8,952	29.84	8,952	None
MACHDATA INTERMEDIACAO DE NEGOCIOS LTDA.	180,000,000	1,152,481	25,983,626	131,239	616,796	180,374	-	-	205,983,626	100.00	2,080,890	10.10	2,080,890	None
ADATA TECHNOLOGY (JAPAN) CO., LTD.	600	14,080	-	-	1,213	(447)	-	-	600	100.00	14,846	24,743.33	14,846	None
ADATA TECHNOLOGY MEXICO SDRL DE CV.	6,649,647	8,058	-	-	626	1,453	-	-	6,649,647	100.00	10,137	1.52	10,137	None
ALLIED TREASURE INC, LIMITED	178,776,000	369,699	-	-	(43,070)	39,489	-	-	178,776,000	100.00	366,118	2.05	366,118	None
JET CASTLE LIMITED	1,500,000	2,719	-	-	(22)	296	-	-	1,500,000	100.00	2,993	2.00	2,993	None
AROBOT INNOVATION (SAMOA) HOLDINGS CO., LTD	1,000,000	7,654	-	-	(66)	837	-	-	1,000,000	74.63	8,425	8.43	8,425	None
Alwayspeed Technology Company Limited	3,410,000	31,243	-	-	(4,165)	-	-	-	3,410,000	56.83	27,078	7.94	27,078	None

ADATA TECHNOLOGY CO., LTD.
STATEMENT OF CHANGES IN INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (Cont.)
FOR THE YEAR ENDED DECEMBER 31, 2022
(Expressed in thousands of New Taiwan dollars)

Statement 4

Name	Beginning Balance		Addition (Note 1)		Investment Income (Loss)	Other Adjustments (Note2)	Decrease (Note 3)		Ending Balance			Market Value or Net Assets Value of equity		Collateral
	Shares	Amount	Shares	Amount			Shares (in shares)	Amount	Shares (in shares)	Percentage of Ownership	Amount	Unit Price (in dollars)	Total Amount	
LIWANLI Innovation Co., Ltd.	40,906,925	\$ 786,435	2,946,000	\$ 58,265	(\$ 27,730)	\$ 15,716	-	\$ -	43,852,925	54.37	\$ 832,686	\$ 18.99	\$ 832,686	None
WE LEAD BIOTECH CO., LTD.	800,000	14,830	-	-	(2,318)	(10,862)	-	-	800,000	39.41	1,650	2.06	1,650	None
FULLSUNGLOBAL DEVELOPMENT	-	-	26,000,000	282,000	(21,906)	(33,867)	-	-	26,000,000	78.79	226,227	8.70	226,227	None
IROC CO., Ltd.	6,748,970	467,080	-	-	(28,842)	104	-	(1,350)	6,748,970	26.20	436,992	65	436,992	None
Master Acoustics International Corp. Limited	153,000	4,482	-	-	(57)	90	-	-	153,000	33.41	4,515	29.51	4,515	None
Mucho Herb Biotech Co., Ltd.	5,500,000	-	-	-	-	-	-	-	5,500,000	23.50	-	-	-	None
ATrack Technology Inc.	8,337,316	351,481	-	-	(23,750)	70	-	-	8,337,316	26.14	327,801	39.32	327,801	None
Taiwan Biomedical Company	1,300,000	-	-	-	-	-	-	-	1,300,000	13.00	-	-	-	None
Taiwan Sports Lottery Co., Ltd.	25,000,000	1,062,831	3,700,000	133,200	626,722	967	-	(300,000)	28,700,000	51.07	1,523,720	53.09	1,523,720	None
All In Digital Co., Ltd.	180,000	(1,422)	-	-	(1,877)	-	-	-	180,000	18.00	(3,299)	(18.33)	(3,299)	None
Amedifact Co., Ltd.	300,000	4,635	-	-	(223)	-	(300,000)	(4,412)	-	-	-	-	-	None
Life Plus Co., Ltd.	3,000,000	29,684	-	-	(3,622)	-	-	-	3,000,000	24.06	26,062	8.69	26,062	None
Xrider Industrial Co., Ltd.	-	-	3,294,177	47,228	(605)	847	-	-	3,294,177	22.05	47,470	14.41	47,470	None
Total (shown as assets)		<u>\$ 13,482,128</u>		<u>\$ 677,463</u>	<u>\$ 1,380,005</u>	<u>\$ 103,812</u>		<u>(\$ 305,762)</u>			<u>\$ 15,339,523</u>			
Total (shown as liabilities)		<u>(\$ 1,422)</u>									<u>(\$ 3,299)</u>			

Note 1: The additions for the year were the additional investments.

Note 2: Other adjustments included accumulated translation adjustment of \$476,670, unrealised gains/losses on financial products of (\$44,036), disposal of equity instruments measure at fair value through other comprehensive income of \$847, unrealised gains or losses on sales between affiliates of (\$301,664), adjustments of capital surplus accumulated profit or loss due to not recognizing the investments proportionally of (\$48,433), adjustments of capital surplus for the Company's cash dividends received by subsidiaries of \$4,781, disposal of parent company's share by subsidiaries of \$38,326, loss on investments accounted for using the equity method reassessment at fair value of (\$22,322), and disposal of equity interest in subsidiaries (yet to lose control) of (\$357).

Note 3: The decreases for the year were dividends received of \$301,350, and disposal of investments accounted for using the equity method of \$4,412.

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ADATA TECHNOLOGY CO., LTD.
STATEMENT OF COST OF PROPERTY, PLANT AND EQUIPMENT AND CHANGES IN ACCUMULATED DEPRECIATION
FOR THE YEAR ENDED DECEMBER 31, 2022
(Expressed in thousands of New Taiwan dollars)

Statement 5

Item	Beginning Balance	Addition	Decrease	Transfer	Ending Balance	Note
<u>Cost</u>						
Land	\$ 882,409	\$ 2,082,522	\$ -	\$ 815,271	\$ 3,780,202	Some are pledged as guarantee for bank loan facilities.
Buildings and structures	551,952	1,603,403	-	3,562	2,158,917	Some are pledged as guarantee for bank loan facilities.
Office equipment	33,300	20,175	(164)	-	53,311	None
Others	249,195	8,821	(1,440)	1,490	258,066	None
	<u>1,716,856</u>	<u>\$ 3,714,921</u>	<u>(\$ 1,604)</u>	<u>\$ 820,323</u>	<u>6,250,496</u>	
<u>Accumulated Depreciation</u>						
Buildings and structures	(192,806)	(\$ 35,390)	\$ -	\$ -	(228,196)	
Office equipment	(26,253)	(6,260)	164	-	(32,349)	
Others	(117,514)	(26,726)	1,315	-	(142,925)	
	<u>(336,573)</u>	<u>(\$ 68,376)</u>	<u>\$ 1,479</u>	<u>\$ -</u>	<u>(403,470)</u>	
Total	<u>\$ 1,380,283</u>				<u>\$ 5,847,026</u>	

Note 1: Information on depreciation methods and useful lives is provided in Note 4(15).

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ADATA TECHNOLOGY CO., LTD.
STATEMENT OF SHORT-TERM BORROWINGS
DECEMBER 31, 2022
 (Expressed in thousands of New Taiwan dollars)

Statement 6

Nature	Description	Ending Balance	Contract Period	Range of Interest Rate	Credit Line	Collateral	Note
Unsecured	Borrowing from eight finance institutions, including Bank of Taiwan	<u>\$ 4,725,453</u>	Expiring within one year	0.85%~1.93%	<u>\$ 20,025,935</u>	None	Part of borrowings is guaranteed by the Company's Chairman of the Board

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ADATA TECHNOLOGY CO., LTD.
STATEMENT OF ACCOUNTS PAYABLE
DECEMBER 31, 2022
(Expressed in thousands of New Taiwan dollars)

Statement 7

Client Name	Description	Amount	Note
General suppliers -			
1000878		\$ 856,868	
1000007		601,331	
1000005		214,200	
Others		576,076	None of the balances of each remaining supplier is greater than 5% of this account balance
		<u>2,248,475</u>	
Related parties -			
ADATA TECHNOLOGY (SUZHOU) CO., LTD.		3,584,683	
Others		80	None of the balances of each remaining supplier is greater than 5% of this account balance
		<u>3,584,763</u>	
		<u>\$ 5,833,238</u>	

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ADATA TECHNOLOGY CO., LTD.
STATEMENT OF LONG-TERM BORROWINGS
DECEMBER 31, 2022
(Expressed in thousands of New Taiwan dollars)

Statement 8

Creditor	Description	Amount	Contract Period	Interest Rate	Collateral	Note
13 syndicated banks including Bank of Taiwan	Working capital	\$ 6,000,000	2021.03.19-2026.03.19		None	The Chairman of the Company serves as the joint guarantor
Landbank of Taiwan	Working capital	637,900	2022.01.11-2037.01.11		Property (Refer to Note 8)	None
First Commercial Bank	Working capital	596,000	2022.01.11-2037.01.11		Property (Refer to Note 8)	The Chairman of the Company serves as the joint guarantor
Hua Nan Bank	Working capital	420,000	2022.05.09-2024.05.09		Property (Refer to Note 8)	The Chairman of the Company serves as the joint guarantor
Hua Nan Bank	Working capital	180,000	2022.05.09-2024.05.09		None	The Chairman of the Company serves as the joint guarantor
The Export-Import Bank of the Republic of China	Working capital	220,000	2022.07.21-2027.07.21		None	None
Hua Nan Bank	Working capital	520,000	2022.01.11-2037.01.11		Property (Refer to Note 8)	None
Chang Hwa Bank	Working capital	47,726	2017.07.07-2024.07.07		Property (Refer to Note 8)	None
The Export-Import Bank of the Republic of China	Working capital	135,000	2020.12.21-2025.12.21		None	None
Bank of Panhsin	Working capital	281,000	2022.01.11-2037.01.11		Property (Refer to Note 8)	None
Bank of Taiwan	Working capital	655,120	2022.01.11-2037.01.11		Property (Refer to Note 8)	The Chairman of the Company serves as the joint guarantor
Chang Hwa Bank	Working capital	627,000	2022.06.06-2037.06.06		Property (Refer to Note 8)	The Chairman of the Company serves as the joint guarantor
Hua Nan Bank	Working capital	1,262,222	2022.08.24-2025.08.24		None	The Chairman of the Company serves as the joint guarantor
Cathay United Bank	Working capital	295,280	2022.11.23-2027.11.23		Property (Refer to Note 8)	None
		11,877,248		1.4958% ~ 1.9051%		
Less: Current portion (Shown as other current liabilities)		(564,481)				
		<u>\$ 11,312,767</u>				

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ADATA TECHNOLOGY CO., LTD.
STATEMENT OF OPERATING REVENUE
FOR THE YEAR ENDED DECEMBER 31, 2022
(Expressed in thousands of New Taiwan dollars)

Statement 9

<u>Item</u>	<u>Volume</u>	<u>Amount</u>	<u>Note</u>
DRAM	42,101 thousand pieces	\$ 14,410,668	
NAND Flash	61,263 thousand pieces	11,432,400	
Others		2,801,912	
		<u>\$ 28,644,980</u>	

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ADATA TECHNOLOGY CO., LTD.
STATEMENT OF OPERATING COSTS
FOR THE YEAR ENDED DECEMBER 31, 2022
(Expressed in thousands of New Taiwan dollars)

Statement 10

Item	Amount	Note
Raw materials		
Beginning raw materials	\$ 1,093,500	
Add: Raw materials purchased	19,591,058	
Raw materials and supplies - warranty returns	4,750	
Less: Ending raw materials	(325,561)	
Raw materials sold	(3,384,656)	
Raw materials and supplies - miscellaneous uses	(7,854)	
Raw materials and supplies - loss on scrapping	(10,927)	
Raw materials used	<u>16,960,310</u>	
Semi-finished goods		
Add: Beginning semi-finished goods	154,524	
Costs of semi-finished goods purchased	1,737,830	
Semi-finished goods - warranty returns	4,632	
Less: Ending finished goods	(153,361)	
Semi-finished goods sold	(1,385,246)	
Semi-finished goods - miscellaneous uses	(1,881)	
Semi-finished goods- loss on scrapping	(2)	
Semi-finished goods used	<u>356,496</u>	
Direct labor	<u>5,456</u>	
Manufacturing expense	<u>2,781,440</u>	
Total manufacturing cost	20,103,702	
Add: Beginning work in Progress	3,454,209	
Less: Ending work in Progress	(3,073,536)	
Cost of finished goods	20,484,375	
Add: Beginning finished goods	2,335,844	
Costs of finished goods purchased	784,941	
Finished goods - warranty returns	105,095	
Less: Ending finished goods	(1,712,471)	
Finished goods - miscellaneous uses	(22,250)	
Finished goods - loss on scrapping	(2,692)	
Cost of finished goods sold	21,972,842	
Cost of raw materials sold	3,384,656	
Cost of semi-finished goods sold	<u>1,385,246</u>	
Cost of sales	26,742,744	
Loss on decline in market value	234,660	
Processing costs, scrapping and revenue from sales of scraps	<u>13,606</u>	
Operating costs	<u>\$ 26,991,010</u>	

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ADATA TECHNOLOGY CO., LTD.
STATEMENT OF MANUFACTURING EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2022
(Expressed in thousands of New Taiwan dollars)

Statement 11

Item	Description	Amount	Note
Outsource processing		\$ 2,772,938	
Others		8,502	None of the balances of each remaining supplier is greater than 5% of this account balance
		<u>\$ 2,781,440</u>	

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ADATA TECHNOLOGY CO., LTD.
STATEMENT OF OPERATING EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2022
(Expressed in thousands of New Taiwan dollars)

Statement 12

Item	Selling Expense	Administrative Expense	Research and Development Expenses	Expected Credit loss (Gain)	Total
Wages and salaries	\$ 294,501	\$ 443,703	\$ 202,508	\$ -	\$ 940,712
Advertisement expense	102,879	439	159	-	103,477
Insurance fee	28,864	43,627	15,801	-	88,292
Depreciation	15,777	55,705	12,158	-	83,640
Import/export (customs) and freight expense	251,344	2,695	316	-	254,355
Service fee	179,501	57,710	433	-	237,644
Research and trial run	318	106	26,549	-	26,973
Other expenses (Note)	113,546	183,949	51,223	(414)	348,304
	<u>\$ 986,730</u>	<u>\$ 787,934</u>	<u>\$ 309,147</u>	<u>(\$ 414)</u>	<u>\$2,083,397</u>

Note: None of the balances of each remaining expense is greater than 5% of this account balance.

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ADATA TECHNOLOGY CO., LTD.
SUMMARY STATEMENT OF CURRENT PERIOD EMPLOYEE BENEFITS, DEPRECIATION, DEPLETION AND AMORTIZATION EXPENSES BY
FUNCTION
FOR THE YEARS ENDED DECEMBER 31, 2022 and 2021
(Expressed in thousands of New Taiwan dollars)

Statement 13

Function Nature	Year ended December 31, 2022			Year ended December 31, 2021		
	Classified as Operating Costs	Classified as Operating Expenses	Total	Classified as Operating Costs	Classified as Operating Expenses	Total
Employee Benefit Expense						
Wages and salaries	\$ 6,824	\$ 940,712	\$ 947,536	\$ 4,626	\$ 1,196,013	\$ 1,200,639
Labour and health insurance fees	564	71,369	71,933	468	66,121	66,589
Pension costs	271	33,800	34,071	218	31,688	31,906
Directors' remuneration	-	9,149	9,149	-	29,123	29,123
Other personnel expenses	416	39,396	39,812	397	44,750	45,147
Depreciation Expense	4,026	83,640	87,666	4,120	57,644	61,764
Amortisation Expense	41	15,594	15,635	33	19,396	19,429

Note:

1. As at December 31, 2022 and 2021, the average employee headcount of the Company are 667 and 657, respectively, and both including 3 non-employee directors.
2. A company whose stock is listed for trading on the stock exchange or over-the-counter securities exchange shall additionally disclose the following information:
 - (1) Average employee benefit expense in current year was \$1,647 ((Total employee benefit expense of current year less Total directors' remuneration of current year) /
Average employee benefit expense in previous year was \$2,055 ((Total employee benefit expense of previous year less Total directors' remuneration of previous year) / (Number of employees of previous year less Number of non-employee directors of previous year)).
 - (2) Average employees salaries in current year were \$1,427 (Total wages and salaries of current year/ (Number of employees of current year less Number of non-employee directors of current year)).
Average employees salaries in previous year \$1,836 (Total wages and salaries of previous year/ (Number of employees of previous year less Number of non-employee directors of previous year)).
 - (3) Adjustments of average employees salaries were (22.28%) ((Average wages and salaries of current year less Average wages and salaries of previous year) /Average

ADATA TECHNOLOGY CO., LTD.
SUMMARY STATEMENT OF CURRENT PERIOD EMPLOYEE BENEFITS, DEPRECIATION, DEPLETION AND AMORTIZATION EXPENSES BY
FUNCTION (Cont.)
FOR THE YEARS ENDED DECEMBER 31, 2022 and 2021
(Expressed in thousands of New Taiwan dollars)

Statement 13

(4) As the Company sets up independent directors, it has no supervisors' emoluments.

(5) The Company's Salary and Compensation Policy (including directors, supervisors, managers and employees) is as follows:

A. The remuneration of the Company's directors includes attendance fees and participation in the distribution of directors' remuneration based on annual profitability, and profitability, and is subject to the approval of the compensation committee to the Board of Directors.

B. In addition to the monthly salaries of the Company's managers and employees, year-end bonuses are paid annually after salary adjustments and performance evaluations in accordance with the Company's Salary Management Regulations.

In accordance with the Company's Articles of Incorporation, the Company shall set aside not less than 1% of the Company's annual profits for employee compensation, which shall be distributed in stock or cash by resolution of the Board of Directors.

If the employees of the Company's subsidiaries meet certain conditions, they may also be distributed, and the Chairman of the Board of Directors is authorized to set such conditions; the Company may set aside not more than 1% of the above-mentioned profits by resolution of the Board of Directors.

The Company may set aside not more than 1% of the above-mentioned amount as directors' remuneration by resolution of the Board of Directors. The Board of Directors shall resolve to distribute the remuneration to employees and directors by a resolution of the Board of Directors with two-thirds or more of the directors present and a majority of the directors present, and shall submit a report to the shareholders.

The Board of Directors shall report to the shareholders' meeting. However, if the Company still has accumulated losses, the Company shall retain the amount of compensation in advance, and if there is any remaining balance, the Company shall distribute the employee's and director's remuneration in accordance with the aforementioned ratio.

The remuneration of the manager shall be approved by the Compensation Committee to the Board of Directors.

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