

Information Technology Total Services Co., Ltd.
and Subsidiaries

Consolidated Financial Statement and
Independent Auditors' Review Report for The
Nine Months Ended September 30, 2023, and
2022

(Stock Code: 6697)

INDEPENDENT AUDITORS' REVIEW REPORT

The Board of Directors and Shareholders of Information Technology Total Services Co., Ltd.

Introduction

We have reviewed the accompanying consolidated balance sheets of Information Technology Total Services Co., Ltd. (the "Company") and its subsidiaries (collectively, the "Group") as of September 30, 2023 and 2022, the related consolidated statements of comprehensive income for the three month ended September 30, 2023 and 2022 and for the nine months ended September 30, 2023 and 2022, the consolidated statements of changes in equity and cash flows for the nine months then ended, and the related notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "consolidated financial statements"). Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

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

Conclusion

Based on our reviews, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects,

the consolidated financial position of the Company as of September 30, 2023 and 2022, its consolidated financial performance and its consolidated cash flows for the nine months ended September 30, 2023 and 2022 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Ping-Chun Chih

For and on behalf of PricewaterhouseCoopers, Taiwan

Nov 06, 2023

Tsung-Hsi Lai

Notice to Readers

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

The standards, procedures and practices to review such consolidated financial statements are those generally applied in the Republic of China.

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

INFORMATION TECHNOLOGY TOTAL SERVICES CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEET
SEPTEMBER 30, 2023 AND DECEMBER 31, 2022 AND SEPTEMBER 30, 2022
(Expressed in thousands of New Taiwan dollars)

Assets	Note	September 30, 2023		December 31, 2022		September 30, 2022		
		Amount	%	Amount	%	Amount	%	
Current assets								
1100	Cash and cash equivalent	6(1)	\$ 212,901	22	\$ 171,492	19	\$ 131,479	15
1136	Financial assets measured at amortized cost – current	6(3)and 8	1,125	-	755	-	972	-
1140	Contract assets – current	6(17)	73,028	7	35,235	4	80,241	10
1150	Notes receivable, net	6(4)	3,154	-	1,657	-	2,057	-
1160	Notes receivable – related parties, net	7	-	-	441	-	-	-
1170	Accounts receivable, net	6(4)	332,162	34	293,888	33	249,552	29
1180	Accounts receivable - related parties, net	7	70,763	7	71,217	8	66,628	8
1200	Other receivables		7,611	1	6,030	1	5,841	1
1210	Other receivables – related parties	7	7	-	61	-	165	-
130X	Inventories	6(5)	8,137	1	7,939	1	11,174	1
1410	Prepayments	6(6)	26,481	3	24,469	3	51,839	6
1470	Other current assets		1,360	-	106	-	120	-
11XX	Total current assets		<u>736,729</u>	<u>75</u>	<u>613,290</u>	<u>69</u>	<u>600,068</u>	<u>70</u>
Non-current assets								
1517	Financial assets at fair value through other comprehensive profit or loss - non-current	6(2)	34,179	4	32,530	4	33,629	4
1535	Financial assets measured at amortized cost – non-current	6(3)and 8	200	-	357	-	357	-
1550	Investment using equity method	6(7)	52,611	6	46,289	5	40,939	5
1600	Property, plant, and equipment	6(8)	30,237	3	33,265	4	34,137	4
1755	Right-of-use assets	6(9)	10,980	1	14,592	1	13,041	1
1780	Intangible assets		1,221	-	1,191	-	441	-
1840	Deferred income tax assets		1,432	-	5,847	1	1,533	-
1915	Advance equipment payment		3,609	-	-	-	-	-
1920	Refundable deposits		6,623	1	7,907	1	6,779	1
1930	Long-term notes and accounts receivable	6(10)	97,873	10	130,095	15	129,612	15
1990	Other non-current assets – others		248	-	248	-	248	-
15XX	Total non-current assets		<u>239,213</u>	<u>25</u>	<u>272,321</u>	<u>31</u>	<u>260,716</u>	<u>30</u>
1XXX	Total non-current assets		<u>\$ 975,942</u>	<u>100</u>	<u>\$ 885,611</u>	<u>100</u>	<u>\$ 860,784</u>	<u>100</u>

(Continued on the next page)

INFORMATION TECHNOLOGY TOTAL SERVICES CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
SEPTEMBER 30, 2023 AND DECEMBER 31, 2022 AND SEPTEMBER 30, 2022
(Expressed in thousands of New Taiwan dollars)

Liability and equity		Note	September 30, 2023		December 31, 2022		September 30, 2022	
			Amount	%	Amount	%	Amount	%
Current liabilities								
2130	Contract liabilities – current	6(17)	\$ 25,178	3	\$ 14,633	2	\$ 15,445	2
2150	Notes payable		351	-	891	-	2,220	-
2170	Accounts payable		275,051	28	187,610	21	183,958	21
2180	Accounts payable – related parties	7	5,547	-	8,341	1	8,420	1
2200	Other payables	6(11)	66,734	7	72,292	8	57,582	7
2220	Other payables – related parties	7	2,225	-	2,978	-	2,963	-
2230	Income tax liabilities in the current period	6(23)	5,594	1	9,867	1	7,623	1
2280	Lease liabilities – current		5,307	1	5,577	1	5,150	-
2399	Other current liabilities – others		5,993	1	13,286	1	5,558	1
21XX	Total current liabilities		<u>391,980</u>	<u>40</u>	<u>315,475</u>	<u>35</u>	<u>288,919</u>	<u>33</u>
Total current liabilities								
2570	Deferred income tax liabilities	6(23)	7,422	1	6,576	1	6,773	1
2580	Lease liabilities – non-current		6,036	1	9,239	1	8,098	1
2645	Guarantee deposits		873	-	743	-	743	-
25XX	Total non-current liabilities		<u>14,331</u>	<u>2</u>	<u>16,558</u>	<u>2</u>	<u>15,614</u>	<u>2</u>
2XXX	Total liabilities		<u>406,311</u>	<u>42</u>	<u>332,033</u>	<u>37</u>	<u>304,533</u>	<u>35</u>
Equity								
Equity attributable to owners of the parent company								
Share capital 6(13)								
3110	Common shares		273,234	28	273,234	31	273,234	32
Capital surplus 6(14)								
3200	Capital surplus		158,042	16	158,042	18	158,042	18
Retained earnings 6(15)								
3310	Legal reserve		53,949	6	48,340	5	48,340	6
3320	Special reserves		1,042	-	5,484	1	5,484	1
3350	Unappropriated earning		82,461	7	69,520	8	70,647	8
Other equity 6(16)								
3400	Other equity		903	-	(1,042)	-	504	-
31XX	Total equity attributable to owners of the parent company		<u>569,631</u>	<u>58</u>	<u>553,578</u>	<u>63</u>	<u>556,251</u>	<u>65</u>
3XXX	Total equity		<u>569,631</u>	<u>58</u>	<u>553,578</u>	<u>63</u>	<u>556,251</u>	<u>65</u>
Material contingent liabilities and unrecognized contractual commitments 9								
3X2X	Total liabilities and equity		<u>\$ 975,942</u>	<u>100</u>	<u>\$ 885,611</u>	<u>100</u>	<u>\$ 860,784</u>	<u>100</u>

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

INFORMATION TECHNOLOGY TOTAL SERVICES CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
2023 and 2022 from January 1 to September 30
(Expressed in thousands of New Taiwan dollars, except earnings per share amounts)
(UNAUDITED)

Item	Note	For the Three Months Ended September 30				For the Nine Months Ended September 30			
		2023		2022		2023		2022	
		Amount	%	Amount	%	Amount	%	Amount	%
4000 Operating Revenue	6(17)and 7	\$ 332,006	100	\$ 295,309	100	\$ 1,014,545	100	\$ 1,023,797	100
5000 Operating costs	6(5)(12) (22)and7	(289,385)	(87)	(247,888)	(84)	(878,935)	(87)	(882,362)	(86)
5950 Gross profit, net	6(12)(22) and7	<u>42,621</u>	<u>13</u>	<u>47,421</u>	<u>16</u>	<u>135,610</u>	<u>13</u>	<u>141,435</u>	<u>14</u>
Operating expenses									
6100 Selling expenses		(3,997)	(1)	(3,858)	(1)	(12,211)	(1)	(13,120)	(1)
6200 Administrative expenses		(19,217)	(6)	(19,510)	(7)	(58,135)	(6)	(59,244)	(6)
6300 R&D expense		(1,153)	(1)	(2,396)	(1)	(5,002)	(-)	(7,275)	(1)
6000 Total operating expenses		(24,367)	(8)	(25,764)	(9)	(75,348)	(7)	(79,639)	(8)
6900 Operating profits		<u>18,254</u>	<u>5</u>	<u>21,657</u>	<u>7</u>	<u>60,262</u>	<u>6</u>	<u>61,796</u>	<u>6</u>
Non-operating income and expense									
7100 Interest revenue	6(18)	379	-	84	-	1,133	-	268	-
7010 Other revenue	6(19)	75	-	210	-	2,891	-	3,039	-
7020 Other gains and losses	6(20)	8	(43)	-	-	94	-	26	-
7050 Financial costs	6(9)(21)	(46)	(89)	-	-	(198)	(428)	-	-
7060 Share of profit or loss on associates and joint ventures accounted for using the equity method	6(7)	<u>2,704</u>	<u>1</u>	<u>2,363</u>	<u>1</u>	<u>6,322</u>	<u>1</u>	<u>4,792</u>	<u>1</u>
7000 Total non-operating income and expenses		<u>3,120</u>	<u>1</u>	<u>2,525</u>	<u>1</u>	<u>10,242</u>	<u>1</u>	<u>7,697</u>	<u>1</u>
7900 Profit before tax		<u>21,374</u>	<u>6</u>	<u>24,182</u>	<u>8</u>	<u>70,504</u>	<u>7</u>	<u>69,493</u>	<u>7</u>
7950 Income tax expense	6(23)	(4,029)	(1)	(4,158)	(1)	(12,679)	(1)	(12,277)	(1)
8200 Current net income		<u>\$ 17,345</u>	<u>5</u>	<u>\$ 20,024</u>	<u>7</u>	<u>\$ 57,825</u>	<u>6</u>	<u>\$ 57,216</u>	<u>6</u>
Other net consolidated incomes									
Items possibly reclassified to profits and losses later									
8361 Difference in exchange from the conversion of financial statements of overseas operating entities	6(16)	(\$ 2,681)	1	(\$ 3,096)	1	(\$ 2,431)	-	(\$ 6,638)	-
8399 Income tax related to items likely to be reclassified	6(23)	(536)	-	(650)	-	(486)	-	(650)	-
8300 Other net consolidated incomes		(\$ 2,145)	1	(\$ 2,446)	1	(\$ 1,945)	-	(\$ 5,988)	-
8500 Current total comprehensive income		<u>\$ 19,490</u>	<u>6</u>	<u>\$ 22,470</u>	<u>8</u>	<u>\$ 59,770</u>	<u>6</u>	<u>\$ 63,204</u>	<u>6</u>
Net profit attributable to:									
8610 Parent company shareholders		<u>\$ 17,345</u>	<u>5</u>	<u>\$ 20,024</u>	<u>7</u>	<u>\$ 57,825</u>	<u>6</u>	<u>\$ 57,216</u>	<u>6</u>
Total comprehensive income attributable to:									
8710 the owner of parent company		<u>\$ 19,490</u>	<u>6</u>	<u>\$ 22,470</u>	<u>8</u>	<u>\$ 59,770</u>	<u>6</u>	<u>\$ 63,204</u>	<u>6</u>
Earnings per share	6(24)								
9750 Basic earnings per share		<u>\$ 0.63</u>	<u>0.63</u>	<u>\$ 0.73</u>	<u>0.73</u>	<u>\$ 2.12</u>	<u>2.12</u>	<u>\$ 2.09</u>	<u>2.09</u>
9850 Diluted earnings per share		<u>\$ 0.63</u>	<u>0.63</u>	<u>\$ 0.73</u>	<u>0.73</u>	<u>\$ 2.11</u>	<u>2.11</u>	<u>\$ 2.08</u>	<u>2.08</u>

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

INFORMATION TECHNOLOGY TOTAL SERVICES CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
2023 and 2022 from January 1 to September 30
(Expressed in thousands of New Taiwan dollars)

	Notes	Equity attributable to owners of the parent company					Exchange differences on translation of financial statements of foreign operations	Total
		Common shares	Capital surplus- additional paid-in capital	Legal reserve	Special reserves	Undistributed Earnings		
<u>2022</u>								
Balance on January 1, 2022		\$ 273,234	\$ 158,042	\$ 41,087	\$ 4,279	\$ 76,536	(\$ 5,484)	\$ 547,694
Current net income		-	-	-	-	57,216	-	57,216
Current other comprehensive income	6(16)	-	-	-	-	-	5,988	5,988
Current total comprehensive income	6(15)	-	-	-	-	57,216	5,988	63,204
2021 earnings allocation and appropriation								
Appropriation for legal reserve		-	-	7,253	-	(7,253)	-	-
Appropriation for special reserve		-	-	-	1,205	(1,205)	-	-
Distribution of cash dividends		-	-	-	-	(54,647)	-	(54,647)
Balance on September 30, 2022		\$ 273,234	\$ 158,042	\$ 48,340	\$ 5,484	\$ 70,647	\$ 504	\$ 556,251
<u>2023</u>								
Balance on January 1, 2023		\$ 273,234	\$ 158,042	\$ 48,340	\$ 5,484	\$ 69,520	(\$ 1,042)	\$ 553,578
Current net income		-	-	-	-	57,825	-	57,825
Current other comprehensive income	6(16)	-	-	-	-	-	1,945	1,945
Current total comprehensive income		-	-	-	-	57,825	1,945	59,770
2022 earnings allocation and appropriation								
Appropriation for legal reserve		-	-	5,609	-	(5,609)	-	-
Appropriation of Special Surplus Reserve		-	-	-	(4,442)	4,442	-	-
Distribution of cash dividends	6(15)	-	-	-	-	(43,717)	-	(43,717)
Balance on September 30, 2023		\$ 273,234	\$ 158,042	\$ 53,949	\$ 1,042	\$ 82,461	\$ 903	\$ 569,631

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

INFORMATION TECHNOLOGY TOTAL SERVICES CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
January 1 to September 30, 2023 and 2022
(Expressed in thousands of New Taiwan dollars)
(UNAUDITED)

	<u>Note</u>	<u>January 1 to</u> <u>September 30, 2023</u>	<u>January 1 to</u> <u>September 30, 2022</u>
<u>Cash flow of operating activities</u>			
Net profit before tax this term		\$ 70,504	\$ 69,493
Adjustments			
Income, expense, and loss			
Depreciation expenses	6(8)(9)	10,270	11,499
Amortization expenses		970	954
Interest expenses	6(21)	198	428
Interest revenue	6(18)	(1,133)	(268)
Dividend revenue	6(19)	(2,618)	(2,479)
Share of profit on associates and joint ventures accounted for the using equity	6(7)	(6,322)	(4,792)
Gains on disposal of property, plant, and equipment	6(20)	-	(3)
Changes in assets/liabilities related to operating activities			
Net changes in assets related to operating activities			
Contract assets – current		(37,793)	(28,235)
Notes receivable, net		(1,497)	(1,623)
Notes receivable – related parties, net		441	5,158
Accounts receivable		(38,274)	23,155
Accounts receivable - related parties, net		454	(4,673)
Other receivables		(1,581)	1,458
Other receivables – related parties		54	(165)
Inventories		(198)	(2,661)
Prepayments		(2,012)	(33,578)
Other current assets – others		(1,254)	1,115
Net changes in liabilities related to operating activities			
Contract liabilities – current		10,545	(1,831)
Notes payable		(540)	870
Accounts payable		87,441	24,828
Accounts payable – related parties		(2,794)	(922)
Other payables		(5,394)	(16,546)
Other current liabilities – others		(7,293)	827
Cash inflow from operations		72,174	42,009
Interest received		1,133	268
Dividends received		2,618	2,479
Interest paid		(198)	(428)
Income tax paid		(12,177)	(16,248)
Net cash inflow from operating activities		<u>63,550</u>	<u>28,080</u>

(Continued on the next page)

INFORMATION TECHNOLOGY TOTAL SERVICES CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
January 1 to September 30, 2023 and 2022
(Expressed in thousands of New Taiwan dollars)

	<u>Note</u>	<u>January 1 to</u> <u>September 30, 2023</u>	<u>January 1 to</u> <u>September 30, 2022</u>
<u>Cash flow of Investment activities</u>			
Cash paid for purchase of property, plant, and equipment	6(25)	(\$ 3,601)	(\$ 9,787)
Proceeds from disposal of property, plant, and equipment		-	203
Cash paid for acquisition of intangible assets		(1,000)	-
Acquisition of financial assets measured at amortized cost		(213)	(844)
Decrease in long-term notes and accounts receivable		32,222	32,274
Increase in Prepaid Equipment Payments		(3,609)	-
Decrease (Increase) in Refundable Deposits		<u>1,284</u>	<u>(1,712)</u>
Net cash inflow from investing activities		<u>25,083</u>	<u>20,134</u>
<u>Cash flow of fund-raising activities</u>			
Increase in short-term loans		100,000	300,000
Decrease in short-term loans		(100,000)	(300,000)
Increase (Decrease) in guarantee received	6(26)	130	93
Repayment of lease principal	6(26)	(4,572)	(4,952)
Distribution of cash dividends	6(15)	<u>(43,717)</u>	<u>(54,647)</u>
Net cash outflow from financing activities		<u>(48,159)</u>	<u>(59,506)</u>
Exchange rate effect		<u>935</u>	<u>2,491</u>
Increase in cash and cash equivalents in the current period		41,409	(8,801)
Balance of cash and cash equivalents at beginning of period	6(1)	<u>171,492</u>	<u>140,280</u>
Balance of cash and cash equivalents at ending of period	6(1)	<u>\$ 212,901</u>	<u>\$ 131,479</u>

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

INFORMATION TECHNOLOGY TOTAL SERVICES CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

1. Company History

Information Technology Total Services Co., Ltd. (the “Company”) was incorporated in December 1990. The main business items of the Company and its subsidiaries (collectively, the “Group”) are information technology outsourcing (ITO), business process outsourcing (BPO), and innovative applications and services of the Internet of Things (IoT). TECO Electric and Machinery Co., Ltd. holds 41.97% of the Company’s equity, and TECO Electric and Machinery Co., Ltd. is the ultimate parent company of the Group.

2. Date and Procedures for Approval of the Financial Report

The consolidated financial report was released after being approved by the board of directors on Nov 06, 2023.

3. Application of Newly Issued and Amended Standards and Interpretations

(1) The effect of adopting new or amended IFRSs endorsed and promulgated by the Financial Supervisory Commission (FSC)

The table below lists the new, revised and amended standards and interpretations of the IFRSs, which apply to the reporting period of 2023, as endorsed and promulgated by the FSC:

<u>New, Amended, or Revised Standards and Interpretations</u>	<u>Effective Date Announced by IASB</u>
Amendments to IAS 1 “Disclosure of Accounting Policies”	January 1, 2023
Amendment 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
Amendments to IAS 12 “International Tax Reform—Pillar Two Model Rules”	May 23, 2023

The Group has assessed that the above standards and interpretations have no material impact on the Group’s financial position and financial performance.

(2) Effect of not adopting the newly promulgated or amended IFRS endorsed by the FSC

The table below lists the new, revised and amended standards and interpretations of the IFRSs, which apply to the reporting period of 2023, as endorsed by the FSC:

<u>New, Amended, or Revised Standards and Interpretations</u>	<u>Effective Date Announced by IASB</u>
Amendments to IFRS 16 “Lease Liability in a Sale and Leaseback”	January 1, 2024

Amendment to IAS 1 “Classification of Liabilities as Current or Non-current”	January 1, 2024
Amendments to IAS 1 “Classification of liabilities with covenants”	January 1, 2024
Amendments to IAS 7 and IFRS 7 “Supplier finance arrangements”	January 1, 2024

The Group has assessed that the above standards and interpretations have no material impact on the Group’s financial position and financial performance.

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

New, amended and revised standards and interpretations of the IFRSs issued by IASB but not yet approved by FSC:

<u>New, Amended, or Revised Standards and Interpretations</u>	<u>Effective Date Announced by IASB</u>
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	To be determined by IAS
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
Amendments to IFRS 17 “Initial Application of IFRS 17 and IFRS 9 – Comparative Information”	January 1, 2023
Amendments to IAS 21 “Lack of Exchangeability”	January 1, 2025

The Group has assessed that the above standards and interpretations have no material impact on the Group’s financial position and financial performance.

4. Summary of significant accounting policies

The consolidated financial statements follow the International Accounting Standard No. 34 "Interim Financial Reporting" with simplified disclosures. Significant accounting policies, except for compliance statements, preparation basis, consolidation basis, and additional explanations as follows, are consistent with the Note 4 to consolidated financial statements for the year 2023. Unless otherwise stated, these policies are applied consistently throughout all reporting periods.

(1) Compliance Statement

- A. The consolidated financial statements of the Group have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Accounting Standard 34, ‘Interim financial reporting’ that came into effect as endorsed by the FSC.
- B. This consolidated financial report should be read together with the consolidated financial report for the year 2022.

(2) Basis of preparation

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

Financial assets at fair value measured at fair value through other comprehensive gains or losses

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

(3) Basis of consolidation

- A. Principles for preparing consolidated financial statements

The preparation principles of this consolidated financial report are the same as those of the consolidated financial report for the year 2022.

- B. The subsidiaries included in the consolidated financial statements:

Name of investor	Name of the Subsidiary	Nature of Business	Percentage of ownership			Note
			September 30,2023	December 31, 2022	September 30,2022	
Information Technology Total Services Co., Ltd.	Unison Service Corporation	Customer relationship management services and consulting services for customer service center establishment	100%	100%	100%	
Information Technology Total Services Co., Ltd.	Universal Mail Service Ltd.	Postal information integration and bill printing outsourcing services	100%	100%	100%	
Information Technology Total Services Co., Ltd.	Information Technology Total Services (BVI) CO., LTD.	Investment holding company	100%	100%	100%	
Information Technology Total Services (BVI) CO., LTD.	Information Technology (Wuxi) Co., Ltd.	ERP establishment, system maintenance, and information equipment procurement	100%	100%	100%	

- C. The subsidiaries not included in the consolidated financial statements: None.
- D. Different adjustments and treatment methods of subsidiaries in the accounting period: None.
- E. Major restrictions: None.
- F. Subsidiaries with non-controlling interests that are material to the Group: None.

5. Major sources of uncertainty for significant accounting judgments, estimates and assumptions

There are no material changes in this period, please refer to Note 5 of the consolidated financial report of the year 2022.

6. Description of Significant Accounting Titles

(1) Cash and cash equivalent

	<u>September 30,2023</u>	<u>December 31, 2022</u>	<u>September 30,2022</u>
Cash on hand and working capital	\$ 271	\$ 257	\$ 243
Check deposit and demand deposit	212,630	171,235	131,236
Total	<u>\$ 212,901</u>	<u>\$ 171,492</u>	<u>\$ 131,479</u>

- A. The financial institutions the Group deals with have high credit ratings. The Group also deals with multiple financial institutions at the same time to diversify credit risks. Therefore, the expected risk of default is rather low.
- B. As of September 30, 2023 and December 31, 2022 and September 30,2022, the Group provided restricted cash and cash equivalents as performance bonds, amounting to \$1,325 and \$1,112 and \$1,329, respectively (recognized in “1136 Financial assets measured at amortized cost – current” and “1535 Financial assets measured at amortized cost – non-current”).

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

<u>Item</u>	<u>September 30,2023</u>	<u>December 31, 2022</u>	<u>September 30,2022</u>
Non-current items:			
Unlisted stocks	<u>\$ 34,179</u>	<u>\$ 32,530</u>	<u>\$ 33,629</u>

- A. The Group has elected to classify unlisted stocks with stable dividends as financial assets measured at fair value through other comprehensive income. The fair values of these investments as of September 30, 2023, December 31, 2022, September 30, 2022, were \$34,179 and \$32,530 and \$33,629, respectively.
- B. The dividend income of financial assets at fair value measured through other comprehensive gains and losses was \$32, \$48, \$2,618 and \$2,479 respectively from 1 July to 30 September 2022 and 2023 and 1 January to 30 September 2022 and 2023, respectively.
- C. As of September 30, 2023, December 31, 2022, September 30, 2022, regardless of the collateral held and other credit enhancements, the maximum amount of the exposure to the credit risk arising from the Group’s financial assets at fair value through other comprehensive income was in the amount of \$34,179, \$32,530 and \$33,629, respectively.
- D. For information on the price risk and the fair value of financial assets at fair value through other comprehensive income, please refer to Notes 12(3) and (4).

(3) Financial assets measured at amortized cost

<u>Item</u>	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Current item:			
Time deposits	\$ 605	\$ 605	\$ 822
Performance bond	520	150	150
Total	<u>\$ 1,125</u>	<u>\$ 755</u>	<u>\$ 972</u>
Non-current items:			
Performance bond	<u>\$ 200</u>	<u>\$ 357</u>	<u>\$ 357</u>

- A. Financial assets measured at amortized cost which are recognized in profit or loss are detailed as follows:

	<u>From July 1 to September 30</u>	
	<u>2023</u>	<u>2022</u>
Interest revenue	\$ 1	\$ -
	<u>From January 1 to September 30</u>	
	<u>2023</u>	<u>2022</u>
Interest revenue	\$ 6	\$ 5

- B. As of September 30, 2023, December 31, 2022, September 30, 2022, regardless of the collateral held or other credit enhancements, the maximum amount of the exposure to the credit risk arising from the Group's financial assets measured at amortized cost was in the amount of \$1,325 and \$1,112 and \$1,329, respectively.
- C. For the financial assets measured at amortized cost which have been pledged by the Group as collateral, see Note 8.
- D. For information on the credit risk of financial assets measured at amortized cost, see Note 12(3). The counterparties for the Group's investment in certificates of deposit are financial institutions with high credit ratings. Therefore, the expected risk of default is rather low.

(4) Notes and Accounts Receivable

	<u>September 30,2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Notes receivable	<u>\$ 3,154</u>	<u>\$ 1,657</u>	<u>\$ 2,057</u>
Accounts receivable	\$ 334,150	\$ 317,926	\$ 251,540
Less: Allowance loss	(1,988)	(24,038)	(1,988)
	<u>\$ 332,162</u>	<u>\$ 293,888</u>	<u>\$ 249,552</u>

- A. The aging analysis of accounts receivable and notes receivable is as follows:

	<u>September 30,2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Not past due	\$ 324,458	\$ 293,022	\$ 241,013
Within 30 days	12,702	15,166	727
31–90 days	134	11,386	9594
91–180 days	10	9	2,263
181 and above	-	-	-

\$ 337,304 \$ 319,583 \$ 253,597

The aging analysis stated above is based on the number of overdue days.

- B. The balances of accounts receivable and notes receivable as of September 30, 2023, December 31, 2022, September 30, 2022 were all generated from customer contracts. In addition, the balance of accounts receivable from customer contracts on January 1, 2022, was \$275,129.
- C. As of September 30, 2023, December 31, 2022, September 30, 2022, regardless of the collateral held and other credit enhancements, the maximum amount of the exposure to the credit risk arising from the Group's notes receivable was in the amount of \$3,154、\$1,657 and \$2,057, respectively; the maximum amount of the exposure to the credit risk arising from the Group's accounts receivable was in the amount of \$332,162, \$293,888 and \$249,552, respectively
- D. Please refer to Note 12(3) for detailed information on the credit risk of accounts and notes receivable.

(5) Inventories

		September 30, 2023		
		Costs	Allowance for valuation loss	Carrying amount
Merchandise inventory		\$ 1,124	\$ -	\$ 1,124
Software and hardware costs and consumables for projects		9778	(2,765)	7,013
		<u>\$ 10,902</u>	<u>(\$ 2,765)</u>	<u>\$ 8,137</u>
		December 31, 2022		
		Costs	Allowance for valuation loss	Carrying amount
Merchandise inventory		\$ 1,131	\$ -	\$ 1,131
Software and hardware costs and consumables for projects		9,573	(2,765)	6,808
		<u>\$ 10,704</u>	<u>(\$ 2,765)</u>	<u>\$ 7,939</u>
		September 30, 2022		
		Costs	Allowance for valuation loss	Carrying amount
Merchandise inventory		\$ 4,554	\$ -	\$ 4,554
Software and hardware costs and consumables for projects		9,385	(2,765)	6620
		<u>\$ 13,939</u>	<u>(\$ 2,765)</u>	<u>\$ 11,174</u>

The cost of inventories and consumables sold by the Group for the periods from July 1 to September 30, 2023 and 2022, and from January 1 to September 30, 2023 and 2022, were

\$107,598, \$81,328, \$245,263, and \$283,572, respectively.

(6) Prepayments

	September 30,2023	December 31, 2022	September 30,2022
Tax withheld	\$ 110	\$ -	\$ 186
Other prepaid expenses	26,371	24,469	51,653
	<u>\$ 26,481</u>	<u>\$ 24,469</u>	<u>\$ 51,839</u>

(7) Investment using equity method

	September 30,2023	December 31, 2022	September 30,2022
Tension Envelope Taiwan Corporation	\$ 49,252	\$ 42,625	\$ 37,521
An-Hui Information Technology Co., Ltd.	3,359	3,664	3,418
	<u>\$ 52,611</u>	<u>\$ 46,289</u>	<u>\$ 40,939</u>

- A. The Group holds 50% of the voting rights of Tension Envelope Taiwan Corporation (hereinafter referred to as “Tension Envelope”). However, the Group does not have substantive control over Tension Envelope. Tension Envelope’s operating decisions and personnel appointments by its board of directors are guided by another parent company that holds 50% of its voting rights, so the Group’s investment in Tension Envelope is handled using the equity method.
- B. The Group holds 15% of the voting rights of An-Hui Information Technology Co., Ltd. (hereinafter referred to as “An-Hui Information”), obtaining a seat on the board. With significant influence on An-Hui Information, the Group adopts the equity method for investment in An-Hui Information.
- C. Associates

(a) The basic information of the Group’s associates is as follows:

Company name	Principal place of business	Shareholding percentage			Relationship	Measure ment method
		September 30,2023	December 31, 2022	September 30, 2022		
Tension Envelope Taiwan Corporation	Taiwan	50%	50%	50%	Suppliers of the Group	Equity method
An-Hui Information Technology Co., Ltd.	Taiwan	15%	15%	15%	Strategic collaboration	Equity method

(b) The carrying amounts of the Group’s associates that are individually immaterial and their share of operating results are aggregated below:

As of September 30, 2023, December 31, 2022, September 30, 2022, the carrying amounts of the Group's associates that are individually immaterial were \$52,611, \$46,289, \$40,939, respectively.

	From July 1 to September 30	
	2023	2022
Net profit (loss) from continuing operations in the current period	\$ 4,791	\$ 6,183
Other comprehensive income (net of tax)	-	-
Current total comprehensive income	\$ 4,791	\$ 6,183
	From January 1 to September 30	
	2023	2022
Net profit (loss) from continuing operations in the current period	\$ 11,215	\$ 8,612
Other comprehensive income (net of tax)	-	-
Current total comprehensive income	\$ 11,215	\$ 8,612

(8) Property, plant, and equipment

	Machinery and equipment	Office equipment	Leasehold improvements	Others	Total
January 1, 2023					
Costs	\$ 55,355	\$ 12,085	\$ 11,867	\$ 917	\$ 80,224
Accumulated depreciation and impairment	(32,762)	(8,459)	(4,948)	(790)	(46,959)
	<u>\$ 22,593</u>	<u>\$ 3,626</u>	<u>\$ 6,919</u>	<u>\$ 127</u>	<u>\$ 33,265</u>
January 1, 2023	\$ 22,593	\$ 3,626	\$ 6,919	\$ 127	\$ 33,265
Additions	1,115	998	540	31	2,684
Depreciation expenses	(2,718)	(1,402)	(1,546)	(46)	(5,712)
September 30, 2023	<u>\$ 20,990</u>	<u>\$ 3,222</u>	<u>\$ 5,913</u>	<u>\$ 112</u>	<u>\$ 20,237</u>
September 30, 2023					
Costs	\$ 56,470	\$ 12,945	\$ 12,407	\$ 948	\$ 82,770
Accumulated depreciation and impairment	(35,480)	(9,723)	(6,494)	(836)	(52,533)
	<u>\$ 20,990</u>	<u>\$ 3,222</u>	<u>\$ 5,913</u>	<u>\$ 112</u>	<u>\$ 30,237</u>
	Machinery and equipment	Office equipment	Leasehold improvements	Others	Total
January 1, 2022					
Costs	\$ 44,865	\$ 10,386	\$ 11,535	\$ 1,092	\$ 67,878
Accumulated depreciation and impairment	(24,301)	(7,081)	(4,883)	(929)	(37,194)
	<u>\$ 20,564</u>	<u>\$ 3,305</u>	<u>\$ 6,652</u>	<u>\$ 163</u>	<u>\$ 30,684</u>
January 1, 2022	\$ 20,564	\$ 3,305	\$ 6,652	\$ 163	\$ 30,684

Additions	6,291	1,737	1,451	72	9,551
Disposal	(175)	(8)	-	(17)	(200)
Depreciation expenses	(3,053)	(1,324)	(1,458)	(74)	(5,909)
Net exchange difference	-	7	-	4	11
September 30,2022	<u>\$ 23,627</u>	<u>\$ 3,717</u>	<u>\$ 6,645</u>	<u>\$ 148</u>	<u>\$ 34,137</u>
September 30,2022					
Costs	\$ 55,355	\$ 12,033	\$ 11,067	\$ 927	\$ 79,382
Accumulated depreciation and impairment	(31,728)	(8,316)	(4,422)	(779)	(45,245)
	<u>\$ 23,627</u>	<u>\$ 3,717</u>	<u>\$ 6,645</u>	<u>\$ 148</u>	<u>\$ 34,137</u>

The Group did not pledge property, plant, and equipment as collateral.

(9) Lease transaction – lessee

A. The assets leased by the Group include buildings as well as machinery and equipment. The lease terms usually range from 2 to 5 years. The lease contracts are negotiated separately and contain various terms and conditions. Except that the leased asset cannot be used as collateral for loans, no other restrictions are imposed.

B. The carrying amount of the right-of-use assets and the recognized depreciation expenses are described below:

	<u>September 30,2023</u>	<u>December 31, 2022</u>	<u>September 30,2022</u>
Book amount			
Buildings	\$ 7,521	\$ 10,779	\$ 12,279
Machinery and equipment	3,459	3,813	762
	<u>\$ 10,980</u>	<u>\$ 14,592</u>	<u>\$ 13,041</u>

From July 1 to September 30

	<u>2023</u>	<u>2022</u>
Depreciation expenses		
Buildings	\$ 1,086	\$ 1,707
Machinery and equipment	434	356
	<u>\$ 1,520</u>	<u>\$ 2,063</u>

From January 1 to September 30

	<u>2023</u>	<u>2022</u>
Depreciation expenses		
Buildings	\$ 3,258	\$ 4,523
Machinery and equipment	1,300	1,067
	<u>\$ 4,558</u>	<u>\$ 5,590</u>

C. The additions of the Group's right-of-use assets in July 1 to September 30 2023 and 2022, January 1 to September 30 2023 and 2022 were \$0, \$1,665, \$946 and \$3,247, respectively.

D. Information on the profit or loss items related to lease contracts is as follows:

From July 1 to September 30

	2023		2022		
<u>Items affecting the current profit or loss</u>					
Interest expense on lease liabilities	\$	46	\$	63	
Expenses of short-term lease contracts and leases of low-value assets		2,991		2,536	
		From January 1 to September 30			
		2023		2022	
<u>Items affecting the current profit or loss</u>					
Interest expense on lease liabilities	\$	154	\$	233	
Expenses of short-term lease contracts and leases of low-value assets		8,646		8,127	

E. The Group's total cash outflows from leases in January 1 to September 30 2023 and 2022 were \$13,372 and \$13,312, respectively.

(10) Long-term notes and accounts receivable

	September 30,2023	December 31, 2022	September 30, 2022
Long-term accounts receivable	\$ 101,719	\$ 133,962	\$ 133,962
Less: Unrealized interest revenue	(3,846)	(3,867)	(4,350)
Total	\$ 97,873	\$ 130,095	\$ 129,612

A. The expected recovery is as follows:

	September 30,2023	December 31, 2022	September 30,2022
2-5 years	\$ 101,719	\$ 133,962	\$ 133,962

B. The amounts of notes and payments due within one year as of September 30,2023 、 December 31, 2022 and September 30,2022, were \$47,643 and \$11,305 and \$55,985 , respectively, which have all been reclassified to “1170 Accounts receivable.”

(11) Other payables

	September 30,2023	December 31, 2022	September 30,2022
Salary payable	\$ 36,822	\$ 49,254	\$ 36,472
Employee compensation and directors' and supervisors' remuneration payable	10,202	8,036	9,662
Labor and health insurance premium and pension payable	5,641	3,095	4,220
Service fee payable	1,072	1,325	772
Social insurance fund payable	978	1,047	1,469
Payables for equipment	181	1,098	145
Expenses payable – others	11,838	8,437	4,842
	\$ 66,734	\$ 72,292	\$ 57,582

(12) Pension

- A. Before the settlement of the Labor Retirement Reserve Fund (the old fund) on February 3, 2017, the Company established the defined benefit pension regulations in accordance with the provisions of the Labor Standards Act, which were applicable to all formal employees who were employed prior to the enforcement of the Labor Pension Act on July 1, 2005, and to the formal employees who still chose the old fund mechanism under the Labor Standards Act after the Labor Pension Act took effect. Under the defined benefit pension plan, two units are granted 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 granted and the average monthly salary of the last six months prior to retirement. The Company contributes 2% of the employee's total wage as the pension fund on a monthly basis and deposits it in the specific account with the Bank of Taiwan in the name of Labor Pension Reserve Committee.
- B. Since July 1, 2005, the Company and its domestic subsidiaries have established the defined contribution retirement regulations in accordance with the Labor Pension Act, which are applicable to employees with Taiwanese nationality. For the pension plan under the Labor Pension Act chosen by employees, the Company and its domestic subsidiaries make monthly contributions to employees' individual pension accounts at 6% of the monthly salaries. Based on employee's individual pension accounts and the amount of accumulated income from the annual investment and utilization plan, the payment of employee pension is made on a monthly basis or in a lump sum.
- C. Some subsidiaries of the Group make monthly contributions according to a certain percentage of local employees' salaries in accordance with the pension system stipulated by the government of the People's Republic of China, and the contribution percentages ranged by 16% in both From January 1 to September 30, 2023 and 2022. The pension for each employee is managed by the government; thus, the Group does not have further obligations except for making monthly contributions.
- D. The cost of pensions recognized based on the methods above for From July 1 to September 30, 2023 and 2022, From January 1 to September 30, 2023 and 2022 were \$3,506, \$3,401, \$10,562 and \$10,477, respectively.

(13) Share capital

- A. As of September 30, 2023, the Company's registered capital was \$400,000, divided into 40,000 thousand shares, and the paid-in capital was \$273,234, with a par value of \$10 per share. The payment for the issued shares of the Company has been received.

The adjustment to the number of the Company's ordinary shares outstanding at the beginning and end of the period is as follows: (in thousand shares) :

2023		
Common stock	Unrestricted	Total

	via private placement	shares	
January 1 (or September 30)	-	27,323	27,323
		2022	
	Common stock via private placement	Unrestricted shares	Total
January 1 (or September 30)	5,084	22,239	27,323

- B. On April 23, 2019, the Company's shareholders' meeting approved a proposal to increase capital in cash by private placement. The record date of the private placement was May 15, 2019. The purpose of the capital increase in cash was to repay bank loans and replenish working capital. In this private placement, the total number of shares was 5,084 thousand, and the subscription price per share was \$29. Through this capital increase, \$147,444 has been raised, and the registration of the change has been completed. On August 11, 2022, the board of directors adopted a resolution approving the application by the Company for a public offering of privately placed shares. On October 26, 2022, the application was approved by the Taipei Exchange and came into effect, with public offering of such shares taking place on November 9, 2022.

(14) Capital surplus

According to the Company Act, the Company may distribute the capital surplus gained from the income derived from the issuance of new shares at a premium or from endowments received by the Company by issuing new shares or allocating cash to its original shareholders in proportion to the number of shares being held except for the part of the capital surplus needed for makeup of loss and if the Company incurs no accumulated loss. Capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.

(15) Retained earnings

- A. The dividend distribution method specified in the Company's Articles of Incorporation is as follows:
- (a) In accordance with the amended Articles of Incorporation adopted at the shareholder meeting on June 27, 2022, if the Company has accumulated earnings in its annual financial statements, it shall first allocate funds for tax payment and offset accumulated losses. Then, 10% of the remaining amount is allocated as legal reserve, except when the legal reserve has reached the total capital amount. In addition, the Company shall make provisions or reversals according to the regulations of the competent authority, and if there is still a balance remaining, it shall be added to the undistributed earnings of the previous year. The Board of Directors shall draft a proposal for dividend distribution, and the distribution of stock dividends shall be resolved by the shareholders' meeting. The distribution of cash dividends shall be authorized by a resolution passed by a majority of over two-thirds of the directors in attendance at the Board of Directors meeting, with the

- presence of a majority of the directors, and shall be reported to the shareholders' meeting.
- (b) In accordance with the Articles of Incorporation in effect before the amendment adopted at the shareholder meeting on June 27, 2022, if the Company has accumulated earnings in its annual financial statements, it shall first allocate funds for tax payment and offset accumulated losses. Then, 10% of the remaining amount is allocated as legal reserve, except when the legal reserve has reached the total capital amount. In addition, the Company shall make provisions or reversals according to the regulations of the competent authority, and if there is still a balance remaining, it shall be added to the undistributed earnings of the previous year. The Board of Directors shall formulate a proposal for dividend distribution and submit it to the shareholders' meeting for resolution.
- B. The legal reserve shall not be used except for compensation for the Company's losses and the issue of new shares or cash in proportion to the shareholders' original shares. However, in the case of the issue of new shares or cash, it shall be limited to the portion of the legal reserve in excess of 25% of the paid-in capital.
- C. (1) In accordance with the regulations, the Company shall set aside a special reserve from the debit balance on other equity items on the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount may be included in the distributable earnings.
- (2) Upon the first-time adoption of IFRSs, the special reserve was set aside per Letter No. 1010012865 dated April 6, 2012, issued by Financial Supervisory Commission. When the Company subsequently uses, disposes of, or reclassifies relevant assets, the original proportion of the special reserve shall be reversed. If the aforementioned assets are investment property, it shall be reversed at the time of disposal or reclassification in the case of land, while for property other than the land, it shall be reversed phase by phase during the period of use.
- D. On May 29, 2023, and June 27, 2022, the Company's shareholders' meetings passed the earnings distribution proposal for the year 2022 and 2021 as follows:

	2022		2021	
	Amount	Dividend per share (NTD)	Amount	Dividend per share (NTD)
Legal reserve	\$ 5,609		\$ 7,253	
Special reserve	(4,442)		1,205	
Cash dividend	43,717	\$ 1.6	54,647	\$ 2.0
Total	<u>\$ 44,884</u>		<u>\$ 63,105</u>	

(16) Other equity items

	2023	2022
January 1	(\$ 1,042)	(\$ 5,484)
Foreign currency exchange difference	1,945	5,988
September 30	<u>\$ 903</u>	<u>\$ 504</u>

(17) Operating revenue

	From July 1 to September 30	
	2023	2022
Income from customer contracts		
Service revenue	\$ 327,854	\$ 255,613
Sales revenue	4,152	39,696
Total	<u>\$ 332,006</u>	<u>\$ 295,309</u>

	From January 1 to September 30	
	2023	2022
Income from customer contracts		
Service revenue	\$ 1,002,472	\$ 897,848
Sales revenue	12,073	125,949
Total	<u>\$ 1,014,545</u>	<u>\$ 1,024,797</u>

A. Details of revenue from customer contracts

The Group's revenue comes from the provision of goods and services that are gradually transferred over time and transferred at a certain point in time. The revenue can be broken down into the following main product lines:

From July 1 to September 30, 2023	Information technology outsourcing	Business process outsourcing	Total
Revenue from contracts with external customers	<u>\$ 216,805</u>	<u>\$ 115,201</u>	<u>\$ 332,006</u>
Time point of revenue recognition			
Revenue recognized at a point in time	\$ 22,692	\$ 10,586	\$ 33,278
Revenue recognized gradually over time	194,113	104,615	298,728
	<u>\$ 216,805</u>	<u>\$ 115,201</u>	<u>\$ 332,006</u>
From July 1 to September 30, 2022	Information technology outsourcing	Business process outsourcing	Total
Revenue from contracts with external customers	<u>\$ 154,093</u>	<u>\$ 141,216</u>	<u>\$ 295,309</u>
Time point of revenue recognition			
Revenue recognized at a point in time	\$ 48,668	\$ 18,217	\$ 66,885

Revenue recognized gradually over time	105,425	122,999	228,424
	<u>\$ 154,093</u>	<u>\$ 141,216</u>	<u>\$ 295,309</u>
From January 1 to September 30,2023	Information technology outsourcing	Business process outsourcing	Total
Revenue from contracts with external customers	<u>\$ 676,650</u>	<u>\$ 337,895</u>	<u>\$ 1,014,545</u>
Time point of revenue recognition			
Revenue recognized at a point in time	\$ 244,502	\$ 25,061	\$ 269,563
Revenue recognized gradually over time	432,148	312,834	744,982
	<u>\$ 676,650</u>	<u>\$ 337,895</u>	<u>\$ 1,014,545</u>
From January 1 to September 30,2022	Information technology outsourcing	Business process outsourcing	Total
Revenue from contracts with external customers	<u>\$ 584,496</u>	<u>\$ 439,301</u>	<u>\$ 1,023,797</u>
Time point of revenue recognition			
Revenue recognized at a point in time	\$ 249,418	\$ 93,360	\$ 342,778
Revenue recognized gradually over time	335,078	345,941	681,019
	<u>\$ 584,496</u>	<u>\$ 439,301</u>	<u>\$ 1,023,797</u>

B. Contract assets and contract liabilities

Contract assets and contract liabilities related to revenue from customer contracts recognized by the Group are as follows:

(a) Contract assets and liabilities:

	September 30,2023	December 31, 2022	September 30,2022	January 1, 2022
Contract assets:				
Information systems				
Consulting agreements	<u>\$ 73,028</u>	<u>\$ 35,235</u>	<u>\$ 80,241</u>	<u>\$ 52,006</u>
Contract liabilities:				
Advance receipts	<u>\$ 25,178</u>	<u>\$ 14,633</u>	<u>\$ 15,445</u>	<u>\$ 17,276</u>

(b) Contract liabilities at beginning of period recognized in revenue in current period:

	From July 1 to September 30	
	2023	2022
Advance receipts	<u>\$ 634</u>	<u>\$ 695</u>

	From January 1 to September 30	
	2023	2022
Advance receipts	\$ 11,891	\$ 13,997

(c) Unfulfilled long-term consultancy contract

As of September 30, 2023, December 31, 2022, and September 30, 2022, the contract prices allocated to the unfulfilled (or not yet fully fulfilled) portions of the long-term consultancy contracts signed by the Group and its customers were \$67,514 , \$43,062 and \$60,602, respectively. The management expects that the transaction prices allocated to the unfulfilled contractual obligations as of September 30, 2023 and 2022, that will be recognized in revenue for the years 2024 and 2023 are \$41,103 and \$29,689, respectively. The aforementioned amounts do not include the amount of consideration for restricted changes.

In addition to the above-mentioned contracts, all other information system consultancy contracts of the Group are contracts that are shorter than one year or are billed based on actual service hours. According to IFRS 15, there is no need to disclose the transaction prices allocated to the unfulfilled contractual obligations of these contracts.

- C. The notes and accounts receivable with payment periods exceeding one year are recognized in “1930 Long-term notes and accounts receivable.”

(18) Interest revenue

	From July 1 to September 30,	
	2023	2022
Bank deposit interest	\$ 335	\$ 84
Interest income measured at amortized cost	1	-
Other interest revenue	43	-
	<u>\$ 379</u>	<u>\$ 84</u>

	From January 1 to September 30	
	2023	2022
Bank deposit interest	\$ 1,071	\$ 263
Interest income measured at amortized cost	6	5
Other interest revenue	56	-
	<u>\$ 1,133</u>	<u>\$ 268</u>

(19) Other revenue

	From July 1 to September 30	
	2023	2022
Dividend revenue	\$ 32	\$ 48
Non-operating income	43	162
	<u>\$ 75</u>	<u>\$ 210</u>

	From January 1 to September 30	
	2023	2022
Dividend revenue	\$ 2,618	\$ 2,479
Rental revenue	-	194

Non-operating income	273	366
	<u>\$ 2,891</u>	<u>\$ 3,039</u>

(20) Other gains and losses

	From July 1 to September 30,	
	2023	2022
Foreign exchange gain (loss)	\$ 8	(\$ 42)
Miscellaneous expenditures	-	(1)
	<u>\$ 8</u>	<u>(\$ 43)</u>

	From January 1 to September 30	
	2023	2022
Gain on foreign exchange	\$ 98	\$ 33
Gains on disposal of property, plant, and equipment	-	3
Miscellaneous expenditures	(4)	(10)
	<u>\$ 94</u>	<u>(\$ 26)</u>

(21) Financial costs

	From July 1 to September 30	
	2023	2022
Interest on leases	\$ 46	\$ 63
Bank loan	-	26
	<u>\$ 46</u>	<u>\$ 89</u>

	From January 1 to September 30	
	2023	2022
Interest on leases	\$ 154	\$ 233
Bank loan	44	195
	<u>\$ 198</u>	<u>\$ 428</u>

(22) Additional information on the nature of expenses (Including Employee Benefits Expenses)

	From July 1 to September 30	
	2023	2022
Salary expenses	\$ 63,170	\$ 61,114
Expenses for labor and health insurance	5,710	5,734
Pension expenses	3,506	3,401
Other employment expenses	3,511	3,590
Depreciation expense for real estate, plants, and equipment	1,905	1,998
Depreciation expense for right-of-use assets	1,520	2,063
Amortization expense for intangible assets	282	276

	From January 1 to September 30	
	2023	2022
Salary expenses	\$ 192,027	\$ 342,361
Expenses for labor and health insurance	18,089	18,166
Pension expenses	10,562	10,477
Other employment expenses	10,002	10,325
Depreciation expense for real estate, plants, and equipment	5,712	5,909
Depreciation expense for right-of-use assets	4,558	5,590
Amortization expense for intangible assets	970	954

Note: The additional information on the nature of expenses mentioned above includes operating costs

- A. According to the Company's Articles of Incorporation, after deducting accumulated losses from the Company's profit for the year, if there are earnings, the Company shall appropriate 1–10% of the balance for employee compensation and no more than 5% for the remuneration of directors.
- B. For the Company, the periods covering From July 1 to September 30, 2023 and 2022, as well as January 1 to September 30 in the years 2023 and 2022 were \$3,886、\$617、\$6,475 and \$5,290, respectively; the estimated amounts for directors' remuneration were \$2,698、\$1,443、\$4,406 and \$3,779, respectively, and the foregoing amounts were accounted for under salary expenses.

According to the profit situation as of the end of January 1 to September 30 2023, said estimates were made at 1%–10% and no greater than 5%, respectively.

The amounts of employee compensation and directors' remuneration for the year 2022 as resolved by the board of directors were \$4,950 and \$3,530, respectively, which were consistent with the amounts recognized in the financial statements for 2022. The employee compensation for 2022 was paid in cash.

Information on employee compensation and directors' remuneration approved by the board of directors of the Company is available on the Market Observation Post System.

(23) Income tax

A. income tax expense

(a) Component of income tax expense:

	From July 1 to September 30	
	2023	2022
Current income tax:		
Income tax incurred for the current period	\$ 3,740	\$ 4,212
Income tax overestimates for prior years	-	(200)

Total current income tax	3,740	4,012
Deferred tax:		
Origination and reversal of temporary differences	289	146
Total deferred income tax	289	146
Income tax expense	<u>\$ 4,029</u>	<u>\$ 4,158</u>

	From January 1 to September 30	
	2023	2022
Current income tax:		
Income tax incurred for the current period	\$ 9,744	\$ 11,267
Additional tax on undistributed earnings	560	624
Income tax overestimates for prior years	(2,399)	(1,231)
Total current income tax	<u>(7,905)</u>	<u>10,660</u>
Deferred tax:		
Initial generation and reversal of temporary differences	4,774	1,617
Total deferred income tax	4,774	1,617
Income tax expense	<u>\$ 12,679</u>	<u>\$ 12,277</u>

(b) The amount of income tax related to other comprehensive income:

	From July 1 to September 30	
	2023	2022
Translation differences on foreign operations	<u>\$ 536</u>	<u>\$ 650</u>

	From January 1 to September 30	
	2023	2022
Translation differences on foreign operations	<u>\$ 486</u>	<u>\$ 650</u>

B. The Company's income tax for the business income has been assessed and approved by the tax authorities until the fiscal year 2021.

(24) Earnings per share

	From July 1 to September 30, 2023	
	Weighted average number of outstanding shares (thousand shares)	Earnings per share (NTD)
<u>Basic earnings per share</u>	<u>Amount after tax</u>	

Current net income attributable to ordinary shareholders of the parent company	\$	17,345	27,323	\$	0.63
<u>Diluted earnings per share</u>					
Employee compensation		-	115		
Current net income attributable to ordinary shareholders of the parent company plus potential effect of ordinary shares	\$	17,345	27,438	\$	0.63

From July 1 to September 30,2022

	Amount after tax	Weighted average number of outstanding shares (thousand shares)	Earnings per share (NTD)
<u>Basic earnings per share</u>			
Current net income attributable to ordinary shareholders of the parent company	\$	20,024	27,323
<u>Diluted earnings per share</u>			
Employee compensation		-	68
Current net profit attributable to ordinary shareholders of the parent company plus the effect of potential ordinary shares	\$	20,024	27,391

From January 1 to September 30,2023

	Amount after tax	Weighted average number of outstanding shares (thousand shares)	Earnings per share (NTD)
<u>Basic earnings per share</u>			
Current net income attributable to ordinary shareholders of the parent company	\$	57,825	27,323
<u>Diluted earnings per share</u>			
Employee compensation		-	135
Current net income attributable to ordinary shareholders of the parent company plus potential effect of ordinary shares	\$	57,825	27,458

	From January 1 to September 30, 2022		
	Amount after tax	Weighted average number of outstanding shares (thousand shares)	Earnings per share (NTD)
<u>Basic earnings per share</u>			
Current net income attributable to ordinary shareholders of the parent company	\$ 57,216	27,323	\$ 2.09
<u>Diluted earnings per share</u>			
Employee compensation	-	194	
Current net profit attributable to ordinary shareholders of the parent company plus the effect of potential ordinary shares	\$ 57,216	27,517	\$ 2.08

(25) Additional information on cash flows

Investing activities with only partial cash payment:

	From January 1 to September 30	
	2023	2022
Purchase of property, plant, and equipment	\$ 2,684	\$ 9,551
Add: Payables for equipment, beginning of period	1,098	381
Less: Payables for equipment, end of period	(181)	(145)
Cash paid in the current period	\$ 3,601	\$ 9,787

(26) Changes in liabilities from financing activities

	January 1, 2023	Changes in cash flows	No effect on changes in cash flows	September 30 , 2023
Lease liabilities	\$ 14,816	(\$ 4,572)	\$ 1,099	\$ 11,343
Deposit received	743	130	-	873
Total liabilities from financing activities	<u>\$ 15,559</u>	<u>(\$ 4,442)</u>	<u>\$ 1,099</u>	<u>\$ 12,216</u>

	January 1, 2022	Changes in cash flows	No effect on changes in cash flows	September 30, 2022
Lease liabilities	\$ 14,785	(\$ 4,719)	\$ 3,182	\$ 13,248
Deposit received	650	93	-	743
Total liabilities from financing activities	<u>\$ 15,435</u>	<u>(\$ 4,626)</u>	<u>\$ 3,182</u>	<u>\$ 13,991</u>

7. Related Party Transactions

(1) Names of related parties and relationships

Name of the related party	Relationship with the Group
TECO Electric And Machinery Co., Ltd.	Ultimate parent company
An-Hui Information Technology Co., Ltd. (An-Hui Information)	Associates
Tension Envelope Taiwan Corporation.	Associates
Teco Industrial (Malaysia) Sdn., Bhd.	Other related parties
Teco (Vietnam) Electronic & Machinery Co., Ltd.	Other related parties
Teco Australia Pty., Ltd.	Other related parties
Teco Electric & Machinery Sdn. Bhd.	Other related parties
Teco Electric & Machinery (Pte) Ltd.	Other related parties
Teco Middle East Electrical & Machinery Co., Ltd.	Other related parties
Teco Technology (Vietnam) Co., Ltd.	Other related parties
Teco Westinghouse Motor Company	Other related parties
Teco Westinghouse Motor Company S. A. De C. V.	Other related parties
Shanghai TECO Electric And Machinery Co., Ltd. (Shanghai TECO)	Other related parties
Century Development Corporation	Other related parties
Taian Technology (Wuxi) Co., Ltd.	Other related parties
Taiwan Pelican Express Co., Ltd. (Taiwan Pelican Express)	Other related parties
An-Shin Food Services Co., Ltd. (An-Shin Food)	Other related parties
Yatec Engineering Corporation	Other related parties
Taian-Ecobar Technology Co., Ltd.	Other related parties
Jiangxi Teco Westinghouse Motor Coil Co., Ltd.	Other related parties
Jiangxi TECO Electric And Machinery Co., Ltd.	Other related parties
Jiangxi Teco Air Conditioning Equipment Co., Ltd.	Other related parties
Teco Sun Energy Company Limited	Other related parties

Name of the related party	Relationship with the Group
Teco International Investment Co., Ltd.	Other related parties
Teco Electro Devices Co., Ltd.	Other related parties
TECO Smart Technologies Co., Ltd.	Other related parties
Tong-An Assets Management & Development Co., Ltd.	Other related parties
Zimtech Co., Ltd.	Other related parties
Tung Pei Industrial Co., Ltd. (Tung Pei Industrial)	Other related parties
Tecnos International Consultant Co., Ltd. (Tecnos International)	Other related parties
Qingdao Teco Precision Mechatronics Co., Ltd.	Other related parties
Fujian Teco Precision Co., Ltd.	Other related parties
Advantech Co., Ltd. (Advantech)	Other related parties
Temico Motor India Private	Other related parties
Nidec Corporation	Other related parties
Teco Tour Travel Service Co., Ltd.	Other related parties
Fujio Food System Taiwan Co., Ltd.	Other related parties
Jie Zheng Property Service & Management Co., Ltd.	Other related parties
Wuxi Teco Electric & Machinery Co. Ltd. (Wuxi Teco)	Other related parties
Wuxi Teco Precision Industry Co., Ltd.	Other related parties
Wuxi Teco Electro Devices Co., Ltd. (Wuxi Teco Electro Devices)	Other related parties
Wuxi Teco Electro Devices Co., Ltd. (Wuxi Teco Electro Devices)	Other related parties
Technical Information International Corporation	Other related parties
Royal Co., Ltd. (Royal)	Other related parties
Royal Host Taiwan Co., Ltd.	Other related parties
Creative Sensor Inc	Other related parties
Teco Image Systems Co., Ltd.	Other related parties
Tecom Co., Ltd	Other related parties
TECO Capital Investment Co. LTD	Other related parties

(2) Significant transactions with related parties

A. Operating revenue

	From July 1 to September 30	
	2023	2022
Sale of goods:		
Parent company	\$ -	\$ 1,558
Other related parties		
-Wuxi TECO	1,845	305
-Shanghai TECO	464	1,280
-Taian Technology(Wuxi)	591	1,135
- Jiangxi TECO	337	1,766
-Wuxi TECO Precision	597	10
-Wuxi Teco Electro Devices	2	630
-An-Hui Information Technology	-	465
- Others	-	252
Sale of services:		
Parent company	42,141	68,629
Other related parties		
- Taiwan Pelican Express	8,726	11,045
- WUXI TECO	5,512	3,685
- An-Shin Food	2,109	2,051
-TECO Westinghouse	140	350
- Tung Pei Industrial	6	353
- Others	20,070	13,262
Total	\$ 82,540	\$ 106,776

	From January 1 to September 30	
	2023	2022
Sale of goods:		
Parent company	\$ -	\$ 5,895
Other related parties		
-Wuxi TECO	3,534	3,168
-Shanghai TECO	1,370	1,280
-Taian Technology(Wuxi)	1,167	1,349
- Jiangxi TECO	727	1,930
-Jiangxi TECO Air Conditioning	354	-
-Wuxi TECO Precision	842	339
-Wuxi Teco Electro Devices	3	1,347
-An-Hui Information Technology	-	2,747
- Others	214	1,398
Sale of services:		
Parent company	137,255	155,407
Other related parties		
- Taiwan Pelican Express	27,107	29,410
- WUXI TECO	15,596	10,981
- An-Shin Food	8,254	6,035
-TECO Westinghouse	4,282	5,070
- Tung Pei Industrial	4,036	4,249
- Others	58,035	44,164
Total	\$ 262,776	\$ 274,769

(a) There are no significant differences in the transaction prices and payment terms of sales revenue in the transactions with non-associates, and the payment period is 60 to 90 days.

- (b) Service transactions include software business contracts, including enterprise resource planning and logistics outsourcing systems. Most of them are individual projects. Therefore, the contract price is determined by negotiation between both parties. The payment period is usually 30 to 120 days, and there are no significant differences in transactions with non-associates.

B. Purchase

	From July 1 to September 30	
	2023	2022
Purchase of materials:		
Tension Envelope Advantech	\$ 742	\$ 892
	-	1,900
Purchase of services:		
Parent company	122	2,098
Other related parties		
- Technical Information International	2,065	2,247
- Taiwan Pelican Express	349	743
- Tecnos International	213	639
- TECO Smart Technologies	-	1,898
- Others	142	986
Total	\$ 3,633	\$ 11,403

	From January 1 to September 30	
	2023	2022
Purchase of materials:		
Tension Envelope Advantech	\$ 2,018	\$ 3,070
	-	4,105
Purchase of services:		
Parent company	2,375	3,041
Other related parties		
- Technical Information International	4,203	4,423
- Taiwan Pelican Express	1,540	2,030
- Tecnos International	892	1,795
- TECO Smart Technologies	-	1,898
- Others	517	1,934
Total	\$ 11,545	\$ 22,296

- (a) No other transactions of the same types are available for comparison in terms of the purchase price and payment terms with associates, so such price and terms are decided in accordance with the contracts between both parties.
- (b) The purchase of services from the parent company is mainly personnel support for operational needs, and there are no similar types of transactions for comparison. The payment term is net 30 to 60 days.
- (c) The purchase of services from other related parties is personnel support, consulting fees, and freight for operational needs. The price conditions are roughly the same as those with general suppliers. The payment term is net 30 to 60 days.

C. Receivables from related parties

	<u>September 30,2023</u>	<u>December 31, 2022</u>	<u>September 30,2022</u>
Notes receivable:			
Other related parties			
– WUXI TECO	\$ -	\$ 441	\$ -
Subtotal	<u>-</u>	<u>441</u>	<u>-</u>
Accounts receivable:			
Parent company	30,581	40,038	36,056
Other related parties			
–WUXI TECO	12,010	5,645	5,121
–Taiwan Pelican Express	4,037	7,010	6,831
–Teco Image Systems	3,673	-	-
–Taian Technology(Wuxi)	3,300	-	3,872
–An-Hui Information Technology Co., Ltd.	247	4,866	-
– Others	16,645	13,658	14,748
Subtotal	<u>70,763</u>	<u>71,217</u>	<u>66,628</u>
Other receivables – others:			
Other related parties			
Others	7	61	165
Subtotal	<u>7</u>	<u>61</u>	<u>165</u>
Total	<u>\$ 70,770</u>	<u>\$ 71,719</u>	<u>\$ 66,793</u>

(a) Receivables from related parties mainly come from providing of relevant services, which includes information software, data processing, and electronic information supply.

(b) Other receivables mainly include prepaid postage and other payments receivable.

D. Payables to related parties

	<u>September 30,2023</u>	<u>December 31, 2022</u>	<u>September 30,2022</u>
Accounts payable:			
Parent company	\$ 275	\$ 1,024	\$ 1,882
Other related parties			
–Technical Information International	3,090	2,794	660
–Teco Tour Travel Service	640	-	-
–Tecnos International	424	641	550
–Taiwan Pelican Express	197	556	624
– Advantech	32	2,000	2,739
– Others	119	138	141
Associates			
– Tension Envelope	770	1,188	1,824
Subtotal	<u>5,547</u>	<u>8,341</u>	<u>8,420</u>

	September 30, 2023	December 31, 2022	September 30, 2022
Other payables – others:			
Parent company	2,190	2,799	2,951
Other related parties			
– Others	35	179	12
Subtotal	2,225	2,978	2,963
Total	<u>\$ 7,772</u>	<u>\$ 11,319</u>	<u>\$ 11,383</u>

E. Lease transaction – lessee

(a) The Group leases buildings from the parent company and Taian Technology. The lease contracts are for the fiscal years 2023 and 2022, with payments made on a monthly basis.

(b) Rental expenses

	From July 1 to September 30	
	2023	2022
Parent company	\$ 1,575	\$ 1,553
Taian Technology	90	61
Total	<u>\$ 1,665</u>	<u>\$ 1,614</u>

	From January 1 to September 30	
	2023	2022
Parent company	\$ 4,727	\$ 4,643
Taian Technology	232	247
Total	<u>\$ 4,959</u>	<u>\$ 4,890</u>

(3) Key management compensation

	From July 1 to September 30	
	2023	2022
Short-term employee benefits	\$ 3,984	\$ 5,715
Benefits after severance/retirement	173	226
Total	<u>\$ 4,157</u>	<u>\$ 5,941</u>

	From January 1 to September 30	
	2023	2022
Short-term employee benefits	\$ 17,389	\$ 20,326
Benefits after severance/retirement	558	673
Total	<u>\$ 17,947</u>	<u>\$ 20,999</u>

8. Pledged assets

The details of the assets pledged by the Group as collateral are as follows:

Assets	Carrying amount			Purpose of collateral
	September 30,2023	December 31, 2022	September 30,2022	
Financial assets measured at amortized cost - current	\$ 1,125	\$ 755	\$ 972	Performance Guarantee Deposit
Financial assets measured at amortized cost - non-current	200	357	357	“
Total	<u>\$ 1,325</u>	<u>\$ 1,112</u>	<u>\$ 1,329</u>	

9. Material contingent liabilities and unrecognized contractual commitments

(1) Contingency

None.

(2) Commitments

For the operating lease agreements, please refer to Note 7(2)5.

10. Major disaster loss

None.

11. Material events after the balance sheet date

None.

12. Others

(1) Presentation of financial reporting

Some accounts under the From January 1 to September 30,2022 financial statements of the Group have been reclassified to ensure consistency with the presentation of the from January 1 to September 30, 2023 financial statements for the purpose of comparison.

(2) Capital management

The Group's capital management objectives are to ensure that the Group can continue as a going concern, maintain the best capital structure to meet the needs for equipment, and provide dividends to shareholders. Therefore, the Group's capital management aims to ensure that it has the necessary financial resources and operating plans to maintain or adjust the capital structure to respond to the operating capital, capital expenditures, research and development expenses, debt repayment, and dividend payments required in the following year.

(3) Financial instruments

A. Type of financial instruments

	<u>September 30,2023</u>	<u>December 31, 2022</u>	<u>September 30,2022</u>
<u>Financial assets</u>			
Financial assets at fair value through other comprehensive income			
Investment in designated equity instruments selected	\$ 34,179	\$ 32,530	\$ 33,629
Financial assets measured at amortized cost			
Cash and cash equivalent	212,901	171,492	131,479
Financial assets measured at amortized cost	1,325	1,112	1,329
Notes receivable	3,154	2,098	2,057
Accounts receivable	402,925	365,105	316,180
Other receivables	7,618	6,091	6,006
Refundable deposits	6,623	7,907	6,779
Long-term accounts receivable	97,873	130,095	129,612
	<u>\$ 766,598</u>	<u>\$ 716,430</u>	<u>\$ 627,071</u>

	<u>September 30,2023</u>	<u>December 31, 2022</u>	<u>September 30,2022</u>
<u>Financial liabilities</u>			
Financial liabilities measured at amortized cost			
Notes payable	\$ 351	\$ 891	\$ 2,220
Accounts payable	280,598	195,951	192,378
Other accounts payable	68,959	75,270	60,545
Deposit received	873	743	743
	<u>\$ 350,781</u>	<u>\$ 272,855</u>	<u>\$ 255,886</u>
Lease liabilities	<u>\$ 11,343</u>	<u>\$ 14,816</u>	<u>\$ 13,248</u>

		September 30, 2022		
		Foreign currencies (in thousands)	Exchange rate	Carrying amount (NTD)
<u>Financial assets</u>				
<u>Monetary items</u>				
	USD:NTD	\$ 644	31.75	\$ 20,447
<u>Non-monetary items</u>				
	USD:NTD	\$ 1,058	31.75	\$ 33,583

- iii. Exchange rate fluctuations have a significant influence on the Group's monetary items. The aggregate amounts of all exchange gains (losses) (including realized and unrealized) recognized for July 1 to September 30, 2023 and 2022 and for January 1 to September 30, 2023 and 2022 were \$8 、(\$42) 、\$98 and \$33.
- iv. The Group's foreign currency market risk analysis due to significant influence of exchange rate fluctuations is as follows:

		For the nine-month periods ended September 30,2023		
		Sensitivity analysis		
		Exchange rate band	Effect on pre-tax profit and loss	Effect on other comprehensive income
<u>Financial assets</u>				
<u>Monetary items</u>				
	USD:NTD	1%	\$ 210	\$ -
	SGD:NTD	1%	10	
		For the nine-month periods ended September,2022		
		Sensitivity analysis		
		Exchange rate band	Effect on pre-tax profit and loss	Effect on other comprehensive income
<u>Financial assets</u>				
<u>Monetary items</u>				
	USD:NTD	1%	\$ 204	\$ -

Price risk

- i. The Group's equity instruments exposed to price risk are financial assets held at fair value through other comprehensive income. In order to manage the price risk of equity instrument investment, the Group has diversified its investment portfolio, and the method of the diversification is based on the limits set by the Group.
- ii. The Group mainly invests in equity instruments issued by domestic and foreign companies, and the prices of these equity instruments are affected by the uncertainty of the future values of said instruments. If the price of said equity instruments rose or fell by 1%, with all other factors remaining unchanged, the other comprehensive income would have increased or decreased by \$342 and \$336 for January 1 to September 30, 2023 and 2022, respectively, because of the gains or losses on the equity instrument investment at fair value through other comprehensive income.

(b) Credit risk

- i. The credit risk of the Group is the risk of financial loss suffered by the Group arising from the failure of customers or counterparties of financial instruments to fulfill contractual obligations. It mainly comes from counterparties' inability to settle accounts receivable in accordance with the payment terms, and the contractual cash flow of debt instrument investment classified as measured at amortized cost, at fair value through other comprehensive income, and at fair value through profit and loss.
- ii. The Group has established credit risk management from the Group's perspective. In accordance with the internal credit policy, each operating entity within the Group must conduct management and credit risk analysis of each new customer before deciding payment and delivery terms and conditions. The internal risk control system evaluates the credit quality of customers by considering their financial positions, past experience, and other factors. The credit facilities with respect to individual risks are determined by the Board of Directors pursuant to internal and external rating. Use of the credit facilities is monitored on a regular basis.
- iii. The Group in accordance with the credit risk management procedures, deems contract payments that are overdue for more than 365 days according to the agreed payment terms or show signs that the debt cannot be repaid to be in default.
- iv. The Company adopts IFRS 9 to set the following assumptions as the basis for judging whether the credit risk of financial instruments has increased significantly since initial recognition:

When a contract payment is overdue for more than 30 days in accordance with the agreed payment terms, it is deemed that the credit risk of a financial asset has increased significantly since the initial recognition.
- v. The indicators used by the Group to determine investment in debt instruments as credit impairment are as follows:
 - (A) The issuer has encountered major financial difficulties, or has an increased possibility of going into bankruptcy or other financial restructuring;
 - (B) The active market of financial assets disappears due to financial difficulties of the issuer;
 - (C) The issuer's delay or non-payment of interest or principal;
 - (D) Any adverse changes in national or regional economic situations that lead to breach of contract on the side of the issuer.
- vi. The Group groups customers' accounts receivable according to the characteristics of trade credit risk, and adopts a simplified approach to estimate expected credit losses based on the loss rate method.
- vii. After the recourse procedures, the Group provides loss allowance and recognizes overdue receivables for the amount of the financial asset that cannot be reasonably expected to be

recovered. However, the Group will continue to carry out the legal recourse procedures to preserve the creditor's rights. The Group's claims for which loss allowance has been provided with recourse activities still underway was \$0 on both September 30,2023, December 31,2022 and September 30,2022.

viii. The Group has included forward-looking considerations for the future and adjusted the loss rate established based on historical and current information for a specific period to estimate the loss allowance for notes receivable (including related parties), accounts receivable (including related parties), and long-term notes and accounts receivable (including related parties). The loss rate method as of September 30,2023, December 31,2022 and September 30,2022, is as follows:

	Not past due	Within 30 days	31-90 days	Over 91 days	Individual assessment	Total
<u>September 30, 2023</u>						
Expected loss rate	0% ~ 1%	0% ~ 10%	0% ~ 20%	0% ~ 40%	100%	
Total carrying amount	\$ 484,231	\$ 18,671	\$ 2,831	\$ 207	\$ -	\$ 505,940
Loss allowance	\$ 93	\$ 1,270	\$ 546	\$ 79	\$ -	\$ 1,988
<u>December 31, 2022</u>						
Expected loss rate	0% ~ 1%	0% ~ 1%	0% ~ 4%	0% ~ 30%	100%	
Total carrying amount	\$ 493,148	\$ 5,501	\$ 628	\$ 9	\$ 22,050	\$ 521,336
Loss allowance	\$ 1,964	\$ 18	\$ 4	\$ 2	\$ 22,050	\$ 24,038
<u>September 30, 2022</u>						
Expected loss rate	0% ~ 1%	0% ~ 1%	0% ~ 4%	0% ~ 30%	100%	
Total carrying amount	\$ 429,442	\$ 7,484	\$ 10,648	\$ 2,263	\$ -	\$ 449,837
Loss allowance	\$ 1,021	\$ 29	\$ 426	\$ 512	\$ -	\$ 1,988

A. The table of the changes in the Group's simplified loss allowance for accounts receivable is as follows:

	2023	2022
	Accounts receivable	Accounts receivable
January 1	\$ 24,038	\$ 1,988
Impairment loss recognized	(22,050)	-
September 30	\$ 1,988	\$ 1,988

(c) Liquidity risk

A. The cash flow forecast is executed by each operating entity in the Group and is compiled by the Group's finance department. The Group's finance department monitors the forecast of the Group's liquidity requirements to ensure that it has sufficient funds to meet operational needs, and maintains sufficient available credit limits at all times so that the Group does not violate the relevant borrowing limits or terms. The forecast considers the Group's debt financing plan, compliance with debt terms, compliance with

the financial ratio targets of the internal balance sheet, and the requirements of external regulatory laws.

B.As of September 30,2023, December 31,2022 and September 30,2022, the Group's available credit limit was \$507,791, \$643,232 and \$778,232, respectively.

C.The following table shows the Group's non-derivative financial liabilities and derivative financial liabilities that are settled on a net or total basis, grouped according to the relevant maturity dates. Non-derivative financial liabilities are analyzed based on the remaining period from the balance sheet date to the contract maturity date. Derivative financial liabilities are analyzed based on the remaining period from the balance sheet date to the expected maturity date. The contractual cash flows disclosed in the table below are the undiscounted amounts.

	Within 1 year	Within 1–5 years	Over 5 years	Total
September 30,2023				
<u>Non-derivative financial liabilities:</u>				
Notes payable	\$ 351	\$ -	\$ -	\$ 351
Accounts payable	280,598	-	-	280,598
Other payables	68,959	-	-	68,959
Lease liabilities	5,597	6,410	-	12,007
Deposit received	873	-	-	873
December 31, 2022				
<u>Non-derivative financial liabilities:</u>				
Notes payable	\$ 891	\$ -	\$ -	\$ 891
Accounts payable	195,951	-	-	195,951
Other payables	75,270	-	-	75,270
Lease liabilities	6,035	9,853	-	15,888
Deposit received	743	-	-	743
September 30,2022				
<u>Non-derivative financial liabilities:</u>				
Notes payable	\$ 2,220	\$ -	\$ -	\$ 2,220
Accounts payable	192,378	-	-	192,378
Other payables	60,545	-	-	60,545
Lease liabilities	5,564	8,630	-	14,194
Deposit received	743	-	-	743

(d) Fair value information

i.The definitions of various levels adopted for the valuation techniques of measuring the fair value of financial and non-financial instruments are as follows:

Level 1: Quoted (unadjusted) prices in active markets for identical assets or

liabilities on the measurement date. An active market refers to 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 stocks listed on an exchange or over-the-counter market, invested in by the Group, belongs to this level.

Level 2: Inputs, other than quoted market prices within Level 1 that are observable, either directly or indirectly, for assets or liabilities.

Level 3: Unobservable inputs for assets or liabilities. The Group's equity instrument investments without active markets belong to this level.

b. Financial instruments not measured at fair value

The carrying amounts of cash and cash equivalents, notes receivable, accounts receivable, other receivables, notes payable, accounts payable, and other payables are reasonable approximations of the fair values.

c. Financial and non-financial instruments measured at fair value are classified by the Group based on the nature, characteristics, risk, and the level of fair value of assets and liabilities. The relevant information is as follows:

1. The Group's classification is based on the nature of assets and liabilities. The relevant information is as follows:

September 30, 2023	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value</u>				
Financial assets				
(equity securities) at				
fair value through				
other comprehensive				
income	\$ -	\$ -	\$ 34,179	\$ 34,179
December 31, 2022	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value</u>				
Financial assets				
(equity securities) at				
fair value through				
other comprehensive				
income	\$ -	\$ -	\$ 32,530	\$ 32,530
September 30, 2022	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value</u>				
Financial assets				
(equity securities) at				
fair value through				
other comprehensive				
income	\$ -	\$ -	\$ 33,629	\$ 33,629

2. The methods and assumptions used by the Group to measure fair value are as follows:

A. The Group has used quoted market prices as fair value inputs (i.e., Level 1), listed below by the characteristics of instruments:

	<u>TWSE/TPEX listed stocks</u>
Quoted market price	Closing price

B. Except for the above-mentioned financial instruments with active markets, the fair value of other financial instruments is obtained through valuation techniques or with reference to the quoted prices of counterparties. For the fair value obtained through the valuation techniques, the Group refers to the current fair value of other financial instruments with similar conditions and characteristics, the discounted cash flow method, or other valuation techniques, including calculations using models based on the market information available at the consolidated balance sheet date (e.g. the yield curve published by Stock Exchange and the average quoted price of Reuters commercial paper benchmark).

C. When evaluating non-standard and less complex financial instruments, such as debt instruments, interest rate swap contracts, foreign exchange swap contracts, and options, all without active markets, the Group adopts the valuation techniques widely used by market participants. The parameters used in the valuation models for such financial instruments are usually information observable in the market.

D. The output of the valuation models is an estimated value, and the valuation techniques may not reflect all the relevant factors of the financial instruments and non-financial instruments held by the Group. Therefore, the estimated value of the valuation models will be appropriately adjusted according to additional parameters, such as model risk or liquidity risk. According to the Group's fair value valuation model management policies and relevant control procedures, the management believes that in order to properly express the fair value of financial instruments and non-financial instruments in the consolidated balance sheet, valuation adjustments are appropriate and necessary. The price information and parameters used in the evaluation process are carefully evaluated and appropriately adjusted according to current market conditions.

E. The Group incorporates credit risk valuation adjustments into the calculation of the fair value of financial instruments and non-financial instruments to reflect a counterparty's credit risk and the credit quality of the Group.

d. There were no transfers between Level 1 and Level 2 fair value in January 1 to September 30, 2023 and 2022.

e. The table below shows the changes in Level 3 fair value in January 1 to September 30, 2023 and 2022:

	2023	2022
	Equity instruments	Equity instruments
January 1	\$ 32,530	\$ 29,324
Exchange rate effect	1,649	4,305
September 30	<u>\$ 34,179</u>	<u>\$ 33,629</u>

f. In the Group's valuation process for fair value classified as Level 3, the investment department is responsible for independent fair value verification for financial instruments, uses data from independent sources to make the valuation results close to the market level, and confirms that the source of the data is independent, reliable, consistent with other resources, and representative of the executable price, while regularly calibrating the valuation model, conducting back-testing, updating the inputs and data required by the valuation model, and making any other necessary fair value adjustments to ensure that the valuation results are reasonable.

g. The quantitative information on the significant unobservable inputs of the valuation model used in the Level 3 fair value measurement and the sensitivity analysis of the significant unobservable input change are explained as follows:

	September 30,2023 Fair value	Valuation technique	Significant unobservable inputs	Interval (weighted average)	Relation between input and fair value
Non-derivative equity instruments: Unlisted stock	\$ 34,179	Comparable public company approach	Market multiples	18.37%	The higher the multiple, the higher the fair value.
			Liquidity discount	35.00%	The higher the discount, the lower the fair value.
	December 31, 2022 Fair value	Valuation technique	Significant unobservable inputs	Interval (weighted average)	Relation between input and fair value
Non-derivative equity instruments: Unlisted stock	\$ 32,530	Comparable public company approach	Market multiples	18.37%	The higher the multiple, the higher the fair value.
			Liquidity discount	35.00%	The higher the discount, the lower the fair value.
	June 30,2022 Fair value	Valuation technique	Significant unobservable inputs	Interval (weighted average)	Relation between input and fair value
Non-derivative equity instruments: Unlisted stock	\$ 33,629	Comparable public company approach	Market multiples	23.45%	The higher the multiple, the higher the fair value.
			Liquidity discount	35.00%	The higher the discount, the lower the fair value.

h. The Group has selected the valuation model and valuation parameters after careful evaluation, but different valuation results may occur due to the use of different valuation models or valuation parameters. For financial assets and financial liabilities classified as Level 3, if the valuation parameters change, the effect on the current profit and loss or other comprehensive income is as follows:

		September 30, 2023					
				Recognition in profit or loss		Recognition in other comprehensive income	
		Input	Fluctuation	Favorable fluctuation	Adverse fluctuation	Favorable fluctuation	Adverse fluctuation
Financial assets							
Equity instruments	Discounts and market multiples for lack of market liquidity		±1%	\$ -	\$ -	\$ 342	(\$ 342)
		December 31, 2022					
				Recognized in profit or loss		Recognition in other comprehensive income	
		Input	Fluctuation	Favorable fluctuation	Adverse fluctuation	Favorable fluctuation	Adverse fluctuation
Financial assets							
Equity instruments	Discounts and market multiples for lack of market liquidity		±1%	\$ -	\$ -	\$ 325	(\$ 325)
		September 30, 2022					
				Recognized in profit or loss		Recognition in other comprehensive income	
		Input	Fluctuation	Favorable fluctuation	Adverse fluctuation	Favorable fluctuation	Adverse fluctuation
Financial assets							
Equity instruments	Discounts and market multiples for lack of market liquidity		±1%	\$ -	\$ -	\$ 336	(\$ 336)

ix. Additional Disclosures

A. Information on material transactions

a. Funds lent to others: None.

b. Endorsements/guarantees provided to others: None.

c. Marketable securities held at the end of the period (excluding investment in subsidiaries, associates, and joint ventures): Please refer to Table 1.

d. Marketable securities acquired or sold amounting to at least NT\$300 million or 20% of the paid-in capital: None.

- e. Acquisition of real estate amounting to at least NT\$300 million or 20% of the paid-in capital: None.
- f. Disposal of real estate amounting to at least NT\$300 million or 20% of the paid-in capital: None.
- g. Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital: None.
- h. Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital: None.
- i. Trading in derivative instruments: None.
- j. Business relations and important transactions between parent company and subsidiaries and among subsidiaries and amounts: Please refer to Table 2.

B. Information related to reinvested enterprises

Information on names and locations of investees (excluding investees in China): Please refer to Table 3.

C. Information on Investment in China

- a. Basic information: Please refer to Table 4.
- b. Significant transactions with investees in China, either directly or indirectly, through a business in a third region: None.

D. Information on major shareholders

Information on major shareholders: Please refer to Table 5.

x. Segment Information

A. General information

The management of the Group has identified the segments to be reported based on the information to be reported used by the board of directors in making decisions. The Group's board of directors adopts the overall financial information and financial ratios of the Group as indicators for performance evaluation. Therefore, the Group has been identified as a single segment to be reported.

B. Measurement of segment information

The accounting policies for the business segment of the Group are the same as the summary of significant accounting policies described in Note 4. The chief operating decision-maker of the Group evaluates the performance of the business segment based

on the business segment's revenue achievement rate and net operating income achievement rate.

C. Information on profit or loss, assets and liabilities of the segment and reconciliation information

As the Group's information on profit or loss, assets, and liabilities of the segment is consistent with that in the main financial report, and it is a single segment to be reported, no reconciliation is required.

Information Technology Total Services Co., Ltd.
 Marketable Securities Held at the End of the Period (Excluding Investments in Subsidiaries, Associates, and Joint Ventures)
 September 30, 2023

Unit: NTD thousand
 (Unless otherwise specified)

Table 1

Holder	Type and Name of Marketable Securities (Note 1)	Relationship with Issuer of Marketable Securities (Note 2)	Financial Statement Account	End of Period			Remarks (Note 4)	
				Number of shares	Book amount (Note 3)	Shareholding percentage		Fair value
Information Technology Total Services Co., Ltd.	Dynacomware Corporation	N/A	Financial asset at fair value through other comprehensive income – non-current	31	\$ 47	1.43%	\$ 47	Note 4
Information Technology Total Service (BVI) Co., Ltd.	Live ABC Interactive Corporation	N/A	Financial asset at fair value through other comprehensive income – non-current	3,238	34,132	14.58%	34,132	Note 4

Note 1: The marketable securities mentioned in this table refer to stocks, bonds, beneficiary certificates, and securities derived from the items above that fall within the scope of IFRS 9 “Financial Instruments.”

Note 2: If the issuer of marketable securities is not a related party, this column may be skipped.

Note 3: For those measured at fair value, please fill in the carrying amount after fair value valuation adjustment and deduction of accumulated impairment losses in the box of carrying amount; for those not measured at fair value, please fill in the original acquisition cost or amortized cost less accumulated impairment losses in the box of carrying amount.

Note 4: None of the above-mentioned marketable securities are pledged.

Information Technology Total Services Co., Ltd.
Business Relations and Important Transactions Between Parent Company and Subsidiaries and Among Subsidiaries and Amounts
January 1 to September 30, 2023

Unit: NTD thousand
(Unless otherwise specified)

Table 2

No. (Note 1)	Name of Transaction Party	Counterparty	Relationship with the counterparty	Transaction Status			Percentage in total consolidated revenue or assets (Note 3)
				Account	Amount	Transaction Conditions	
0	Information Technology Total Services Co., Ltd.	Unison Service Corporation	Parent to subsidiary	Service costs	\$ 75,441	Note 4	7.44%
0	Information Technology Total Services Co., Ltd.	Universal Mail Service Ltd.	Parent to subsidiary	Service costs	\$ 30,517	Note 4	3.01%

Note 1: The information on transactions between the parent company and its subsidiaries shall be indicated in the No. column as follows:

(1) The parent company is coded "0."

(2) The subsidiaries are coded sequentially beginning from "1" for each individual company.

Note 2: There are three types of relationships with transaction parties, indicating the types is sufficient (if it is a transaction between a parent and subsidiary or between subsidiaries, there is no need for redundant disclosure. For example: if the parent company has disclosed transactions with a subsidiary, then there is no need for the subsidiary to disclose the same transaction separately; in the case of transactions between subsidiaries, if one subsidiary has disclosed the transaction, the other subsidiary does not need to disclose it again):

(1) Parent to subsidiary.

(2) Subsidiary to parent.

(3) Between subsidiaries.

Note 3: Regarding the transaction amount as a percentage of the total consolidated revenue or assets, if it is recognized in the balance sheet account, it is shown with the ending balance as a percentage of the total consolidated assets; if it is in the profit or loss account, it is shown with the cumulative amount throughout the period as a percentage of the total consolidated revenue.

Note 4: There are no comparable transactions of the same type, and the price is handled according to the method agreed upon between both parties, and the payment term is open account with net 90 days. Service costs refer to the labor support, packaging and printing, telecommunications costs, and freight costs required for operations. There are no comparable transactions of the same type. The transaction price and payment terms are determined by the negotiation between both parties.

Information Technology Total Services Co., Ltd.
Information on Names and Locations of Investees (Excluding Investees in China)
January 1 to September 30, 2023

Table 3

Unit: NTD thousand
(Unless otherwise specified)

Name of investor	Name of Investee (Notes 1 and 2)	Address	Principal business	Original investment cost		Holdings at End of Period			Investment Gains or Losses		Remarks
				End of the Current Period	End of Last Year	Number of shares	Percentage	Carrying amount	Current Profit or Loss on Investee	Recognized for Current Period	
Information Technology Total Services Co., Ltd.	Tension Envelope Taiwan Corporation	Taiwan	Envelope production and paper trading business	\$ 25,000	\$ 25,000	2,500	50.00%	\$ 49,252	\$ 13,254	\$ 6,627	Note 1
Information Technology Total Services Co., Ltd.	Universal Mail Service Ltd.	Taiwan	Postal information integration and bill printing outsourcing services	13,000	13,000	1,560	100.00%	22,678	1,691	1,783	Note 1 and 4
Information Technology Total Services Co., Ltd.	Unison Service Corporation	Taiwan	Customer relationship management services and consulting services for customer service center establishment	17,000	17,000	1,700	100.00%	24,295	6,545	6,545	Note 1
Information Technology Total Services Co., Ltd.	Information Technology Total Service (BVI) Co., Ltd.	British Virgin Islands	Investment holding company	48,424	48,424	1,541	100.00%	84,290	1,795	1,795	Notes 1, 2, and 3
Information Technology Total Services Co., Ltd.	An-Hui Information Technology Co., Ltd.	Taiwan	Manufacture of computers and peripherals, retail, and other consulting services	3,000	3,000	300	15.00%	3,359	(2,039)	(305)	Note 1

Note 1: Investee recognized under the equity method.

Note 2: The original currency of the original investment amount of Information Technology Total Service (BVI) Co., Ltd. was US\$1,541 thousand.

Note 3: As of the current period, Information Technology Total Service (BVI) Co., Ltd. has repatriated investment income of US\$800 thousand.

Note 4: In this period, the recognized investment gains and losses exclude an unrealized sales profit of \$92 from contra-flow transactions.

Information Technology Total Services Co., Ltd.
Information on Investments in China – Basic Information
January 1 to September 30, 2023

Table 4

Unit: NTD thousand
(Unless otherwise specified)

Name of Investee in China	Principal business	Paid-in Capital	Investment Method (Note 1)	Accumulated Investment Remitted from Taiwan, Beginning of Period	Amount of Investment Remitted or Recovered in Current Period		Accumulated Investment Remitted from Taiwan, End of Period	Current Profit or Loss on Investee	Percentage of Ownership in Direct or Indirect Investment	Investment Gains (Losses) Recognized for Current Period (Note 2)	Book Amount of Investment, End of Period	Accumulated Repatriation of Investment Income as of End of Period	Remarks
					Outward Remitted	Repatriated							
Information Technology (WUXI) Co., Ltd.	ERP establishment, system maintenance, and information equipment procurement	\$ 10,167	2	\$10,167 (USD\$300)	\$ -	\$ -	\$10,167 (USD\$300)	\$ (841)	100.00%	\$ (841)	\$ 34,352	\$ -	

Note 1: Investment methods are divided into the following three types, simply enter the code:

(1) Direct investment in China

(2) Indirect investment in China through a business in a third region (Information Technology Total Service (BVI) Co., Ltd.)

Note 2: Profit or loss is recognized in the financial statements audited by the accountants appointed by the parent company in Taiwan.

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

Company name	Accumulated Outward Remittance for Investment in China, End of Period	Investment Amount Authorized by Investment Commission, MOEA	Limit on Investment Amount Stipulated by Investment Commission, MOEA
Information Technology Total Services Co., Ltd.	\$10,167 (USD\$300)	\$10,167 (USD\$300)	\$ 341,779

Note 4: Relevant figures in this table shall be presented in New Taiwan dollars. For accounts of assets and liabilities: RMB is calculated at an exchange rate of RMB 1 to NT\$4.415; USD is calculated at an exchange rate of USD\$1 to NT\$32.27. For the profit or loss account: RMB is calculated at an exchange rate of RMB 1 to NT\$4.3939; USD is calculated at an exchange rate of USD 1 to NT\$30.9281.

Note 5: According to the amendment to regulations made by the Department of Investment Review, MOEA per the Audit No. 09704604680 dated August 29, 2008, the limit on the cumulative amount of investment in mainland China is the net value or 60% of the combined net value, whichever is higher.

Information Technology Total Services Co., Ltd.

Information on major shareholders
September 30, 2023

Table 5

Name of major shareholder	Shares	
	Number of Shares Held (Unit: Shares)	Shareholding percentage
TECO Electric and Machinery Co., Ltd.	11,467,248	41.96%
Advantech Co., Ltd.	4,512,273	16.50%
Tong-An Investment Co., Ltd.	1,841,250	6.73%