

INVENTEC CORPORATION AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS

**With Independent Auditors' Review Report
For the Nine Months Ended September 30, 2022 and 2021**

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The independent auditors' review report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' review report and consolidated financial statements, the Chinese version shall prevail.

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Independent Auditors' Review Report

To the Board of Directors of Inventec Corporation:

Introduction

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

Scope of Review

Except as explained in the Basis for Qualified Conclusion paragraph, we conducted our reviews in accordance with Statement of Auditing Standard 65, “Review of Financial Information Performed by the Independent Auditor of the Entity”. A review of the 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 conducted in accordance with the generally accepted auditing standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Qualified Conclusion

As stated in Note 4(b), the consolidated financial statements included the financial statements of certain non-significant subsidiaries, which were not reviewed by independent auditors. These financial statements reflect the total assets amounting to \$67,513,578 thousand and \$79,314,019 thousand, constituting 25% and 31% of the consolidated total assets; and the total liabilities amounting to \$30,566,455 thousand and \$25,776,612 thousand, constituting 15% and 13% of the consolidated total liabilities as of September 30, 2022 and 2021, respectively; as well as the total comprehensive loss amounting to \$1,125,513 thousand, \$762,096 thousand, \$2,454,627 thousand and \$520,818 thousand, constituting (39)%, (34)%, (36)% and (15)% of the consolidated total comprehensive income (loss) for the three months and nine months ended September 30, 2022 and 2021, respectively.

Furthermore, as stated in Note (6)(f), the other equity accounted investments of the Group in its investee companies of \$20,940 thousand and \$35,687 thousand as of September 30, 2022 and 2021, respectively, and its equity in net earnings (loss) on these investee companies of \$2,320 thousand, \$(744) thousand, \$(2,269) thousand and \$(2,238) thousand for the three months and nine months ended September 30, 2022 and 2021, respectively, were recognized solely on the financial statements prepared by these investee companies, but not reviewed by independent auditors.



Qualified Conclusion

Except for the adjustments, if any, as might have been determined to be necessary had the financial statements of certain consolidated subsidiaries and equity accounted investee companies described in the Basis for Qualified Conclusion paragraph above been reviewed by independent auditors, based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as of September 30, 2022 and 2021, and of its consolidated financial performance for the three months and nine months ended September 30, 2022 and 2021, as well as its consolidated cash flows for the nine months ended September 30, 2022 and 2021 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

The engagement partners on the reviews resulting in this independent auditors’ review report are Wan-Wan Lin and Rou-Lan Kuo.

KPMG

Taipei, Taiwan (Republic of China)
November 11, 2022

Notes to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with the 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 accepted and applied in the Republic of China.

The independent auditors’ review report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors’ review report and consolidated financial statements, the Chinese version shall prevail.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
 REVIEWED ONLY, NOT AUDITED IN ACCORDANCE WITH GENERALLY ACCEPTED AUDITING STANDARDS AS OF SEPTEMBER 30, 2022 AND 2021

INVENTEC CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

September 30, 2022, December 31, 2021, and September 30, 2021

(Expressed in Thousands of New Taiwan Dollars)

		September 30, 2022		December 31, 2021		September 30, 2021				September 30, 2022		December 31, 2021		September 30, 2021	
		Amount	%	Amount	%	Amount	%			Amount	%	Amount	%	Amount	%
ASSETS															
Current Assets :															
1100	Cash and cash equivalents (Note (6)(a))	\$ 35,917,133	14	34,787,912	14	34,268,070	13	2100	Short-term borrowings (Note (6)(m))	\$ 57,710,896	22	54,694,565	22	49,067,205	19
1110	Current financial assets at fair value through profit or loss (Note (6)(b))	2,694,588	1	1,343,945	1	1,344,941	1	2120	Current financial liabilities at fair value through profit or loss (Note (6)(b))	1,294,909	1	112,133	-	100,790	-
1120	Current financial assets at fair value through other comprehensive income (Note (6)(b))	501,742	-	1,521,476	1	1,259,433	1	2130	Current contract liabilities (Note (6)(u))	7,992,653	3	7,562,873	3	7,491,576	3
1170	Accounts receivable, net (Notes (6)(c) and (7))	105,425,191	39	103,795,621	42	108,770,104	42	2170	Accounts payable (Note (7))	92,059,336	34	84,907,477	34	98,705,884	38
1200	Other receivables, net (Notes (6)(d) and (7))	1,171,894	-	884,098	-	790,834	-	2230	Current tax liabilities	2,727,750	1	2,374,435	1	2,769,264	1
1310	Inventories (Note (6)(e))	75,217,729	28	62,417,356	25	68,934,754	27	2200	Other payables (Note (7))	11,428,292	4	10,524,706	4	9,751,224	4
1470	Other current assets (Notes (6)(k) and (8))	4,636,272	2	2,873,014	1	3,021,096	1	2322	Long-term borrowings, current portion (Note (6)(m))	330,744	-	7,248,244	3	330,744	-
		225,564,549	84	207,623,422	84	218,389,232	85	2280	Current lease liabilities (Note (6)(n))	200,217	-	182,996	-	186,946	-
								2399	Other current liabilities, others (Note (6)(l))	16,724,759	6	12,472,789	5	12,988,485	5
										190,469,556	71	180,080,218	72	181,392,118	70
Non-current assets :															
1510	Non-current financial assets at fair value through profit or loss (Note (6)(b))	147,541	-	893,885	-	785,218	-		Non-current Liabilities :						
1517	Non-current financial assets at fair value through other comprehensive income (Note (6)(b))	4,042,483	2	4,192,435	2	4,052,213	2	2540	Long-term borrowings (Note (6)(m))	13,017,312	5	3,790,708	2	14,701,690	6
1550	Investments accounted for using equity method (Note (6)(f))	370,123	-	300,127	-	300,244	-	2640	Net defined benefit liability, non-current	550,947	-	589,919	-	618,531	-
1600	Property, plant and equipment (Notes (6)(h) and (8))	30,916,331	12	27,466,491	11	27,431,628	11	2580	Non-current lease liabilities (Note (6)(n))	588,766	-	693,497	-	617,581	-
1755	Right-of-use assets (Notes (6)(i) and (8))	3,125,192	1	3,162,003	1	3,080,914	1	2670	Other non-current liabilities, others (Note (6)(l))	6,000,995	2	6,062,986	3	5,951,191	3
1780	Intangible assets (Note (6)(j))	978,045	-	967,451	-	938,074	-			20,158,020	7	11,137,110	5	21,888,993	9
1900	Other non-current assets (Notes (6)(k) and (8))	3,741,219	1	3,009,608	2	2,980,685	1		Total Liabilities	210,627,576	78	191,217,328	77	203,281,111	79
		43,320,934	16	39,992,000	16	39,568,976	15		Equity attributable to owners of parent :						
								3110	Ordinary shares (Note (6)(r))	35,874,751	13	35,874,751	14	35,874,751	14
								3200	Capital surplus (Note (6)(r))	2,899,592	1	2,899,592	1	2,899,284	1
								3300	Retained earnings (Note (6)(r))	20,738,589	8	21,024,959	9	19,553,224	7
								3400	Other equity (Note (6)(r))	(532,365)	-	(2,714,598)	(1)	(3,250,450)	(1)
									Total equity attributable to owners of parent	58,980,567	22	57,084,704	23	55,076,809	21
								36XX	Non-controlling interests	(722,660)	-	(686,610)	-	(399,712)	-
									Total Equity	58,257,907	22	56,398,094	23	54,677,097	21
TOTAL ASSETS		\$ 268,885,483	100	247,615,422	100	257,958,208	100	TOTAL LIABILITIES AND EQUITY		\$ 268,885,483	100	247,615,422	100	257,958,208	100

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

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
Reviewed only, not audited in accordance with generally accepted auditing standards

INVENTEC CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
For the Three months and nine months ended September 30, 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars)

		For the three months ended September 30				For the nine months ended September 30			
		2022		2021		2022		2021	
		Amount	%	Amount	%	Amount	%	Amount	%
4000	Operating revenue (Notes (6)(u) and (7))	\$ 142,452,075	100	145,079,137	100	406,993,892	100	371,730,854	100
5000	Operating costs (Notes (6)(c) and (7))	135,112,148	95	139,171,885	96	387,999,967	95	355,555,301	96
5900	Gross profit from operations	7,339,927	5	5,907,252	4	18,993,925	5	16,175,553	4
	Operating expenses (Notes (6)(c), (6)(v) and (7)):								
6100	Selling expenses	958,796	1	785,393	-	2,383,836	1	2,255,995	-
6200	Administrative expenses	1,062,703	1	1,010,637	1	2,962,311	1	2,861,188	1
6300	Research and development expenses	3,079,343	2	2,602,103	2	8,701,275	2	7,515,433	2
6450	Impairment losses (impairment gains and reversal of impairment losses) determined in accordance with IFRS9	(1,153)	-	3,723	-	(1,803)	-	25,986	-
		5,099,689	4	4,401,856	3	14,045,619	4	12,658,602	3
6900	Net operating income	2,240,238	1	1,505,396	1	4,948,306	1	3,516,951	1
	Non-operating income and expenses:								
7100	Interest income (Note (6)(w))	353,180	-	248,957	-	890,104	-	821,137	-
7010	Other income (Notes (6)(w) and (7))	87,197	-	108,162	-	211,269	-	338,646	-
7020	Other gains and losses (Note (6)(w))	400,485	-	1,860,236	1	1,225,479	-	1,928,846	-
7050	Finance costs (Note (6)(w))	(806,164)	-	(182,045)	-	(1,517,263)	-	(509,005)	-
7060	Shares of profit (loss) of associates and joint ventures accounted for using equity method (Note (6)(f))	18,247	-	(10,714)	-	(1,459)	-	51,043	-
		52,945	-	2,024,596	1	808,130	-	2,630,667	-
7900	Profit before tax	2,293,183	1	3,529,992	2	5,756,436	1	6,147,618	1
7950	Less: Income tax expenses (Notes (4) and (6)(q))	552,407	-	839,613	-	1,066,498	-	1,370,002	-
8000	Profit	1,740,776	1	2,690,379	2	4,689,938	1	4,777,616	1
	Other comprehensive income (loss):								
8310	Components of other comprehensive income (loss) that will not be reclassified to profit or loss								
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	(526,555)	-	(348,063)	-	(1,370,486)	-	(629,108)	-
8320	Shares of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss	(427)	-	(1,292)	-	(1,074)	-	(1,517)	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	-	-	-	-	-	-	-	-
		(526,982)	-	(349,355)	-	(1,371,560)	-	(630,625)	-
8360	Components of other comprehensive income (loss) that will be reclassified to profit or loss								
8361	Exchange differences on translation of foreign financial statements	1,649,011	1	(113,841)	-	3,559,941	1	(726,290)	-
8370	Shares of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss	2,793	-	(184)	-	3,959	-	2,482	-
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-	-	-	-	-
		1,651,804	1	(114,025)	-	3,563,900	1	(723,808)	-
	Other comprehensive income (loss), net of income tax	1,124,822	1	(463,380)	-	2,192,340	1	(1,354,433)	-
8500	Total comprehensive income	\$ 2,865,598	2	2,226,999	2	6,882,278	2	3,423,183	1
	Profit (loss), attributable to:								
8610	Profit, attributable to owners of parent	\$ 1,749,251	1	2,800,186	2	4,736,095	1	5,077,504	1
8620	Profit (loss), attributable to non-controlling interests	(8,475)	-	(109,807)	-	(46,157)	-	(299,888)	-
		\$ 1,740,776	1	2,690,379	2	4,689,938	1	4,777,616	1
	Comprehensive income (loss) attributable to:								
8710	Comprehensive income, attributable to owners of parent	\$ 2,870,785	2	2,338,432	2	6,918,328	2	3,728,979	1
8720	Comprehensive income (loss), attributable to non-controlling interests	(5,187)	-	(111,433)	-	(36,050)	-	(305,796)	-
		\$ 2,865,598	2	2,226,999	2	6,882,278	2	3,423,183	1
	Earnings per share (Note (6)(t))								
9750	Basic earnings per share (NT dollars)	\$ 0.49		0.78		1.32		1.42	
9850	Diluted earnings per share (NT dollars)	\$ 0.49		0.78		1.31		1.41	

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

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
REVIEWED ONLY, NOT AUDITED IN ACCORDANCE WITH GENERALLY ACCEPTED AUDITING STANDARDS
INVENTEC CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the Nine Months Ended September 30, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

	Attributable to owners of parent					Other Equity				
	Share Capital		Retained Earnings			Exchange Differences on Translation of Foreign Financial Statements	Unrealized Gains (Losses) from Financial Assets Measured at Fair Value through Other Comprehensive Income	Total Equity Attributable to Owners of Parent	Non - controlling Interests	Total Equity
	Ordinary Shares	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Retained Earnings					
Balance at January 1, 2021	\$ 35,874,751	2,899,284	11,345,901	1,822,004	7,944,644	(2,467,365)	565,440	57,984,659	(93,916)	57,890,743
Profit (loss) for the period	-	-	-	-	5,077,504	-	-	5,077,504	(299,888)	4,777,616
Other comprehensive income (loss) for the period	-	-	-	-	-	(717,900)	(630,625)	(1,348,525)	(5,908)	(1,354,433)
Total comprehensive income (loss) for the period	-	-	-	-	5,077,504	(717,900)	(630,625)	3,728,979	(305,796)	3,423,183
Appropriation and distribution of retained earnings:										
Legal reserve appropriated	-	-	747,132	-	(747,132)	-	-	-	-	-
Special reserve appropriated	-	-	-	79,921	(79,921)	-	-	-	-	-
Cash dividends on ordinary shares	-	-	-	-	(6,636,829)	-	-	(6,636,829)	-	(6,636,829)
Balance at September 30, 2021	\$ 35,874,751	2,899,284	12,093,033	1,901,925	5,558,266	(3,185,265)	(65,185)	55,076,809	(399,712)	54,677,097
Balance at January 1, 2022	\$ 35,874,751	2,899,592	12,093,033	1,901,925	7,030,001	(3,036,968)	322,370	57,084,704	(686,610)	56,398,094
Profit (loss) for the period	-	-	-	-	4,736,095	-	-	4,736,095	(46,157)	4,689,938
Other comprehensive income (loss) for the period	-	-	-	-	-	3,553,793	(1,371,560)	2,182,233	10,107	2,192,340
Total comprehensive income (loss) for the period	-	-	-	-	4,736,095	3,553,793	(1,371,560)	6,918,328	(36,050)	6,882,278
Appropriation and distribution of retained earnings:										
Legal reserve appropriated	-	-	654,924	-	(654,924)	-	-	-	-	-
Special reserve appropriated	-	-	-	812,672	(812,672)	-	-	-	-	-
Cash dividends on ordinary shares	-	-	-	-	(5,022,465)	-	-	(5,022,465)	-	(5,022,465)
Balance at September 30, 2022	\$ 35,874,751	2,899,592	12,747,957	2,714,597	5,276,035	516,825	(1,049,190)	58,980,567	(722,660)	58,257,907

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

INVENTEC CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the Nine Months Ended September 30, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

	For the nine months ended September 30	
	2022	2021
Cash flows from operating activities:		
Profit before tax	\$ 5,756,436	6,147,618
Adjustments:		
Adjustments to reconcile profit:		
Depreciation expense	1,622,813	1,784,763
Amortization expense	502,272	722,315
Expected credit (reversal gain) loss	(1,803)	25,986
Interest expense	1,517,263	509,005
Interest income	(890,104)	(821,137)
Dividend income	(34,265)	(133,990)
Shares of loss (profit) of associates and joint ventures accounted for using equity method	1,459	(51,043)
Gain on disposal of property, plant and equipment	(13,449)	(1,451,532)
(Gain) loss on disposal of investments accounted for using equity method	(160)	39,157
Impairment loss on non-financial assets	-	4,043
Unrealized foreign exchange loss (gain)	841,192	(323,056)
Other adjustments	(51,198)	(7,853)
Total adjustments to reconcile profit	<u>3,494,020</u>	<u>296,658</u>
Changes in operating assets and liabilities:		
Changes in operating assets:		
(Increase) decrease in financial assets at fair value through profit or loss, mandatorily measured at fair value	(1,045,061)	206,454
Decrease (increase) in accounts receivable	1,435,538	(17,447,030)
Decrease (increase) in other receivables	4,948	(20,209)
Increase in inventories	(6,012,065)	(28,476,029)
(Increase) decrease in other current assets	<u>(765,338)</u>	<u>1,851,388</u>
Total changes in operating assets	<u>(6,381,978)</u>	<u>(43,885,426)</u>
Changes in operating liabilities:		
Increase (decrease) in financial liabilities held for trading	1,182,776	(148,079)
Increase (decrease) in contract liabilities	425,740	(327,987)
Increase in accounts payable	1,656,388	25,915,517
Decrease in other payables	(510,789)	(1,634,739)
Increase in other current liabilities	4,211,695	1,025,566
Decrease in net defined benefit liabilities, non-current	<u>(38,972)</u>	<u>(37,640)</u>
Total changes in operating liabilities	<u>6,926,838</u>	<u>24,792,638</u>
Total changes in operating assets and liabilities	<u>544,860</u>	<u>(19,092,788)</u>
Total adjustments	<u>4,038,880</u>	<u>(18,796,130)</u>
Cash inflow (outflow) generated from operations	9,795,316	(12,648,512)
Interest received	819,859	960,993
Dividends received	34,265	133,990
Interest paid	(1,170,217)	(529,756)
Income taxes paid	<u>(1,095,818)</u>	<u>(443,558)</u>
Net cash flows from (used in) operating activities	<u>8,383,405</u>	<u>(12,526,843)</u>

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

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
 REVIEWED ONLY, NOT AUDITED IN ACCORDANCE WITH GENERALLY ACCEPTED AUDITING STANDARDS
INVENTEC CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS (CONT'D)

For the Nine Months Ended September 30, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

	For the nine months ended September 30	
	2022	2021
Cash flows used in investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	\$ (311,208)	(812,364)
Proceeds from disposal of financial assets at fair value through other comprehensive income	44,330	-
Acquisition of financial assets at fair value through profit or loss	(582,278)	(779,264)
Proceeds from disposal of financial assets at fair value through profit or loss	1,061,766	62,980
Acquisition of investments accounted for using equity method	-	(36,666)
Proceeds from disposal of investments accounted for using equity method	160	-
Proceeds from capital reduction of financial assets at fair value through other comprehensive income	-	4,838
Acquisition of property, plant and equipment	(3,838,898)	(1,994,070)
Proceeds from disposal of property, plant and equipment	29,593	2,224,343
Acquisition of intangible assets	(147,323)	(178,180)
Net cash flows from loss of control of subsidiary	-	(8,309)
(Increase) decrease in other financial assets	(770,719)	85,227
Increase in other non-current assets	(694,477)	(357,036)
Net cash flows used in investing activities	(5,209,054)	(1,788,501)
Cash flows (used in) from financing activities:		
(Decrease) increase in short-term borrowings	(1,099,418)	17,249,378
Proceeds from long-term borrowings	5,568,647	15,816,338
Repayments of long-term borrowings	(3,814,000)	(10,106,500)
Increase in other payables to related parties	729,982	-
Payments of lease liabilities	(147,894)	(152,085)
Decrease in other non-current liabilities	(5,952)	(77,688)
Cash dividends paid	(5,022,465)	(6,636,829)
Net cash flows (used in) from financing activities	(3,791,100)	16,092,614
Effect of exchange rate changes on cash and cash equivalents	1,745,970	(460,795)
Net increase in cash and cash equivalents	1,129,221	1,316,475
Cash and cash equivalents at beginning of period	34,787,912	32,951,595
Cash and cash equivalents at end of period	\$ 35,917,133	34,268,070

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

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(1) Company History

Inventec Corporation (the “Company”) was organized in 1975. The Company engages primarily in the manufacturing, processing and trading of computers and related products. The Company’s registered office address is located at No.66 Hougang Street, Shilin District, Taipei City, Taiwan, R.O.C. The shares of the Company became officially listed and traded on the Taiwan Stock Exchange in November 1996.

The consolidated financial statements of the Company as of and for the year ended September 30, 2022 comprised the Company and its subsidiaries (together referred to as the “Group” and individually as “Group entities”). The Group primarily is involved in the production and sales of computer products and intelligent devices. Please refer to Note 4(b) for details.

(2) Financial Statements Authorization Date and Authorization Process

The consolidated financial statements were authorized for issuance by the Board of Directors on November 11, 2022.

(3) New Standards, Amendments and Interpretations Adopted:

- (a) The impact of the International Financial Reporting Standards (“IFRSs”) endorsed by the Financial Supervisory Commission, R.O.C. which have already been adopted.

The Group has initially adopted the following new amendments, which do not have a significant impact on its consolidated financial statements, from January 1, 2022:

- Amendments to IAS 16 “Property, Plant and Equipment—Proceeds before Intended Use”
- Amendments to IAS 37 “Onerous Contracts—Cost of Fulfilling a Contract”
- Annual Improvements to IFRS Standards 2018–2020
- Amendments to IFRS 3 “Reference to the Conceptual Framework”

- (b) The impact of IFRS issued by the FSC but not yet effective

The Group assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2023, would not have a significant impact on its consolidated financial statements:

- Amendments to IAS 1 “Disclosure of Accounting Policies”
- Amendments to IAS 8 “Definition of Accounting Estimates”
- Amendments to IAS 12 “Deferred Tax related to Assets and Liabilities arising from a Single Transaction”

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- (c) The impact of IFRS issued by IASB but not yet endorsed by the FSC

The Group does not expect the following new and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on its consolidated financial statements:

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 17 “Insurance Contracts” and amendments to IFRS 17 “Insurance Contracts”
- Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”
- Amendments to IFRS 17 “Initial Application of IFRS 17 and IFRS 9 – Comparative Information”
- IFRS16 “Requirements for Sale and Leaseback Transactions”
- Amendments to IAS 1 “Non-current Liabilities with Covenants”

(4) Summary of Significant Accounting Policies

- (a) Statement of compliance

These consolidated financial statements have been prepared in accordance with the preparation and guidelines of IAS 34 “Interim Financial Reporting” which are endorsed and issued into effect by FSC, and do not include all of the information required by the Regulations and International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations and SIC Interpretations endorsed and issued into effect by the FSC (hereinafter referred to IFRS endorsed by the FSC) for a complete set of the annual consolidated financial statements.

Except the following accounting policies mentioned below, the significant accounting policies adopted in the consolidated financial statements are the same as those in the consolidated financial statement for the year ended December 31, 2021. For the related information, please refer to Note 4 of the consolidated financial statements for the year ended December 31, 2021.

- (b) Basis of consolidation

1. List of subsidiaries in the consolidated financial statements

Name of Investor	Name of Subsidiary	Principal activity	Shareholding			Note
			September 30, 2022	December 31, 2021	September 30, 2021	
The Company	Inventec Corporation (Hong Kong) Ltd.	Trading	100.00 %	100.00 %	100.00 %	(Note 1)
"	Inventec Holding (North America) Corp.	Holding Company	100.00 %	100.00 %	100.00 %	(Note 2)
"	Inventec (Cayman) Corp.	Holding Company	100.00 %	100.00 %	100.00 %	
"	IEC (Cayman) Corporation	Holding Company	100.00 %	100.00 %	100.00 %	(Note 1)
"	Inventec (Czech), s.r.o.	Production and sales of computer products	100.00 %	100.00 %	100.00 %	(Note 1)
"	Inventec Development Japan Corporation	Trading	100.00 %	100.00 %	100.00 %	(Note 1)
"	Inventec Investments Co., Ltd.	Investment company	100.00 %	100.00 %	100.00 %	(Note 1)
"	AlMobile Co., Ltd.	Developing, production and sales of intelligent mobile devices	73.00 %	73.00 %	73.00 %	(Note 1)

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Name of Investor	Name of Subsidiary	Principal activity	Shareholding			Note
			September 30, 2022	December 31, 2021	September 30, 2021	
The Company	Inventec Japan Corporation	Trading and management services	100.00 %	100.00 %	100.00 %	(Note 1)
"	Inventec Appliances Corp.	Intelligent device products	100.00 %	100.00 %	100.00 %	(Note 2)
The Company, Inventec Investments Co., Ltd. and Inventec Appliances Corp.	Inventec Solar Energy Corporation	Sales of solar cells and medical equipment	47.65 %	47.65 %	47.65 %	Inventec Solar Energy Corporation resolved at its Board meeting on December 1, 2021, to file for bankruptcy to the court, who, in turn, will grant the company's request upon its ruling. (Note 1)
Inventec Corporation (Hong Kong) Ltd.	Inventec Electronics (Tianjin) Co., Ltd.	Electronic product software development	100.00 %	100.00 %	100.00 %	(Note 1)
"	Inventec (Beijing) Electronics Technology Co., Ltd.	"	100.00 %	100.00 %	100.00 %	(Note 1)
Inventec (Cayman) Corp. and Inventec (Pudong) Technology Corp.	Inventec (Shanghai) Corp.	Sales of computer products	100.00 %	100.00 %	100.00 %	(Note 1)
"	Inventec (Shanghai) Service Co., Ltd.	"	100.00 %	100.00 %	100.00 %	(Note 1)
Inventec (Cayman) Corp.	Inventec (Pudong) Corp.	"	100.00 %	100.00 %	100.00 %	(Note 1)
"	Inventec (Pudong) Technology Corp.	Production and sales of computer products	100.00 %	100.00 %	100.00 %	(Note 1)
"	Inventec Hi-Tech Corp.	Sales of computer products	100.00 %	100.00 %	100.00 %	(Note 1)
"	Inventec (Chongqing) Service Co., Ltd.	"	100.00 %	100.00 %	100.00 %	(Note 1)
Inventec (Cayman) Corp. and IEC (Cayman) Corporation	Inventec (Chongqing) Corp.	Production and sales of computer products	100.00 %	100.00 %	100.00 %	
Inventec (Shanghai) Corp.	Inventec Asset-Management (Shanghai) Corporation	Leasing	78.00 %	78.00 %	78.00 %	(Note 1)
Inventec (Shanghai) Service Co., Ltd.	Saint Investment Consulting Corporation	Business management	100.00 %	100.00 %	100.00 %	(Note 1)
Inventec (Pudong) Technology Corp.	SQ Technology (Shanghai) Corporation	Production and sales of computer products	100.00 %	100.00 %	100.00 %	(Note 1)
Inventec Holding (North America) Corp.	Inventec (USA) Corporation	Services of computer products	100.00 %	100.00 %	100.00 %	(Note 1)
"	Inventec Manufacturing (North America) Corporation	"	100.00 %	100.00 %	100.00 %	(Note 1)
"	Inventec Configuration (North America) Corporation	Production and sales of computer products	100.00 %	100.00 %	100.00 %	(Note 1)
"	Inventec Distribution (North America) Corporation	"	100.00 %	100.00 %	100.00 %	(Note 1)
Inventec Holding (North America) Corp. and Inventec Distribution (North America) Corporation	IEC Technologies, S. de R.L. de C.V.	Production and sales of computer products	100.00 %	100.00 %	100.00 %	(Note 1)
Inventec Appliances Corp.	Inventec Appliances (Cayman) Holding Corp.	Holding Company	100.00 %	100.00 %	100.00 %	(Note 1)

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Name of Investor	Name of Subsidiary	Principal activity	Shareholding			Note
			September 30, 2022	December 31, 2021	September 30, 2021	
Inventec Appliances (Cayman) Holding Corp.	Inventec Appliances (USA) Distribution Corp.	Marketing promotion	100.00 %	100.00 %	100.00 %	(Note 1)
"	Inventec Appliances Corporation USA, Inc.	Sales service	100.00 %	100.00 %	100.00 %	(Note 1)
"	Inventec Appliances (Shanghai) Co., Ltd.	Development of intelligent devices	100.00 %	100.00 %	100.00 %	(Note 1)
"	Inventec Appliances (Pudong) Corp.	Production and sales of intelligent devices	100.00 %	100.00 %	100.00 %	(Note 1)
"	Inventec Appliances (Jiangning) Corp.	"	100.00 %	100.00 %	100.00 %	(Note 1)
"	Inventec Appliances (Nanjing) Corp.	"	100.00 %	100.00 %	100.00 %	(Note 1)
"	Inventec Appliances (XI'AN) Corporation	House leasing	100.00 %	100.00 %	100.00 %	(Note 1)
"	Inventec Appliances (Nanchang) Corporation	Development of intelligent devices	100.00 %	100.00 %	100.00 %	(Note 1)
Inventec Appliances (Shanghai) Co., Ltd.	Inventec Appliances (Shanghai) Enterprise Co., Ltd.	Business management	100.00 %	100.00 %	100.00 %	(Note 1)
"	APEX Business Management & Consulting (Shanghai) Co., Ltd.	"	100.00 %	100.00 %	100.00 %	(Note 1)
"	Inventec Appliances (Nanchang) Intelligent Manufacturing Co., Ltd.	Production and sales of intelligent devices	100.00 %	100.00 %	100.00 %	(Note 1)
Inventec Appliances (Pudong) Corp.	Inventec Appliances (Malaysia) SDN. BHD.	"	100.00 %	100.00 %	100.00 %	(Note 1)
"	Inventec Easy Doctor Corporation	Production and sales of medical devices	100.00 %	100.00 %	100.00 %	(Note 1)

Note 1: Companies are non-significant subsidiaries and their financial statements have not been reviewed.

Note 2: Companies are non-significant subsidiaries and their financial statements have been reviewed.

2.Subsidiaries excluded from the consolidated financial statements: None.

(c) Income taxes

The income tax expenses have been prepared and disclosed in accordance with paragraph B12 of International Financial Reporting Standards 34, Interim Reporting.

Income tax expenses for the period are best estimated by multiplying pre-tax income for the interim reporting period using the effective annual tax rate as forecasted by the management. This should be recognized fully as tax expense for the current period.

Temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases shall be measured based on the tax rates that have been enacted or substantively enacted at the time of the asset or liability is recovered or settled, and be recognized directly in equity or other comprehensive income as tax expense.

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(d) Employee benefits

The pension cost in the interim period was calculated and disclosed on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior fiscal year.

(5) Significant Accounting Assumptions and Judgements, and Major Sources of Estimation Uncertainty

The preparation of the consolidated financial statements in conformity with the Regulations and IFRSs (in accordance with IAS 34 “Interim Financial Reporting” and endorsed by the FSC) requires management to make judgments, estimates and assumptions that affect the application of the accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Except for the following, the preparation of the consolidated interim financial statements, estimates and underlying assumptions are reviewed on an ongoing basis which are in conformity with the consolidated financial statements for the year ended December 31, 2021. For related information, please refer to Note 5 of the consolidated financial statements for the year ended December 31, 2021.

(6) Explanation to Significant Accounts

Except for the following disclosures, there were no material differences in the disclosures of significant accounts between the interim consolidated financial statements for the current period and the 2021 consolidated financial statements. Please refer to Note 6 of the 2021 annual consolidated financial statements.

(a) Cash and cash equivalents

	September 30, 2022	December 31, 2021	September 30, 2021
Cash on hand	\$ 6,880	6,113	5,312
Demand deposits and checking accounts	30,951,296	28,473,081	27,400,999
Time deposits	4,958,957	6,308,718	6,861,759
Cash and cash equivalents in the consolidated statements of cash flows	<u><u>\$ 35,917,133</u></u>	<u><u>34,787,912</u></u>	<u><u>34,268,070</u></u>

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(b) Financial instruments

1. Financial assets and liabilities at fair value through profit or loss

	<u>September 30, 2022</u>	<u>December 31, 2021</u>	<u>September 30, 2021</u>
Financial assets at fair value through profit or loss			
Derivative instruments not used for hedging			
Forward exchange contracts	\$ 1,489,134	28,391	105,485
Foreign exchange swap	-	163,696	104,160
Non-derivative financial assets			
Stocks of listed companies	36,500	67,540	62,520
Emerging stock	61,255	114,198	122,152
Unquoted financial instruments	1,222,284	1,831,498	1,702,489
Unsecured convertible bonds	32,956	32,507	33,353
Total	<u>\$ 2,842,129</u>	<u>2,237,830</u>	<u>2,130,159</u>
Financial liabilities at fair value through profit or loss			
Derivative instruments not used for hedging			
Forward exchange contracts	\$ 2,745	109,891	57,691
Foreign exchange swap	1,292,164	2,242	43,099
Total	<u>\$ 1,294,909</u>	<u>112,133</u>	<u>100,790</u>

The Group uses derivative financial instruments to hedge certain foreign exchange and interest risk the Group is exposed to, arising from its operating, financing and investing activities. The following derivative instruments, without the application of hedge accounting, were classified as mandatorily measured at fair value through profit or loss financial assets and held-for-trading financial liabilities:

1) Financial assets:

	<u>September 30, 2022</u>		
	<u>Contract Amount (in thousands)</u>	<u>Currency</u>	<u>Maturity Period</u>
Forward	USD 604,000	USD to TWD	2022.10.14~2023.02.23
Forward	USD 71,000	USD to MYR	2022.10.26~2022.12.29

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December 31, 2021				
	Contract Amount (in thousands)	Currency	Maturity Period	
Foreign exchange swap	USD 814,000	USD to TWD	2022.01.13~2022.06.17	
Forward	USD 235,000	USD to TWD	2022.02.09~2022.03.29	

September 30, 2021				
	Contract Amount (in thousands)	Currency	Maturity Period	
Foreign exchange swap	USD 544,000	USD to TWD	2021.10.08~2022.02.25	
Forward	USD 440,000	USD to TWD	2021.10.22~2022.03.29	
Forward	USD 46,000	USD to CNY	2021.11.30~2021.12.30	

2) Financial liabilities:

September 30, 2022				
	Contract Amount (in thousands)	Currency	Maturity Period	
Foreign exchange swap	USD 604,000	USD to TWD	2022.10.14~2023.02.23	
Forward	USD 5,000	USD to CNY	2022.10.19	

December 31, 2021				
	Contract Amount (in thousands)	Currency	Maturity Period	
Foreign exchange swap	USD 45,000	USD to TWD	2022.03.08~2022.03.14	
Forward	USD 624,000	USD to TWD	2022.01.13~2022.06.17	

September 30, 2021				
	Contract Amount (in thousands)	Currency	Maturity Period	
Foreign exchange swap	USD 315,000	USD to TWD	2021.11.12~2022.03.29	
Forward	USD 419,000	USD to TWD	2021.10.08~2022.03.24	
Forward	USD 23,000	USD to CNY	2021.12.30	

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2. Financial assets at fair value through other comprehensive income

	<u>September 30, 2022</u>	<u>December 31, 2021</u>	<u>September 30, 2021</u>
Equity investments at fair value through other comprehensive income			
Stocks of listed companies	\$ 627,866	1,690,042	1,485,550
Stocks of unlisted companies	<u>3,916,359</u>	<u>4,023,869</u>	<u>3,826,096</u>
Total	<u>\$ 4,544,225</u>	<u>5,713,911</u>	<u>5,311,646</u>

1) Equity investments at fair value through other comprehensive income

The Group designated the investments shown above as equity securities at fair value through other comprehensive income because these equity securities represent those investments that the Group intends to hold for long-term strategic purposes.

WK Technology Fund IV Crop. was liquidated on October 29, 2021. The fair value of the residual property received by the Group was \$240, resulting in the Group to realize a loss of \$1,373, which was recognized as other comprehensive income, then later on, was reclassified to retained earnings.

2) For credit risk and market risk, please refer to Note (6)(x).

3) As of September 30, 2022, the aforesaid financial assets were not pledged as collateral.

(c) Notes and accounts receivable

	<u>September 30, 2022</u>	<u>December 31, 2021</u>	<u>September 30, 2021</u>
Accounts receivable- non-related parties	\$ 105,126,590	103,793,941	108,734,096
Accounts receivable- related parties	375,209	105,810	133,275
Less: Loss allowance	<u>(76,608)</u>	<u>(104,130)</u>	<u>(97,267)</u>
	<u>\$ 105,425,191</u>	<u>103,795,621</u>	<u>108,770,104</u>

The Group has assessed a portion of its accounts receivable that was held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; therefore, such accounts receivable were measured at fair value through other comprehensive income. As of September 30, 2022, December 31, 2021, and September 30, 2021, the amounts of accounts receivable measured at fair value through other comprehensive income were \$1,494,156, \$4,004,719 and \$937,298, respectively.

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The Group applies the simplified approach to provide for its expected credit losses, i.e. the use of lifetime expected loss provision for all receivables. To measure the expected credit losses, notes and accounts receivable have been grouped based on shared credit risk characteristics and the days past due, as well as incorporated forward looking information, including macroeconomic and relevant industry information. The loss allowance was determined as follows:

	September 30, 2022		
	Gross carrying amount	Weighted- average loss rate	Loss allowance
Current	\$ 94,282,088	0%~0.5%	65,006
1 to 180 days past due	11,219,705	0.04%~10%	11,598
More than 180 days past due	6	0.04%~100%	4
	\$ 105,501,799		76,608

As of October 25, 2022, the amount received in subsequent period by the Group is \$31,819,407.

	December 31, 2021		
	Gross carrying amount	Weighted- average loss rate	Loss allowance
Current	\$ 102,820,512	0%~0.5%	76,184
1 to 180 days past due	1,053,698	0.04%~10%	2,405
More than 180 days past due	25,541	0.04%~100%	25,541
	\$ 103,899,751		104,130

	September 30, 2021		
	Gross carrying amount	Weighted- average loss rate	Loss allowance
Current	\$ 107,072,126	0%~0.5%	70,683
1 to 180 days past due	1,769,130	0.04%~10%	884
More than 180 days past due	26,115	0.04%~100%	25,700
	\$ 108,867,371		97,267

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The movements in the allowance for notes and accounts receivable were as follows:

	For the nine months ended September 30,	
	2022	2021
Balance at January 1	\$ 104,130	72,433
Impairment losses recognized (reversed)	(1,803)	26,101
Amounts written off	(26,589)	(423)
Foreign exchange gains (losses)	870	(844)
Balance at September 30	<u><u>\$ 76,608</u></u>	<u><u>97,267</u></u>

The allowance for impairment account is used to record expected credit losses. If the Group believes that it may not be able to collect the receivables. The accumulated impairment was used to offset the receivables when it is certain they are unrecoverable, after related legal actions were taken by the Group.

As of September 30, 2022, December 31, 2021, and September 30, 2021, none of the receivables above are pledged as collateral for loans and borrowings.

As of September 30, 2022, December 31, 2021, and September 30, 2021, the Group sold its accounts receivable without recourse as follows:

(Unit: Foreign currency/TWD in Thousands)

September 30, 2022					
Purchaser	Amount Derecognized	Amount Advanced		Amount Recognized in other Receivable	Significant Transferring Terms
		Unpaid	Paid		
Non-related parties	<u><u>\$ 38,908,106</u></u>	<u><u>USD 104,059</u></u>	<u><u>USD1,225,838</u></u>	-	3.39%~4.83%
		Note			The accounts receivable factoring is without recourse but the seller still bears the risks except for eligible obligor's insolvency.
December 31, 2021					
Purchaser	Amount Derecognized	Amount Advanced		Amount Recognized in other Receivable	Significant Transferring Terms
		Unpaid	Paid		
Non-related parties	<u><u>\$ 36,612,816</u></u>	<u><u>USD 1,822</u></u>	<u><u>USD1,323,195</u></u>	-	0.86%~1.38%
		Note			The accounts receivable factoring is without recourse but the seller still bears the risks except for eligible obligor's insolvency.

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September 30, 2021						
Purchaser	Amount Derecognized	Amount Advanced		Amount Recognized in other Receivable	Range of Interest Rate	Significant Transferring Terms
Non-related parties	\$ <u>30,407,405</u>	USD <u>11,858</u>	USD <u>1,092,220</u>	-	0.79%~1.28%	The accounts receivable factoring is without recourse but the seller still bears the risks except for eligible obligor’s insolvency.
		Note				

Note: The amount advanced unpaid of subsidiaries which means that the purchaser has the right to make factoring transactions with the Group based on the amount allocated by the client under factoring agreement.

(d) Other receivables

	September 30, 2022	December 31, 2021	September 30, 2021
Other accounts receivable—related parties	\$ 25	2,471	32,097
Other accounts receivable—non-related parties	<u>1,171,869</u>	<u>881,627</u>	<u>758,737</u>
	<u>\$ 1,171,894</u>	<u>884,098</u>	<u>790,834</u>

(e) Inventories

	September 30, 2022	December 31, 2021	September 30, 2021
Raw materials and consumables	\$ 53,825,495	48,722,163	57,607,277
Work in process	10,765,965	5,824,908	6,584,585
Finished goods	8,329,371	6,547,660	4,736,859
Materials and supplies in transit	<u>2,296,898</u>	<u>1,322,625</u>	<u>6,033</u>
	<u>\$ 75,217,729</u>	<u>62,417,356</u>	<u>68,934,754</u>

For the three months and nine months ended September 30, 2022 and 2021, the (write-down) write-up of inventories amounted to \$(271,063), \$135,847, \$(430,984) and \$340,056, respectively. Write-down of inventory valuation is due to obsolescence or out of use, which causes the net realizable value of inventory to be lower than the cost and is recognized as operating costs. In addition, when the factor causing the net realized value of inventory to be lower than the cost is disappeared due to obsolescence or disposal, the increase of the net realizable value is recognized as deduction of operating costs. For the three months and nine months ended September 30, 2022 and 2021, idle capacity loss amounted to \$1,104, \$38,882, \$70,718 and \$159,818, respectively.

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As of December 31, 2021 and September 30, 2021, the aforesaid inventories were not pledged as collateral. As of September 30, 2022, the inventories, which were pledged as collateral, were discussed further in Note (7).

(f) Investments accounted for using equity method

The components of investments accounted for using equity method at the reporting date were as follows:

	September 30, 2022	December 31, 2021	September 30, 2021
Associates	\$ <u>370,123</u>	<u>300,127</u>	<u>300,244</u>

As of September 30, 2022, December 31, 2021 and September 30, 2021, the Group's investments under equity method has not been pledged as collaterals.

Except for Inventec Besta Co., Ltd. (Besta), investments were accounted for by using the equity method, and the share of profit or loss and other comprehensive income of these investments were calculated based on the financial statements that have not been reviewed.

1. Judgment on existence of substantial control over investee

The Group holds 37.528% of the outstanding voting shares of Inventec Besta Co., Ltd. (Besta) and obtains only one seat among all seven board directors. Therefore, the Group does not have existing rights and the current ability to direct the investee's relevant activities, thus, the Group does not have control over Besta.

(g) Loss of control over subsidiaries

Iveentec Manufacturing (India) Private Limited dismissed on July 7, 2021. It is currently in liquidation process. As a result, The Group lose control over it.

The details of assets and liabilities of the aferesaid subsidiary were as follows:

Cash and cash equipment	\$ 8,309
Notes Receivables	4,984
Other Payables	<u>(196)</u>
Carrying amount of net asset of the former subsidiary	\$ <u>13,097</u>

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(h) Property, plant and equipment

The cost, depreciation, and impairment of the property, plant and equipment of the Group for the nine months ended September 30, 2022 and 2021 were as follows:

		Land	Building and construction	Machinery and equipment	Transportation equipment	Office equipment	Other facilities	Leasehold improvements	Others	Total
Cost or deemed cost:										
Balance at January 1, 2022	\$	7,784,757	16,578,652	17,891,798	102,302	5,126,195	7,131,447	736,066	3,215,599	58,566,816
Additions		368,479	228,385	1,086,008	-	267,906	68,895	433	1,748,724	3,768,830
Disposals		-	-	(374,476)	(9,183)	(156,515)	(31,656)	-	(891)	(572,721)
Others		3,079	-	14,527	-	12,880	2,441	(3,079)	(26,368)	3,480
Effect of movements in exchange rates		18,084	703,251	1,209,117	3,980	303,950	305,815	41,068	248,278	2,833,543
Balance at September 30, 2022	\$	<u>8,174,399</u>	<u>17,510,288</u>	<u>19,826,974</u>	<u>97,099</u>	<u>5,554,416</u>	<u>7,476,942</u>	<u>774,488</u>	<u>5,185,342</u>	<u>64,599,948</u>
Balance at January 1, 2021	\$	7,784,757	17,344,433	20,575,197	103,254	5,179,869	8,803,802	396,393	2,160,725	62,348,430
Additions		-	-	639,314	3,710	279,325	84,569	136,050	906,453	2,049,421
Disposals		-	(619,723)	(2,948,567)	(2,632)	(292,557)	(1,811,365)	(30,106)	(858)	(5,705,808)
Others		-	-	132,501	-	21,856	72,133	-	(338,902)	(112,412)
Effect of movements in exchange rates		-	(217,091)	(220,932)	(1,378)	(56,325)	(81,458)	(17,914)	(42,783)	(637,881)
Balance at September 30, 2021	\$	<u>7,784,757</u>	<u>16,507,619</u>	<u>18,177,513</u>	<u>102,954</u>	<u>5,132,168</u>	<u>7,067,681</u>	<u>484,423</u>	<u>2,684,635</u>	<u>57,941,750</u>
Depreciation and impairment losses:										
Balance at January 1, 2022	\$	-	4,498,010	15,411,170	88,359	4,481,792	6,335,348	285,646	-	31,100,325
Depreciation for the period		-	282,016	645,779	6,127	289,585	148,428	41,063	-	1,412,998
Disposals		-	-	(363,403)	(9,183)	(152,732)	(30,993)	-	-	(556,311)
Others		-	-	-	-	-	-	617	-	617
Effect of movements in exchange rates		-	201,036	1,064,993	3,543	131,074	298,379	26,963	-	1,725,988
Balance at September 30, 2022	\$	<u>-</u>	<u>4,981,062</u>	<u>16,758,539</u>	<u>88,846</u>	<u>4,749,719</u>	<u>6,751,162</u>	<u>354,289</u>	<u>-</u>	<u>33,683,617</u>
Balance at January 1, 2021	\$	-	4,460,648	17,798,027	83,005	4,509,777	7,226,057	266,333	-	34,343,847
Depreciation for the period		-	278,040	695,730	7,880	287,975	265,094	39,200	-	1,573,919
Disposals		-	(292,943)	(2,853,264)	(2,371)	(253,269)	(1,561,743)	(23,708)	-	(4,987,298)
Others		-	-	-	-	2,070	-	-	-	2,070
Effect of movements in exchange rates		-	(61,317)	(213,139)	(1,090)	(48,147)	(90,417)	(8,306)	-	(422,416)
Balance at September 30, 2021	\$	<u>-</u>	<u>4,384,428</u>	<u>15,427,354</u>	<u>87,424</u>	<u>4,498,406</u>	<u>5,838,991</u>	<u>273,519</u>	<u>-</u>	<u>30,510,122</u>
Carrying amounts:										
Balance at January 1, 2022	\$	<u>7,784,757</u>	<u>12,080,642</u>	<u>2,480,628</u>	<u>13,943</u>	<u>644,403</u>	<u>796,099</u>	<u>450,420</u>	<u>3,215,599</u>	<u>27,466,491</u>
Balance at September 30, 2022	\$	<u>8,174,399</u>	<u>12,529,226</u>	<u>3,068,435</u>	<u>8,253</u>	<u>804,697</u>	<u>725,780</u>	<u>420,199</u>	<u>5,185,342</u>	<u>30,916,331</u>
Balance at January 1, 2021	\$	<u>7,784,757</u>	<u>12,883,785</u>	<u>2,777,170</u>	<u>20,249</u>	<u>670,092</u>	<u>1,577,745</u>	<u>130,060</u>	<u>2,160,725</u>	<u>28,004,583</u>
Balance at September 30, 2021	\$	<u>7,784,757</u>	<u>12,123,191</u>	<u>2,750,159</u>	<u>15,530</u>	<u>633,762</u>	<u>1,228,690</u>	<u>210,904</u>	<u>2,684,635</u>	<u>27,431,628</u>

The subsidiary of the Group, Inventec Solar Energy Corporation, resolved at its Board meeting on December 1, 2021, to file for bankruptcy to the court. The subsidiary's assets are measured in recoverable amounts .

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The recoverable amount is based on a comprehensive analysis, which mainly relied on the cost method supplemented by the market value method and is classified as Level 3 fair value. The adjustment of residual value is analyzed by the utilization rate, physical life, economic life, and technical life of the equipment. In addition, the present value of the equipment is assumed to be reasonable based on the actual condition, availability, and market value of the equipment and considered the original acquisition information and the similar machine in the market.

As of September 30, 2022, December 31, 2021 and September 30, 2021, assets, which were partially pledged for the Group's long-term debts and short-term debts, were discussed further in Note (8).

(i) Right-of-use assets

The Group leases many assets including land and buildings, vehicles and other equipment. Information about leases for which the Group as a lessee is presented below:

	<u>Land</u>	<u>Buildings</u>	<u>Vehicles</u>	<u>Others</u>	<u>Total</u>
Right-of-use assets cost:					
Balance at January 1, 2022	\$ 2,411,276	1,469,677	16,473	1,746	3,899,172
Additions	-	196,947	5,136	274	202,357
Reductions	(54)	(355,398)	(3,300)	-	(358,752)
Others	-	107	-	-	107
Effect of changes in exchange rates	108,021	82,359	423	231	191,034
Balance at September 30, 2022	<u>\$ 2,519,243</u>	<u>1,393,692</u>	<u>18,732</u>	<u>2,251</u>	<u>3,933,918</u>
Balance at January 1, 2021	\$ 2,501,251	1,372,877	15,351	620	3,890,099
Additions	160	36,312	5,547	579	42,598
Reductions	(57,303)	-	(4,331)	-	(61,634)
Effect of changes in exchange rates	(57,160)	(67,206)	(56)	(16)	(124,438)
Balance at September 30, 2021	<u>\$ 2,386,948</u>	<u>1,341,983</u>	<u>16,511</u>	<u>1,183</u>	<u>3,746,625</u>
Accumulated right-of-use assets depreciation and impairment losses:					
Balance at January 1, 2022	\$ 176,119	550,259	9,851	940	737,169
Depreciation for the year	51,442	154,387	3,674	312	209,815
Reductions	-	(198,930)	(3,300)	-	(202,230)
Others	-	(617)	-	-	(617)
Effect of changes in exchange rates	23,826	40,282	323	158	64,589
Balance at September 30, 2022	<u>\$ 251,387</u>	<u>545,381</u>	<u>10,548</u>	<u>1,410</u>	<u>808,726</u>
Balance at January 1, 2021	\$ 115,716	360,840	9,042	610	486,208
Depreciation for the year	50,940	155,912	3,899	93	210,844
Reductions	(3,002)	-	(4,331)	-	(7,333)
Effect of changes in exchange rates	(8,659)	(15,303)	(33)	(13)	(24,008)
Balance at September 30, 2021	<u>\$ 154,995</u>	<u>501,449</u>	<u>8,577</u>	<u>690</u>	<u>665,711</u>

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	<u>Land</u>	<u>Buildings</u>	<u>Vehicles</u>	<u>Others</u>	<u>Total</u>
Carrying amounts:					
Balance at January 1, 2022	\$ 2,235,157	919,418	6,622	806	3,162,003
Balance at September 30, 2022	\$ 2,267,856	848,311	8,184	841	3,125,192
Balance at January 1, 2021	\$ 2,385,535	1,012,037	6,309	10	3,403,891
Balance at September 30, 2021	\$ 2,231,953	840,534	7,934	493	3,080,914

(j) Intangible assets

	<u>Goodwill</u>	<u>Patent and trademark right</u>	<u>Software cost</u>	<u>Total</u>
Carrying amounts:				
Balance at January 1, 2022	\$ 808,420	-	159,031	967,451
Balance at September 30, 2022	\$ 808,420	-	169,625	978,045
Balance at January 1, 2021	\$ 808,420	-	67,381	875,801
Balance at September 30, 2021	\$ 808,420	-	129,654	938,074

For the nine months ended September 30, 2022 and 2021, there were no significant additions, disposal, recognition or reversal of impairment loss on intangible assets. Please refer to Note 12(a) for the details of amortization of intangible assets, and to Note 6(k) of the consolidated financial statements for the year ended December 31, 2021 for other related information.

As of September 30, 2022, December 31, 2021, and September 30, 2021, none of the aforesaid intangible assets were pledged as collateral.

(k) Other current assets and other non-current assets

The other current assets-others and other non-current assets of the Group were as follows:

	<u>September 30, 2022</u>	<u>December 31, 2021</u>	<u>September 30, 2021</u>
Refundable deposits	\$ 536,842	370,203	67,615
Prepayments to suppliers	283,116	44,445	266,786
Restricted assets	1,617,801	695,032	884,636
Payments on behalf of others	285,406	456,626	271,114
Deferred tax assets	1,852,561	1,659,287	1,971,187
Others	3,801,765	2,657,029	2,540,443
	<u>\$ 8,377,491</u>	<u>5,882,622</u>	<u>6,001,781</u>

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The Group determines the substance of the transaction in terms of sales and production, as well as production of the same target, to complete its sales contract. The Group has the nature of an agent, and so the transaction is reflected as the net amount after the purchases and sales are written off. The unused inventory of purchases is listed as payments on behalf of others.

As of September 30, 2022, December 31, 2021, and September 30, 2021, other assets, which were pledged as collateral, were discussed further in Note (8).

(l) Other current liabilities and other non-current liabilities

The other current liabilities-others and other non-current liabilities of the Group were as follows:

	September 30, 2022	December 31, 2021	September 30, 2021
Provisions - Current	\$ 3,637,224	3,654,637	3,829,060
Temporary credits	10,539,309	6,120,642	6,533,591
Receipts under custody	2,051,131	2,384,309	2,481,176
Deferred tax liabilities	5,779,753	5,842,187	5,728,705
Others	718,337	534,000	367,144
	<u>\$ 22,725,754</u>	<u>18,535,775</u>	<u>18,939,676</u>

(m) Long-term and short-term borrowings

The significant terms and conditions of long-term and short-term borrowings were as follows:

September 30, 2022				
	Interest Rate	Currency	Maturity Date	Amount
Secured bank loans	1.69%~4.88%	TWD	2031.02.26	\$ 2,525,000
		CNY	2024.02.14	1,905,112
Unsecured bank loans	0.57%~6.07%	TWD	2021.11.30~2022.12.22	7,683,771
		USD	2021.11.30~2023.07.24	58,943,534
		EUR	2021.11.30	1,535
Total				<u>\$ 71,058,952</u>
Current				\$ 58,041,640
Non-current				13,017,312
Total				<u>\$ 71,058,952</u>
Unused credit line				<u>\$ 61,205,207</u>

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December 31, 2021				
	Interest Rate	Currency	Maturity Date	Amount
Secured bank loans	1.19%~5.23%	TWD	2031.02.26	\$ 2,750,000
		CNY	2024.02.14	1,340,708
Unsecured bank loans	0.35%~6.07%	TWD	2021.11.30~2022.03.31	14,240,682
		USD	2021.11.30~2022.06.08	45,230,602
		EUR	2021.11.30	2,071
		CNY	2022.02.17~2022.03.07	2,169,454
Total				<u>\$ 65,733,517</u>
Current				\$ 61,942,809
Non-current				3,790,708
Total				<u>\$ 65,733,517</u>
Unused credit line				<u>\$ 53,788,358</u>

September 30, 2021				
	Interest Rate	Currency	Maturity Date	Amount
Secured bank loans	1.02%~5.23%	TWD	2031.02.26	\$ 2,825,000
		CNY	2024.02.14	1,040,690
Unsecured bank loans	0.36%~2.20%	TWD	2021.10.06~2022.02.09	14,642,185
		USD	2021.10.01~2022.10.14	45,589,336
		EUR	2021.11.30	2,428
Total				<u>\$ 64,099,639</u>
Current				\$ 49,397,949
Non-current				14,701,690
Total				<u>\$ 64,099,639</u>
Unused credit line				<u>\$ 47,209,064</u>

1. Please refer to Note 8 for details of the related assets pledged as collateral. Part of bank loans were pledged by machine as secondary collateral as of December 31, 2021 and September 30, 2021.

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2. Important borrowing restrictions

The Company entered into syndicated credit agreement with a number of financial institutions. Under these agreements, the Company shall adhere to certain financial provisions such as current ratios, leverage ratios, interest coverage ratios and tangible net worth in the consolidated annual and semi-annual financial report on the balance sheet date. Otherwise, the borrowings will be considered due and payable immediately. As of September 30, 2022, December 31, 2021, and September 30, 2021, the Company was in compliance with the above financial covenants.

3. Others

Due to insolvency, Inventec Solar Energy Corporation resolved at its Board meeting on December 1, 2021, to file for bankruptcy to the court. When the court grants the bankruptcy ruling, Inventec Solar Energy Corporation will start the legal procedures of bankruptcy. As of December 31, 2021 and June 30, 2021, after the bank allocated the remaining balance offset by the related expenses, interests, and principles, Inventec Solar Energy Corporation recognized the borrowing as short-term and long-term loans within a year or a business cycle since the company borrowings have defaulted.

Inventec Solar Energy Corporation, resolved at its Board meeting on April 8, 2022, to sign the statement of settlement with seven creditor banks on April 11, 2022, and to sign an amendment agreement on April 13, 2022. Inventec Solar Energy Corporation borrowed money from a third party to pay for settlement to seven creditor banks. Furthermore, the creditor banks agreed to forgive the debts, and to waive all rights to the income of Inventec Solar Energy Corporation based on the credit contracts. The creditor banks have withdrawn the legal proceedings against Inventec Solar Energy Corporation and returned all the promissory notes issued under the credit contracts. However, since the conditions for derecognizing financial liabilities and recognizing the benefits of debt settlement have not yet been fully met, a balance of \$1,109,367 is still accounted as short-term borrowings and current portion of long-term borrowings.

(n) Lease liabilities

The Group lease liabilities were as follows:

	September 30, 2022	December 31, 2021	September 30, 2021
Current	\$ <u>200,217</u>	<u>182,996</u>	<u>186,946</u>
Non-current	\$ <u>588,766</u>	<u>693,497</u>	<u>617,581</u>

For the maturities analysis, please refer to Note 6(x) of "Financial instruments".

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The amounts recognized in profit or loss were as follows:

	For the three months ended September 30		For the nine months ended September 30	
	2022	2021	2022	2021
Interests on lease liabilities	\$ <u>5,683</u>	<u>6,166</u>	<u>17,772</u>	<u>19,948</u>
Variable lease payments not included in the measurement of lease liabilities	\$ <u>53,350</u>	<u>12,090</u>	<u>74,130</u>	<u>40,255</u>
Expenses relating to short-term leases	\$ <u>22,920</u>	<u>4,753</u>	<u>34,694</u>	<u>11,553</u>
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	\$ <u>12,054</u>	<u>6,047</u>	<u>39,798</u>	<u>20,484</u>

The amounts recognized in the statement of cash flows for the Group were as follows:

	For the nine months ended September 30,	
	2022	2021
Total cash outflow for leases	\$ <u>314,288</u>	<u>244,325</u>

1. Real estate leases

The Group leases land and buildings for its office space and plants. The leases of office space typically run for 2 to 13 years. Some leases include an option to renew the lease for an additional period of the same duration after the end of the contract term.

Some leases of equipment contain extension or cancellation options exercisable by the Group. These leases are negotiated and monitored by local management, and accordingly, contain a wide range of different terms and conditions. The extension options held are exercisable only by the Group and not by the lessors. When the lessee is not reasonably certain to use an optional extended lease term, payments associated with the optional period will not be included within lease liabilities.

2. Other leases

The Group leases vehicles and other equipment, with lease terms of two to five years. In some cases, the Group has options to purchase the assets at the end of the contract term; in other cases, it guarantees the residual value of the leased assets at the end of the contract term.

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The Group also leases dormitory, vehicles and other equipment with contract terms of one to two years. These leases are short-term and leases of low-value items. The Group has elected not to recognize right-of-use assets and lease liabilities for these leases.

(o) Operating Leases

For the nine months ended September 30, 2022, there were no significant changes on lease contracts. Please refer to Note 6(p) of the consolidated financial statements for the year ended December 31, 2021 for other related information.

(p) Employee benefits

1. Defined benefit plans

Management believes that there was no material volatility of the market, no material reimbursement and settlement or other material one-time events since prior fiscal year. As a result, the pension cost in the accompanying interim consolidated financial statements was measured and disclosed according to the actuarial report as of December 31, 2021 and 2020.

The expenses recognized in profit or loss for the Group were as follows:

	For the three months ended September 30		For the nine months ended September 30	
	2022	2021	2022	2021
Operating cost	\$ 316	344	958	1,073
Selling expenses	440	443	1,279	1,323
Administration expenses	818	951	2,575	2,836
Research and development expenses	1,910	2,017	5,638	6,037
	<u>\$ 3,484</u>	<u>3,755</u>	<u>10,450</u>	<u>11,269</u>

2. Defined contribution plans

The pension costs incurred from the contributions to the Bureau of the Labor Insurance amounted to \$67,263, \$63,653, \$196,435 and \$192,521 for the three months and nine months ended September 30, 2022 and 2021, respectively.

The pension expenses contributed by the foreign entities following the local regulations amounted to \$173,350, \$224,594, \$575,183 and \$619,279 for the three months and nine months ended September 30, 2022 and 2021, respectively.

(q) Income taxes

Income tax expense is estimated by multiplying the pretax income for the interim reporting period using the effective annual tax rate as forecasted by the management.

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1. The components of income tax expense (gain) for the three months and nine months ended September 30, 2022 and 2021 were as follows:

	For the three months ended September 30		For the nine months ended September 30	
	2022	2021	2022	2021
Current tax expenses				
Current period	\$ <u>552,407</u>	<u>839,613</u>	<u>1,066,498</u>	<u>1,370,002</u>

For the nine months ended September 30, 2022 and 2021, there were no income tax recognized in equity and other comprehensive income.

2. Income Tax approval

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

3. Profit-seeking enterprise income tax administrative remedies

The Group adopted the transfer pricing method on income tax declaration from year 2013 to 2015. As the calculation had a conflict with the opinion of the tax authority, the Group applied for administrative relief after paying the approved additional tax. The administrative appeal and litigation procedures are in progress.

(r) Capital and other equity

Except for the following disclosures, there was no significant change for capital and other equity for the nine months ended September 30, 2022 and 2021. For the related information, please refer to note 6(s) of the consolidated financial statements for the year ended December 31, 2021.

1. Retained earnings

The Company's articles of incorporation require that after-tax earnings shall first be offset against any accumulated deficit, and 10% of the rest be set aside as legal reserve. The appropriation for legal reserve is discontinued when the balance of the legal reserve equals the total authorized capital. Special reserve may be appropriated for operations or to meet regulations. The remaining earnings, if any, may be appropriated for operations according to the proposal, and the distributed dividends may not be lower than 10% of the earnings. Surplus distribution based on issuance of new shares approved by the Board of Directors should be resolved during the shareholder's meeting. In consideration of the Company's long-term operating plan, funding needs, and satisfying shareholder demand for cash flow, the Company distributes cash dividends of at least 10% of the aggregate of cash dividends and stock dividends if the distributions include cash dividend. In accordance with Article 240 of the ROC Company Act, the Company authorizes the distribution of dividends and bonuses or its legal reserve and capital reserve, according to Article 241 of the ROC Company Act, in whole or in part may be paid in cash after a resolution has been adopted by a majority vote at a meeting of the Board of Directors attended by two-thirds of the total number of directors; then such distribution shall be submitted to the shareholder's meeting.

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1) Legal reserve

If the Company experienced profit for the year, the meeting of shareholders shall decide on the distribution of the statutory earnings reserve either by new shares or by cash, of up to 25 percent of the actual share capital.

2) Special reserve

In accordance with the Ruling issued by the Financial Supervisory Commission, for the contra account of other shareholders' equity incurred in the current year, a special reserve is appropriated from the current profit, plus, the amount of items other than the current profit included in the current undistributed earnings and prior period's undistributed earnings. For the amount of contra accounts in other shareholders' equity accumulated in the prior period, a special reserve which was appropriated from the prior period's undistributed earnings can no longer be allocated. When the debit balance of any of the contra account in other shareholders' equity is reversed, the related special reserve can also be reversed. The subsequent reversals of the contra accounts in other shareholders' equity shall qualify for any additional distributions.

3) Earnings Distribution

On March 15, 2022, and on March 30, 2021, the Company's Board of Directors resolved the amount of cash dividends of the earnings distribution of 2021 and 2020. These earnings were appropriated for distribution as follows:

	2021		2020	
	Dividend per share (\$)	Amount	Dividend per share (\$)	Amount
Dividends distributed to ordinary shareholders				
Cash	\$ 1.40	<u><u>5,022,465</u></u>	1.85	<u><u>6,636,829</u></u>

The information on prior year's distribution of the Company's earnings were announced through the Market Observation Post System on the internet.

(s) Share-Based payments

There were no significant changes on share-based payment for the nine months ended September 30, 2022. Please refer to Note 6(t) of the consolidated financial statements for the year ended December 31, 2021 for other related information.

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(t) Earnings per share

The following are the calculation of basic earnings per share and diluted earnings per share:

	For the three months ended September 30		For the nine months ended September 30	
	2022	2021	2022	2021
Basic earnings per share:				
Profit attributable to ordinary shareholders	\$ <u>1,749,251</u>	<u>2,800,186</u>	<u>4,736,095</u>	<u>5,077,504</u>
Weighted average number of ordinary shares (thousand shares)	<u>3,587,475</u>	<u>3,587,475</u>	<u>3,587,475</u>	<u>3,587,475</u>
Basic earnings per share (NT dollars)	\$ <u>0.49</u>	<u>0.78</u>	<u>1.32</u>	<u>1.42</u>
Diluted earnings per share:				
Profit attributable to ordinary shareholders (diluted)	\$ <u>1,749,251</u>	<u>2,800,186</u>	<u>4,736,095</u>	<u>5,077,504</u>
Weighted average number of ordinary shares (thousand shares)	<u>3,587,475</u>	<u>3,587,475</u>	<u>3,587,475</u>	<u>3,587,475</u>
Effect of dilutive potential common shares (thousand shares)				
Effect of employee share bonus	<u>6,602</u>	<u>8,657</u>	<u>23,469</u>	<u>23,754</u>
Weighted average number of ordinary shares (diluted)	<u>3,594,077</u>	<u>3,596,132</u>	<u>3,610,944</u>	<u>3,611,229</u>
Diluted earnings per share (NT dollars)	\$ <u>0.49</u>	<u>0.78</u>	<u>1.31</u>	<u>1.41</u>

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(u) Revenue from contracts with customers

1. Disaggregation of revenue

For the three months ended September 30, 2022			
	Core	Others	Total
Primary geographical markets			
Taiwan	\$ 12,709,334	-	12,709,334
USA	100,892,029	-	100,892,029
Japan	1,294,710	-	1,294,710
Hong Kong, Macao and Mainland China	16,558,966	-	16,558,966
Other countries	10,997,036	-	10,997,036
	\$ 142,452,075	-	142,452,075
Major products			
Computer products	\$ 142,218,001	-	142,218,001
Services	234,074	-	234,074
	\$ 142,452,075	-	142,452,075
For the three months ended September 30, 2021			
	Core	Others	Total
Primary geographical markets			
Taiwan	\$ 16,646,257	-	16,646,257
USA	98,849,611	-	98,849,611
Japan	1,252,614	-	1,252,614
Hong Kong, Macao and Mainland China	16,581,456	-	16,581,456
Other countries	11,749,199	-	11,749,199
	\$ 145,079,137	-	145,079,137
Major products			
Computer products	\$ 144,975,573	-	144,975,573
Services	103,564	-	103,564
	\$ 145,079,137	-	145,079,137

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For the nine months ended September 30, 2022			
	Core	Others	Total
Primary geographical markets			
Taiwan	\$ 39,423,535	-	39,423,535
USA	299,970,355	-	299,970,355
Japan	3,326,043	-	3,326,043
Hong Kong, Macao and Mainland China	42,790,206	-	42,790,206
Other countries	21,483,753	-	21,483,753
	\$ 406,993,892	-	406,993,892
Major products			
Computer products	\$ 406,360,118	-	406,360,118
Services	633,774	-	633,774
	\$ 406,993,892	-	406,993,892
For the nine months ended September 30, 2021			
	Core	Others	Total
Primary geographical markets			
Taiwan	\$ 38,528,704	297	38,529,001
USA	248,928,181	11,115	248,939,296
Japan	3,616,821	-	3,616,821
Hong Kong, Macao and Mainland China	46,910,198	-	46,910,198
Other countries	33,735,538	-	33,735,538
	\$ 371,719,442	11,412	371,730,854
Major products			
Computer products	\$ 371,181,626	-	371,181,626
Services	537,816	-	537,816
Others	-	11,412	11,412
	\$ 371,719,442	11,412	371,730,854

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2.Contract balances

	September 30, 2022	December 31, 2021	September 30, 2021
Notes and Accounts receivable (included related parties)	\$ 105,501,799	103,899,751	108,867,371
Less: Loss allowance	(76,608)	(104,130)	(97,267)
Total	<u>\$ 105,425,191</u>	<u>103,795,621</u>	<u>108,770,104</u>
Contract liabilities	<u>\$ 7,992,653</u>	<u>7,562,873</u>	<u>7,491,576</u>

For details on notes and accounts receivable and allowance for impairment, please refer to Note (6)(c).

The amount of revenue recognized for the three months and nine months ended September 30, 2022 and 2021 were \$403,283, \$691,420, \$3,291,513 and \$2,130,673, respectively.

The contract liabilities primarily relate to deferred recognition of warranty revenue, for which revenue is recognized when the warranties are redeemed or when they expire.

(v) Remunerations of employees and directors

The Company's articles of incorporation require that earnings shall first be offset against any deficit. A minimum of 3% will be distributed as employee remuneration and a maximum of 3% will be allocated as directors' remuneration.

The employee remuneration may be distributed in the form of shares or cash, and the recipients of shares and cash may include employees of the Company's affiliated companies who meet certain specific requirements. Such qualified employees and the distribution ratio shall be decided by the Board of Directors.

The remuneration of employees amounted to \$151,183, \$223,343, \$395,788 and \$399,678 and the remuneration of directors amounted to \$22,565, \$40,889, \$59,073 and \$73,172 for the three months and nine months ended September 30, 2022 and 2021, respectively. These amounts are calculated using the Company's profit before tax for each period described above, and are determined using the earnings allocation method which stated under the Company's article. These remunerations are expensed under operating cost or expenses in September 30, 2022 and 2021. The difference between the actual amounts of employee remuneration and estimation of employee remuneration, if any, will be treated as changes in accounting estimates and adjusted in profit or loss in the following year.

In the financial statements for the years 2021 and 2020, the Company accrued the employee remuneration of \$558,531 and \$675,529, and the board of directors' remuneration of \$83,422 and \$123,674, respectively. There were no differences between the amounts to be distributed as remuneration to employees and directors and those of the estimation made by the Company. Related information would be available at the Market Observation Post System.

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(w) Non-operating income and expenses

1. Interest income

The details of interest income were as follows:

	For the three months ended September 30		For the nine months ended September 30	
	2022	2021	2022	2021
Interest income from bank deposits	\$ <u>353,180</u>	<u>248,957</u>	<u>890,104</u>	<u>821,137</u>

2. Other income

The details of other income were as follows:

	For the three months ended September 30		For the nine months ended September 30	
	2022	2021	2022	2021
Rent income	\$ 52,932	67,506	177,004	204,656
Dividend income	<u>34,265</u>	<u>40,656</u>	<u>34,265</u>	<u>133,990</u>
	<u>\$ 87,197</u>	<u>108,162</u>	<u>211,269</u>	<u>338,646</u>

3. Other gains and losses

The details of other income and losses were as follows:

	For the three months ended September 30		For the nine months ended September 30	
	2022	2021	2022	2021
Foreign exchange gains (losses)	\$ 162,843	(68,599)	742,616	(669,799)
Gains (losses) on disposal of investments	-	(16,915)	160	(39,157)
Net gains (losses) on financial assets (liabilities) measured at fair value through profit or loss	163,703	138,176	178,531	773,071
Gains (losses) on disposal of property, plant and equipment	12,647	1,625,652	13,449	1,451,532
Other impairment losses	-	-	-	(4,043)
Others	<u>61,292</u>	<u>181,922</u>	<u>290,723</u>	<u>417,242</u>
	<u>\$ 400,485</u>	<u>1,860,236</u>	<u>1,225,479</u>	<u>1,928,846</u>

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4. Finance costs

The details of finance expenses were as follows:

	For the three months ended September 30		For the nine months ended September 30	
	2022	2021	2022	2021
Interest expenses				
Bank borrowings	\$ 452,836	105,537	888,848	308,300
Others	353,328	76,508	628,415	200,705
	<u>\$ 806,164</u>	<u>182,045</u>	<u>1,517,263</u>	<u>509,005</u>

(x) Financial instruments

There were no significant differences in the Group's exposure to credit risk on financial instruments, except for the following. Please refer to Note 6(y) of the consolidated financial statements for the year ended December 31, 2021 for other related information.

1. Liquidity risks

The following are the contractual maturities of financial liabilities of the Group, including estimation of interest, but excluding the impact of netting arrangements:

	Carrying amounts	Contractual cash flows	Within 6 months	6 to 12 months	1 to 2 years	2 to 5 years	Over 5 years
September 30, 2022							
Non-derivative financial liabilities							
Secured bank loans	\$ 4,430,112	4,743,471	217,416	217,010	2,278,315	975,416	1,055,314
Unsecured bank loans	66,628,840	66,963,142	61,531,632	5,431,510	-	-	-
Accounts payable	92,059,336	92,059,336	92,059,336	-	-	-	-
Other payables	11,428,292	11,428,292	11,428,292	-	-	-	-
Lease liabilities	788,983	847,154	109,889	112,141	279,452	227,861	117,811
Derivative financial liabilities							
Forward exchange contracts not used for hedging:							
Outflow	2,745	(155,400)	(155,400)	-	-	-	-
Inflow	-	152,655	152,655	-	-	-	-
Foreign exchange swap contracts not used for hedging:							
Outflow	1,292,164	(17,791,233)	(17,791,233)	-	-	-	-
Inflow	-	16,499,069	16,499,069	-	-	-	-
	<u>\$ 176,630,472</u>	<u>174,746,486</u>	<u>164,051,656</u>	<u>5,760,661</u>	<u>2,557,767</u>	<u>1,203,277</u>	<u>1,173,125</u>

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	<u>Carrying amounts</u>	<u>Contractual cash flows</u>	<u>Within 6 months</u>	<u>6 to 12 months</u>	<u>1 to 2 years</u>	<u>2 to 5 years</u>	<u>Over 5 years</u>
December 31, 2021							
Non-derivative financial liabilities							
Secured bank loans	\$ 4,090,708	4,393,692	201,243	199,555	398,544	2,312,741	1,281,609
Unsecured bank loans	61,642,809	61,728,151	61,728,151	-	-	-	-
Accounts payable	84,907,477	84,907,477	84,907,477	-	-	-	-
Other payable	10,524,706	10,524,706	10,524,706	-	-	-	-
Lease liabilities	876,493	955,665	103,414	101,797	187,361	375,356	187,737
Derivative financial liabilities							
Forward exchange contracts not used for hedging:							
Outflow	109,891	(17,267,921)	(17,267,921)	-	-	-	-
Inflow	-	17,158,030	17,158,030	-	-	-	-
Foreign exchange swap contracts not used for hedging:							
Outflow	2,242	(1,242,815)	(1,242,815)	-	-	-	-
Inflow	-	1,240,573	1,240,573	-	-	-	-
	<u>\$ 162,154,326</u>	<u>162,397,558</u>	<u>157,352,858</u>	<u>301,352</u>	<u>585,905</u>	<u>2,688,097</u>	<u>1,469,346</u>
September 30, 2021							
Non-derivative financial liabilities							
Secured bank loans	\$ 3,865,690	4,114,336	193,711	193,337	469,397	1,897,414	1,360,477
Unsecured bank loans	60,233,949	60,402,681	48,901,753	360,866	11,140,062	-	-
Accounts payable	98,705,884	98,705,884	98,705,884	-	-	-	-
Other payables	9,751,224	9,751,224	9,751,224	-	-	-	-
Lease liabilities	804,527	878,588	106,567	101,348	136,285	332,787	201,601
Derivative financial liabilities							
Forward exchange contracts not used for hedging:							
Outflow	57,691	(12,289,410)	(12,289,410)	-	-	-	-
Inflow	-	12,231,719	12,231,719	-	-	-	-
Foreign exchange swap contracts not used for hedging:							
Outflow	43,099	(8,728,645)	(8,728,645)	-	-	-	-
Inflow	-	8,685,546	8,685,546	-	-	-	-
	<u>\$ 173,462,064</u>	<u>173,751,923</u>	<u>157,558,349</u>	<u>655,551</u>	<u>11,745,744</u>	<u>2,230,201</u>	<u>1,562,078</u>

The Group does not expect the cash flows included in the maturity analysis to occur significantly earlier or at significantly different amounts.

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2.Currency risks

1) Exposure to currency risks

The Group's significant exposure to foreign currency risks from its foreign currency denominated financial assets and liabilities was as follows:

September 30, 2022				
	Foreign currency (In thousand)		Exchange rate	TWD
<u>Financial assets</u>				
<u>Monetary items</u>				
USD	\$ 6,110,519	USD : TWD	31.74	193,947,873
	344,066	USD : CNY	7.10	10,920,655
	20,116	USD : CZK	25.19	638,482
CNY	4,192,371	CNY : USD	0.14	18,741,995
<u>Non-monetary items</u>				
USD	134,108	USD : TWD	31.74	4,256,579
<u>Financial Liabilities</u>				
<u>Monetary items</u>				
USD	5,525,770	USD : TWD	31.74	175,387,940
	250,969	USD : CNY	7.10	7,965,756
	26,018	USD : CZK	25.19	825,811
CNY	518,682	CNY : USD	0.14	2,318,768
December 31, 2021				
	Foreign currency (In thousand)		Exchange rate	TWD
<u>Financial assets</u>				
<u>Monetary items</u>				
USD	\$ 6,675,602	USD : TWD	27.67	184,713,907
	549,375	USD : CNY	6.38	15,201,206
	119,462	USD : CZK	21.94	3,305,514
CNY	1,192,315	CNY : USD	0.16	5,174,528
JPY	5,855	JPY : TWD	0.24	1,396
<u>Non-monetary items</u>				
USD	68,148	USD : TWD	27.67	1,885,659

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		December 31, 2021		
		Foreign currency (In thousand)	Exchange rate	TWD
<u>Financial Liabilities</u>				
<u>Monetary items</u>				
USD		5,699,357	USD : TWD 27.67	157,701,208
		1,158,418	USD : CNY 6.38	32,053,426
		132,624	USD : CZK 21.94	3,669,706
CNY		735,012	CNY : USD 0.16	3,189,879
		September 30, 2021		
		Foreign currency (In thousand)	Exchange rate	TWD
<u>Financial assets</u>				
<u>Monetary items</u>				
USD	\$	6,973,698	USD : TWD 27.84	194,147,752
		538,421	USD : CNY 6.49	14,989,641
		299,497	USD : CZK 22.03	8,337,996
CNY		1,150,466	CNY : USD 0.15	4,938,605
JPY		5,419	JPY : TWD 0.25	1,339
<u>Non-monetary items</u>				
USD		59,452	USD : TWD 27.84	1,655,152
<u>Financial Liabilities</u>				
<u>Monetary items</u>				
USD		5,967,276	USD : TWD 27.84	166,128,964
		1,352,385	USD : CNY 6.49	37,650,398
		311,405	USD : CZK 22.03	8,669,515
CNY		304,759	CNY : USD 0.15	1,308,239

2) Sensitivity analysis

The Group's exposure to foreign currency risks arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, accounts receivable, other receivables, loans and borrowings, accounts payable and other payables that are denominated in foreign currency. A 0.5% depreciation or appreciation of the functional currency against all the non-functional currency as of September 30, 2022 and 2021 would have increased or decreased the net profit after tax by \$137,054 and \$39,754, respectively. The analysis is performed on the same basis for both periods.

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3) Gains or losses on foreign exchange

Since the Group has many kinds of functional currency, the information on foreign exchange gain (loss) on monetary items is disclosed by total amount. For the nine months ended September 30, 2022 and 2021, the foreign exchange gain (loss), including realized and unrealized, amounted to \$742,616 and (\$669,799), respectively.

3. Interest rate analysis

Please refer to the notes on liquidity risk management and interest rate exposure of the Group's financial assets and liabilities.

The following sensitivity analysis is based on the exposure to interest rates risk on the reporting date. Regarding liabilities with variable interest rates, the analysis is based on the assumption that the amount of liabilities outstanding at the reporting date was outstanding throughout the year.

If the interest rate had increased or decreased by 0.25%, the Group's net income would have decreased or increased by \$103,964 and \$94,893 for nine months ended September 30, 2022 and 2021, respectively, with all other variable factors remaining constant. This is mainly due to the Group's borrowing at variable rates.

4. Fair value of financial instruments

1) Fair value hierarchy

The Group uses the observable market data to evaluate its assets and liabilities. The different inputs of levels of fair value hierarchy in determination of fair value are as follows:

- Level 1: quoted prices (unadjusted) in active markets for identified assets or liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the assets or liability that are not based on observable market data (unobservable inputs).

Financial assets and liabilities at fair value through profit or loss and financial assets at fair value through other comprehensive income is measured on a recurring basis. However, for financial instruments not measured at fair value whose carrying amount is estimated reasonably close to the fair value, and for equity investments that has no quoted prices in the active markets and whose fair value cannot be reliably measured, the disclosure of their fair value information is not required:

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	September 30, 2022				
	Book Value	Fair Value			Total
		Level 1	Level 2	Level 3	
Financial assets at fair value through profit or loss					
Derivative financial assets	\$ 1,489,134	-	1,489,134	-	1,489,134
Non-derivative financial assets mandatorily measured at fair value through profit or loss	<u>1,352,995</u>	<u>97,755</u>	<u>-</u>	<u>1,255,240</u>	<u>1,352,995</u>
Subtotal	<u>2,842,129</u>	<u>97,755</u>	<u>1,489,134</u>	<u>1,255,240</u>	<u>2,842,129</u>
Financial assets at fair value through other comprehensive income					
Accounts receivable	1,494,156	-	-	-	-
Stocks of listed companies	627,866	611,756	16,110	-	627,866
Unquoted equity instruments	<u>3,916,359</u>	<u>-</u>	<u>-</u>	<u>3,916,359</u>	<u>3,916,359</u>
Subtotal	<u>6,038,381</u>	<u>611,756</u>	<u>16,110</u>	<u>3,916,359</u>	<u>4,544,225</u>
Financial assets measured at amortized cost					
Cash and cash equivalents	35,917,133	-	-	-	-
Accounts receivable and other receivables	<u>105,102,929</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Subtotal	<u>141,020,062</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 149,900,572</u>	<u>709,511</u>	<u>1,505,244</u>	<u>5,171,599</u>	<u>7,386,354</u>
Financial liabilities at fair value through profit or loss					
Derivative financial liabilities	\$ <u>1,294,909</u>	<u>-</u>	<u>1,294,909</u>	<u>-</u>	<u>1,294,909</u>
Financial liabilities measured at amortized cost					
Bank loans	71,058,952	-	-	-	-
Accounts payable	92,059,336	-	-	-	-
Other payables	11,428,292	-	-	-	-
Lease liabilities	<u>788,983</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Subtotal	<u>175,335,563</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 176,630,472</u>	<u>-</u>	<u>1,294,909</u>	<u>-</u>	<u>1,294,909</u>

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	December 31, 2021				
	Book Value	Fair Value			Total
		Level 1	Level 2	Level 3	
Financial assets at fair value through profit or loss					
Derivative financial assets	\$ 192,087	-	192,087	-	192,087
Non-derivative financial assets mandatorily measured at fair value through profit or loss	<u>2,045,743</u>	<u>181,738</u>	<u>-</u>	<u>1,864,005</u>	<u>2,045,743</u>
Subtotal	<u>2,237,830</u>	<u>181,738</u>	<u>192,087</u>	<u>1,864,005</u>	<u>2,237,830</u>
Financial assets at fair value through other comprehensive income					
Accounts receivable	4,004,719	-	-	-	-
Stocks of listed companies	1,690,042	1,689,197	845	-	1,690,042
Unquoted equity instruments	<u>4,023,869</u>	<u>-</u>	<u>-</u>	<u>4,023,869</u>	<u>4,023,869</u>
Subtotal	<u>9,718,630</u>	<u>1,689,197</u>	<u>845</u>	<u>4,023,869</u>	<u>5,713,911</u>
Financial assets measured at amortized cost					
Cash and cash equivalents	34,787,912	-	-	-	-
Accounts receivable and other receivables	<u>100,675,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Subtotal	<u>135,462,912</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u><u>\$ 147,419,372</u></u>	<u><u>1,870,935</u></u>	<u><u>192,932</u></u>	<u><u>5,887,874</u></u>	<u><u>7,951,741</u></u>
Financial liabilities at fair value through profit or loss					
Derivative financial liabilities	\$ <u>112,133</u>	<u>-</u>	<u>112,133</u>	<u>-</u>	<u>112,133</u>
Financial liabilities measured at amortized cost					
Bank loans	65,733,517	-	-	-	-
Accounts payable	84,907,477	-	-	-	-
Other payables	10,524,706	-	-	-	-
Lease liabilities	<u>876,493</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Subtotal	<u>162,042,193</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u><u>\$ 162,154,326</u></u>	<u><u>-</u></u>	<u><u>112,133</u></u>	<u><u>-</u></u>	<u><u>112,133</u></u>

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	September 30, 2021				
	Book Value	Fair Value			Total
		Level 1	Level 2	Level 3	
Financial assets at fair value through profit or loss					
Derivative financial assets	\$ 209,645	-	209,645	-	209,645
Non-derivative financial assets mandatorily measured at fair value through profit or loss	1,920,514	184,672	-	1,735,842	1,920,514
Subtotal	2,130,159	184,672	209,645	1,735,842	2,130,159
Financial assets at fair value through other comprehensive income					
Accounts receivable	937,298	-	-	-	-
Stocks of listed companies	1,478,160	1,478,160	-	-	1,478,160
Unquoted equity instruments	3,833,486	-	7,390	3,826,096	3,833,486
Subtotal	6,248,944	1,478,160	7,390	3,826,096	5,311,646
Financial assets measured at amortized cost					
Cash and cash equivalents	34,268,070	-	-	-	-
Accounts receivable and other receivables	108,623,640	-	-	-	-
Other financial assets and refundable deposits	952,251	-	-	-	-
Subtotal	143,843,961	-	-	-	-
Total	\$ 152,223,064	1,662,832	217,035	5,561,938	7,441,805
Financial liabilities at fair value through profit or loss					
Derivative financial liabilities	\$ 100,790	-	100,790	-	100,790
Financial liabilities measured at amortized cost					
Bank loans	64,099,639	-	-	-	-
Account payable	98,705,884	-	-	-	-
Other payable	9,751,224	-	-	-	-
Lease liabilities	804,527	-	-	-	-
Subtotal	173,361,274	-	-	-	-
Total	\$ 173,462,064	-	100,790	-	100,790

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2) Valuation techniques and assumptions for financial instruments measured at fair value:

The fair value of financial assets and liabilities was decided in accordance with the solutions as follows:

(2.1) Non-derivative financial instruments

- A. The stocks of listed companies are financial assets with standard terms which are traded in the active markets. Their fair values are based on the quoted market prices.
- B. The fair value of private equity is based on standard terms and quoted market prices.
- C. The fair value of unquoted equity instruments was estimated using the market comparable price or net asset value method. The assumption of market comparable price method was based on a comparison between the market prices of each listed company, multiplied by using the estimated price. The discount effect is adjusted due to lack of market liquidity in equity securities.
- D. The fair value of unquoted instruments was estimated using either the discounted cash flow model in which future cash flow were estimated and discounted or the fair value of the recognized assets and liabilities of the investee on the measurement day.

(2.2) Derivative financial instruments

Foreign exchange swap and forward exchange were usually evaluated in the latest forward rate.

3) Transfers between level 1 and level 2

There were no transfers between level 1 and level 2 of the fair value for the nine months ended September 30, 2022 and 2021.

4) The following table shows the movements in fair value measurements under level 3 of the fair value hierarchy:

	At fair value through profit or loss	Fair value through other comprehensive income
Balance as of January 1, 2022	\$ 1,864,005	4,023,869
Total gains and losses recognized in		
Profit or loss	(161,069)	-
Other comprehensive income	-	(308,311)
Purchase	582,278	311,208
Disposals	(1,046,188)	(44,330)
Transfers out of Level 3	-	(70,041)
Effect of movements in exchange rates	16,214	3,964
Balance as of September 30, 2022	\$ 1,255,240	3,916,359

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	At fair value through profit or loss	Fair value through other comprehensive income
Balance as of January 1, 2021	\$ 1,064,970	3,567,207
Total gains and losses recognized in		
Profit or loss	(45,543)	-
Other comprehensive income	-	(471,569)
Purchase	131,564	738,114
Disposals	(51,816)	-
Proceeds from capital reduction	-	(4,838)
Effect of movements in exchange rates	636,667	(2,818)
Balance as of September 30, 2021	\$ 1,735,842	3,826,096

The aforementioned total gains and losses was recognized in “other gains and losses” and “unrealized gains and losses from financial assets at fair value through other comprehensive income”. The detailed of the assets which the Group still held as of September 30, 2022 and 2021, were as follow:

	For the nine months ended September 30,	
	2022	2021
Total gains and losses recognized:		
In profit or loss, and presented in “other gains and losses”	\$ (176,647)	(46,361)
In other comprehensive income, and presented in “unrealized gains and losses from financial assets at fair value through other comprehensive income”	(308,311)	(471,569)

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5) Quantified information for significant unobservable inputs (Level 3) used in fair value measurement

The Group uses level 3 inputs to measure fair value through profit or loss, and fair value through other comprehensive income financial assets. Quantified information of significant unobservable inputs was as follows:

<u>Item</u>	<u>Valuation Technique</u>	<u>Significant Non-observable Input</u>	<u>The Relationship between Significant Non-observable Input and Fair Value</u>
Financial assets at fair value through profit or loss—financial instruments without an active market	Discounted Cash Flow Method	· Discounted Rate (2.80%~3.40% on September 30, 2022, 2.40%~3.60% on December 31, 2021, and 2.59%~3.60% on September 30, 2021)	· The higher the discount rate, the lower the fair value
Financial assets at fair value through profit or loss—equity instruments investments without an active market	Net Asset Value Method	· Net Asset Value	· Not applicable
Financial assets at fair value through profit or loss—equity instruments investments without an active market	Comparable Listed Companies Method	· Market Multiple (1.04~1.39) · Discount due to Lack of Market liquidity (30%~50%)	· The estimated fair value would increase (decrease) if the price of earnings ratio multiple is higher (lower) and the marketability discount is lower (higher)
Financial assets at fair value through other comprehensive income—equity instruments investments without an active market	Comparable Listed Companies Method	· Market Multiple (0.57~2.96) · Discount due to Lack of Market liquidity (30%~50%)	· The estimated fair value would increase (decrease) if the price of earnings ratio multiple is higher (lower) and the marketability discount is lower (higher)
Financial assets at fair value through other comprehensive income — equity instruments investments without an active market	Net Asset Value Method	· Net Asset Value	· Not applicable

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6) Sensitivity analysis for fair values of financial instruments using Level 3 Inputs

The Group's fair value measurement on financial instruments is reasonable. However, the measurement would differ if different valuation models or valuation parameters are used. For financial instruments using level 3 inputs, if the valuation parameters are changed, the impact on net income or loss and other comprehensive income or loss will be as follows:

	Input	Variation	Impact on Fair Value Change on Net income or loss		Impact on Fair Value Change on Other Comprehensive income or loss	
			Favorable Change	Unfavorable Change	Favorable Change	Unfavorable Change
September 30, 2022						
Financial assets at fair value through profit or loss						
Financial instruments without an active market	Discount Rate	0.5%	\$ 6,305	(6,305)	-	-
Financial assets at fair value through other comprehensive income						
Equity instruments without an active market	Market Multiple	0.5%	-	-	20,289	(20,289)
December 31, 2021						
Financial assets at fair value through profit or loss						
Financial instruments without an active market	Discount Rate	0.5%	\$ 6,674	(6,674)	-	-
Financial assets at fair value through other comprehensive income						
Equity instruments without an active market	Market Multiple	0.5%	-	-	20,087	(20,087)
September 30, 2021						
Financial assets at fair value through profit or loss						
Financial instruments without an active market	Discount Rate	0.5%	\$ 5,612	(5,612)	-	-
Financial assets at fair value through other comprehensive income						
Equity instruments without an active market	Market Multiple	0.5%	-	-	22,310	(22,310)

The favorable change and unfavorable change refer to the fluctuation of fair value. The fair value is calculated based on the different levels of unobservable inputs. The table above shows the impact on single input. Therefore, the relations and variations between inputs are not considered.

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5. Offsetting financial assets and financial liabilities

The Group has financial instrument transactions, applicable to the International Financial Reporting Standards Sections 42 NO. 32 approved by the FSC, which required for offsetting. Financial assets and liabilities relating those transactions are recognized in the net amount of the balance sheets.

The Group also performs transactions not compliance with offsetting term of statement, but the Group has an exercisable master netting arrangement or similar agreement in place with its counterparties, and both parties reach a consensus regarding net settlement. The aforesaid exercisable master netting arrangement or similar agreement can be net settled after offsetting the financial assets and financial liabilities. Otherwise, the transaction can be settled at the total amount. In the event of default involving one of the parties, the other party can have the transaction net settled.

The following tables present the aforesaid offsetting financial assets and financial liabilities.

September 30, 2022						
Financial assets that are offset which have an exercisable master netting arrangement or similar agreement						
	Gross amounts of recognized financial assets (a)	Gross amounts of financial liabilities offset in the balance sheet (b)	Net amount of financial assets presented in the balance sheet (c)=(a)-(b)	Amounts not off set in the balance sheet (d)		Net amount (e)=(c)-(d)
				Financial instruments (Note)	Cash collateral received	
Offsetting agreement	\$ 363,953,692	363,437,930	515,762	-	-	515,762
Derivative financial instruments	1,489,134	-	1,489,134	-	-	1,489,134
Total	\$ 365,442,826	363,437,930	2,004,896	-	-	2,004,896

September 30, 2022						
Financial liabilities that are offset which have an exercisable master netting arrangement or similar agreement						
	Gross amounts of recognized financial liabilities (a)	Gross amounts of financial assets offset in the balance sheet (b)	Net amount of financial liabilities presented in the balance sheet (c)=(a)-(b)	Amounts not off set in the balance sheet (d)		Net amount (e)=(c)-(d)
				Financial instruments (Note)	Cash collateral received	
Derivative financial instruments	\$ 833,828	-	833,828	-	-	833,828

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December 31, 2021						
Financial assets that are offset which have an exercisable master netting arrangement or similar agreement						
	Gross amounts of recognized financial assets (a)	Gross amounts of financial liabilities offset in the balance sheet (b)	Net amount of financial assets presented in the balance sheet (c)=(a)-(b)	Amounts not off set in the balance sheet (d)		Net amount (e)=(c)-(d)
				Financial instruments (Note)	Cash collateral received	
Offsetting agreement	\$ 391,122,834	390,805,219	317,615	-	-	317,615
Derivative financial instruments	103,916	-	103,916	-	-	103,916
Total	<u>\$ 391,226,750</u>	<u>390,805,219</u>	<u>421,531</u>	<u>-</u>	<u>-</u>	<u>421,531</u>

December 31, 2021						
Financial liabilities that are offset which have an exercisable master netting arrangement or similar agreement						
	Gross amounts of recognized financial liabilities (a)	Gross amounts of financial assets offset in the balance sheet (b)	Net amount of financial liabilities presented in the balance sheet (c)=(a)-(b)	Amounts not off set in the balance sheet (d)		Net amount (e)=(c)-(d)
				Financial instruments (Note)	Cash collateral received	
Derivative financial instruments	<u>\$ 109,968</u>	<u>-</u>	<u>109,968</u>	<u>-</u>	<u>-</u>	<u>109,968</u>

September 30, 2021						
Financial assets that are offset which have an exercisable master netting arrangement or similar agreement						
	Gross amounts of recognized financial assets (a)	Gross amounts of financial liabilities offset in the balance sheet (b)	Net amount of financial assets presented in the balance sheet (c)=(a)-(b)	Amounts not off set in the balance sheet (d)		Net amount (e)=(c)-(d)
				Financial instruments (Note)	Cash collateral received	
Offsetting agreement	\$ 414,404,202	414,065,929	338,273	-	-	338,273
Derivative financial instruments	148,902	-	148,902	-	-	148,902
Total	<u>\$ 414,553,104</u>	<u>414,065,929</u>	<u>487,175</u>	<u>-</u>	<u>-</u>	<u>487,175</u>

September 30, 2021						
Financial liabilities that are offset which have an exercisable master netting arrangement or similar agreement						
	Gross amounts of recognized financial liabilities (a)	Gross amounts of financial assets offset in the balance sheet (b)	Net amount of financial liabilities presented in the balance sheet (c)=(a)-(b)	Amounts not off set in the balance sheet (d)		Net amount (e)=(c)-(d)
				Financial instruments (Note)	Cash collateral received	
Derivative financial instruments	<u>\$ 74,596</u>	<u>-</u>	<u>74,596</u>	<u>-</u>	<u>-</u>	<u>74,596</u>

Note: Master netting arrangements are included.

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(y) Financial risk management

There were no significant changes in the Group's financial risk management and policies as disclosed in Note 6(z) of the consolidated financial statements for the year ended December 31, 2021.

(z) Capital Management

Management believes that the objectives, policies and processes of capital management of the Group have been applied consistently with those described in the consolidated financial statements for the year ended December 31, 2021. Also, management believes that there were no significant changes in the Group's capital management information as disclosed in Note 6(aa) for the year ended December 31, 2021.

(aa) Investing and financing activities not affecting the current cash flow

The Group's investing and financing activities which did not affect the current cash flow in the nine months ended September 30, 2022 and 2021, were as follows:

1. For right-of-use assets under leases, please refer to Note (6)(i).

2. Reconciliation of liabilities arising from financing activities were as follows:

	Non-cash changes				
	January 1, 2022	Cash flows	Reclassification	Foreign exchange movement	September 30, 2022
Long-term borrowings	\$ 3,790,708	1,979,647	6,692,500	554,457	13,017,312
Short-term borrowings (including current portion of long-term borrowings)	61,942,809	(1,324,418)	(6,692,500)	4,115,749	58,041,640
Lease liabilities (Note)	876,493	(147,894)	45,835	14,549	788,983
Total liabilities from financing activities	<u>\$ 66,610,010</u>	<u>507,335</u>	<u>45,835</u>	<u>4,684,755</u>	<u>71,847,935</u>

	Non-cash changes				
	January 1, 2021	Cash flows	Reclassification	Foreign exchange movement	September 30, 2021
Long-term borrowings	\$ 8,990,825	5,934,838	(225,000)	1,027	14,701,690
Short-term borrowings (including current portion of long-term borrowings)	32,221,499	17,024,378	225,000	(72,928)	49,397,949
Lease liabilities (Note)	964,514	(152,085)	42,598	(50,500)	804,527
Total liabilities from financing activities	<u>\$ 42,176,838</u>	<u>22,807,131</u>	<u>42,598</u>	<u>(122,401)</u>	<u>64,904,166</u>

Note: Reclassification is due to additions of lease and lease modification during the periods.

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(7) Related Parties Transactions

(a) Names and relationships with the Group

The followings are entities that have had transactions with the Group during the periods covered in the consolidated financial statements.

<u>Names of related party</u>	<u>Relationships with the Group</u>
Inventec Besta Co., Ltd.	Associates
Inventec Besta (XiAn) Co., Ltd.	Subsidiary of associates
Good Future Biomedical Technology Corp.	Associates
Yingtengda (Guangdong) Technology Co.,Ltd	Associates
Intentech HongKong Technoloty Limit	Subsidiary of associates
Testron Technology (JiangSu) Co., Ltd.	Associates
E-TON Solar Tech. Co., Ltd.	Substantive related party
Inventec Group Charity Foundation	Over one-third of total amount of fund donated by the Company
Kou-I Yeh	Director of the Board of the Company
Ching-Sung Chang	Director of the Board of the Company
Shih-Chih Wen	Director of the Board of the Company
Tom-Hwar Cho	Chairman of the Company
Chiung-Nan Yang	Spouse of a director of the Company
Yu-Jung Wen, Yu-Chin Wen	Children of a director of the Company
Dai-Shui He	Key management personnel of the Group

(b) Significant transactions with related parties

1.Sales

The amounts of significant sales transactions between the Group and related parties were as follows:

	<u>For the three months ended</u> <u>September 30</u>		<u>For the nine months ended</u> <u>September 30</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Associates	\$ 315,309	93,510	522,654	394,273
Other related parties	101	1,487	101	1,528
	<u>\$ 315,410</u>	<u>94,997</u>	<u>522,755</u>	<u>395,801</u>

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For associates and other related parties, the price and terms were determined in accordance with mutual agreements with its collection terms of 30~90 days for sales. Receivables from related parties were not secured with collaterals, and did not require provisions for impairment.

2. Purchase

The amounts of significant purchase transactions between the Group and related parties were as follows:

	For the three months ended September 30		For the nine months ended September 30	
	2022	2021	2022	2021
Associates	\$ -	-	-	811

There is no other vendor as comparison for the above purchases, and the purchase prices are based on the settling price agreed by both sides. The payment term is 30~75 days.

3. Receivable from related parties

The amounts of accounts receivable between the Group and related parties were as follows:

Account	Relationship Categories	September 30, 2022	December 31, 2021	September 30, 2021
Accounts receivable	Associates	\$ 375,209	105,810	133,275
Other receivables	Associates	25	2,471	-
		<u>\$ 375,234</u>	<u>108,281</u>	<u>133,275</u>

4. Payable to related parties

The amounts of accounts payables between the Group and related parties were as follows:

Account	Relationship Categories	September 30, 2022	December 31, 2021	September 30, 2021
Other payables	Associates	\$ 76,456	2,816	4,684
"	Other related parties	1,029,982	300,000	300,000
		<u>\$ 1,106,438</u>	<u>302,816</u>	<u>304,684</u>

As of September 30, 2022, December 31, 2021, and September 30, 2021, the Group borrowed the amount of \$1,029,982, \$300,000 and \$300,000 from the shareholder, which were accounted as other payables. The borrowing interest rate was 1.06%~1.50%. The Group pledged inventories and equipment to the shareholder, which amounted to \$124,583 in April of 2022.

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5. Property transactions

1) Acquisition of property, plant, equipment, intangible assets and other assets

	For the three months ended September 30		For the nine months ended September 30	
	2022	2021	2022	2021
Associates	\$ 70,386	4,225	76,618	4,911
E-TON Solar Tech. Co., Ltd.	-	-	308,880	-
Other related parties	-	-	88,126	-
	<u>\$ 70,386</u>	<u>4,225</u>	<u>473,624</u>	<u>4,911</u>

6. Others

1) Rental and other revenue collected from related parties were as follows:

	For the three months ended September 30		For the nine months ended September 30	
	2022	2021	2022	2021
Associates	\$ 789	528	2,596	4,087

2) Donations to other related parties were as follows:

	For the three months ended September 30		For the nine months ended September 30	
	2022	2021	2022	2021
Other related parties	\$ -	-	10,000	10,000

3) Payments for fixture expenses, system development expenses, maintenance expenses and service expenses to associates were as follows:

	For the three months ended September 30		For the nine months ended September 30	
	2022	2021	2022	2021
Associates	\$ 14,603	1,058	19,074	2,626

(c) Key management personnel compensation

Key management personnel compensation comprised:

	For the three months ended September 30		For the nine months ended September 30	
	2022	2021	2022	2021
Short-term employee benefits	\$ 111,158	129,350	324,783	339,397
Post-employment benefit	1,743	1,515	4,528	3,695
	<u>\$ 112,901</u>	<u>130,865</u>	<u>329,311</u>	<u>343,092</u>

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(8) Assets Pledged as Security

The carrying amounts of assets pledged as security were as follows:

Assets pledged as security	Liabilities secured by pledge	September 30, 2022	December 31, 2021	September 30, 2021
Refundable deposits (Other non-current assets)	Membership guarantee and rental deposit	\$ 536,842	370,203	67,615
Restricted cash in banks (Other current assets and Other non-current assets)	Guarantee and the account of repatriated offshore funds	1,617,801	695,032	884,636
Land, buildings, constructions and inventory (Property, plant and equipment, right-of-use assets and inventory)	Current portion long-term borrowings, long-term borrowings and other payables	8,849,013	8,945,371	8,751,129
Total		<u>\$ 11,003,656</u>	<u>10,010,606</u>	<u>9,703,380</u>

(9) Significant Commitments and Contingencies

(a) Major Commitments:

1. Unused standby letters of credit were as follows:

	September 30, 2022	December 31, 2021	September 30, 2021
EUR	\$ -	-	55

2. Promissory notes issued for bank credit, forward contracts, secured deposits for executing technology agreements with the government and property deposits were as follows:

	September 30, 2022	December 31, 2021	September 30, 2021
TWD	\$ 17,751,232	22,120,465	22,420,465
USD (in thousands)	1,827,400	1,813,400	1,813,400

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(10) Losses Due to Major Disasters: None.

(11) Subsequent Events: None.

(12) Other

- (a) The employee benefits, depreciation, depletion and amortization expenses categorized by function were as follows:

By function By item	For the three months ended September 30, 2022			For the three months ended September 30, 2021		
	Operating costs	Operating and non-operating expense	Total	Operating costs	Operating and non-operating expense	Total
Employee benefits						
Salary	2,301,556	2,608,636	4,910,192	2,068,927	2,331,446	4,400,373
Labor and health insurance	145,633	201,967	347,600	185,812	201,007	386,819
Pension	111,901	132,196	244,097	155,812	136,190	292,002
Others	148,037	95,592	243,629	144,784	67,457	212,241
Depreciation	345,196	207,160	552,356	391,230	201,129	592,359
Amortization	70,151	121,169	191,320	47,264	186,374	233,638

By function By item	For the nine months ended September 30, 2022			For the nine months ended September 30, 2021		
	Operating costs	Operating and non-operating expense	Total	Operating costs	Operating and non-operating expense	Total
Employee benefits						
Salary	6,457,839	7,172,714	13,630,553	5,890,765	6,639,096	12,529,861
Labor and health insurance	505,853	593,354	1,099,207	551,850	606,186	1,158,036
Pension	403,914	378,154	782,068	433,985	389,084	823,069
Others	512,935	241,140	754,075	389,896	209,245	599,141
Depreciation	1,014,168	608,645	1,622,813	1,167,504	617,259	1,784,763
Amortization	167,048	335,224	502,272	146,932	575,383	722,315

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(13) Other disclosures

(a) Information on significant transactions

The following is the information on significant transactions required by the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” for the Group for the nine months ended September 30, 2022:

1. Loans to other parties:

(In Thousands of New Taiwan Dollars)

Number	Name of lender	Name of borrower	Account name	Related party	Highest balance of financing to other parties during the period	Ending balance	Actual usage amount during the period	Range of interest rates during the period	Purposes of fund financing for the borrower	Transaction amount for business between two parties	Reasons for short-term financing	Allowance for bad debt	Collateral		Individual funding loan limits	Maximum limit of fund financing
													Item	Value		
1	Inventec Appliances (Nanjing) Corp.(Note 2)	Inventec Appliances (XI'AN) Corporation	Other receivables	Y	101,936	40,239	17,884	3.045%	2	-	Working Capital	-	None	-	356,573	356,573
2	Inventec Appliances (Shanghai) Co., Ltd.(Note 2)	Inventec Appliances (Nanchang) Intelligent Manufacturing Co., Ltd.	Other receivables	Y	267,180	134,130	134,130	3.045%	2	-	"	-	"	-	1,614,887	1,614,887
3	Inventec Appliances Corp.(Note 3)	Inventec Appliances (Malaysia) SDN. BHD.	Other receivables	Y	1,428,300	1,428,300	1,414,344	1.20%	2	-	"	-	"	-	1,584,924	3,169,849
4	Inventec Appliances (Jiangning) Corp. (Note 2)	Inventec Appliances (Malaysia) SDN. BHD.	Other receivables	Y	1,174,380	1,174,380	-		2	-	"	-	"	-	5,562,737	5,562,737
5	Inventec (Pudong) Corp.(Note 4)	Inventec Asset-Management (Shanghai) Corporation	Other receivables	Y	3,028,040	1,609,560	1,430,720	5.175%	2	-	"	-	"	-	1,671,700	1,671,700

Note 1: Purpose of fund financing for the borrower:

(1) Those with business contact, please fill in 1.

(2) Those necessary for short term financing, please fill in 2.

Note 2: Among Subsidiaries which the parent company holds 100% voting power, aggregate amount of loans shall not exceed the Company's net worth as stated in its latest financial report, and each amount of loans shall not exceed 100 percent of the permitted aggregate amount of loans of the company.

Note 3: Where an inter-company or inter-firm short-term financing facility is necessary, total financing amount shall not exceed 40 percent of the company's net worth as stated in its latest financial report. Each financing amount shall not exceed 50 percent of the permitted aggregate amount of loans of the company.

Note 4: Where an inter-company or inter-firm short-term financing facility is necessary, total financing amount shall not exceed 40 percent of the company's net worth as stated in its latest financial report. Each financing amount shall not exceed 100 percent of the permitted aggregate amount of loans of the company.

Note 5: The transactions in foreign currencies were translated into New Taiwan Dollars using spot rates at the financial report date.

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2. Guarantees and endorsements for other parties:

(In Thousands of New Taiwan Dollars)

No.	Name of guarantor	Counter-party of guarantee and endorsement		Limitation on amount of guarantees and endorsements for a specific enterprise	Highest balance for guarantees and endorsements during the period	Balance of guarantees and endorsements as of reporting date	Actual usage amount during the period	Property pledged for guarantees and endorsements (Amount)	Ratio of accumulated amounts of guarantees and endorsements to net worth of the latest financial statements	Maximum amount for guarantees and endorsements	Parent company endorsements / guarantees to third parties on behalf of subsidiary	Subsidiary endorsements / guarantees to third parties on behalf of parent company	Endorsement s/guarantees to third parties on behalf of companies in Mainland China
		Name	Relationship with the Company										
0	The Company	IEC Technologies, S.DE R.L. DE C.V	2	29,490,284	317,400	317,400	-	-	0.54 %	29,490,284	Y	N	N
0	"	Inventec (Czech), s.r.o.	2	29,490,284	15,870	15,870	-	-	0.03 %	29,490,284	Y	N	N
1	Inventec Appliances Corp.	Inventec Appliances (Malaysia) SDN. BHD.	2	3,962,312	1,926,046	1,926,046	796,616	-	24.30 %	3,962,312	Y	N	N

Note 1: The relationship between the entity for which the endorsement/guarantee is made and the Company:

- 1.The Company has business relationship.
- 2.Subsidiaries in which the Company holds more than 50 percent of its voting power.
- 3.A investee in which the Company and subsidiary holds more than 50 percent of its voting shares.
- 4.Subsidiaries in which the Company holds more than 90 percent of its voting power.
- 5.Companies in accordance with contractual provisions established by mutual applicants or in need of project.
- 6.Companies that are endorsed and guaranteed by all capital shareholders based on their shareholding ratio due to a joint investment relationship.
- 7.The performance of pre-sale house sales contract between intra-industry companies is in accordance with the Consumer Protection Law required joint guarantees.

Note 2: Both the aggregate amount of endorsements/guarantees and the amount of endorsements/guarantees for a single enterprise by the Company's cannot exceed 50 percent of its net worth as stated in its latest financial statement.

Note 3: Both the aggregate amount of endorsements/guarantees and the amount of endorsements/guarantees for a single enterprise by Inventec Appliance Corp. cannot exceed 50 percent of its net worth as stated in its latest financial statement.

Note 4: The transactions in foreign currencies were translated into New Taiwan Dollars using spot rates at the financial report date.

3. Securities held at the reporting date (excluding investment subsidiaries, associates and joint ventures) :

(In Thousands of New Taiwan Dollars)

Name of holder	Category and name of security	Relationship with company	Account title	Ending balance				Note
				Shares/Units (thousands)	Carrying value	Percentage of ownership (%)	Fair value (Note1)	
The Company	WIN Semiconductors Corp.	-	Current financial assets at fair value through other comprehensive income	4,063	501,742	0.96 %	501,742	
"	Amphastar Pharmaceuticals Inc.	-	Non-current financial assets at fair value through other comprehensive income	26	23,016	0.05 %	23,016	
"	Arima Communications Corp.	-	"	7,390	16,110	10.15 %	16,110	
"	Tomorrow Studio Co., Ltd	-	"	29	114	0.15 %	114	
"	Tai Yi Precision Corporation	-	"	2,540	-	6.67 %	-	
"	New E Materials Co., Ltd.	-	"	1,760	8,089	16.00 %	8,079	

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Name of holder	Category and name of security	Relationship with company	Account title	Ending balance				Note
				Shares/Units (thousands)	Carrying value	Percentage of ownership (%)	Fair value (Note1)	
The Company	TOP TAIWAN XIV VENTURE CAPITAL CO., LTD.	-	Non-current financial assets at fair value through other comprehensive income	30,000	300,000	15.00 %	300,000	
"	Rasilient Systems, Inc. preference share	-	"	3,632	-	6.20 %	-	
"	SKSpruce Holding Limited preferred stock	-	"	3,746	30,964	3.72 %	30,964	
"	CloudMosa Technologies, Inc. preferred stock	-	"	235	40,130	2.16 %	40,130	
"	QEEEXO, Co. preferred stock	-	"	568	6,800	3.08 %	6,800	
"	Rescale, Inc. preferred stock	-	"	355	7,705	1.16 %	7,705	
"	Sensel, Inc. preferred stock	-	"	532	19,747	2.58 %	19,747	
"	ASOCS LTD.	-	"	360	-	1.44 %	-	
"	Atayalan, Inc.	-	"	1,553	6,042	3.70 %	6,042	
"	ZT Group Int'l, Inc.	-	"	-	2,075,159	10.00 %	2,075,159	
"	SKSpruce Holding Limited convertible short-term note	-	Current financial assets at fair value through profit or loss	-	12,173	- %	12,173	
"	E-TON Solar Tech. Co., Ltd	The Group's substantive related party	"	94,889	575,975	29.70 %	575,975	
"	Empass Technology	-	Non-current financial assets at fair value through profit or loss	495	10,786	6.75 %	10,786	
"	Entire Technology Co., Ltd.	-	"	3,260	61,255	4.13 %	61,255	
"	Imedtac Co., Ltd.	-	"	1,200	35,516	8.43 %	35,516	
"	TMY Technology Inc.	-	"	2,857	16,015	8.00 %	16,015	
"	Enflex Corporation	-	"	750	3,185	0.92 %	3,185	
Inventec (Cayman) Corp.	Chainwin Biotech and Agrotech (Cayman Islands) Co., Ltd.	-	Non-current financial assets at fair value through other comprehensive income	30,000	1,245,340	13.17 %	1,245,340	
Saint Investment Consulting Corporation	Shanghai StarFive Technology Co., Ltd.	-	"	17	2,859	0.66 %	2,859	
"	Guangdong Starfive Technology Co., Ltd.	-	"	522	86,552	0.66 %	86,552	
Inventec (Chongqing) Corp.	Kunshan Joing Technology Co., Ltd.	-	Current financial assets at fair value through profit or loss	5,948	72,636	2.96 %	72,636	
Inventec Hi-Tech Corp.	SCSB Winners Yijing Ling Financial Product	-	"	-	223,527	- %	223,527	
Inventec (Beijing) Electronics Technology Co., Ltd.	Bank of Communications WintoFortune Wealth Management (No.1) products	-	"	-	54,541	- %	54,541	

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Name of holder	Category and name of security	Relationship with company	Account title	Ending balance				Note
				Shares/Units (thousands)	Carrying value	Percentage of ownership (%)	Fair value (Note1)	
Inventec Electronics (Tianjin) Co., Ltd.	Bank of Communications WintoFortune Wealth Management products	-	Current financial assets at fair value through profit or loss		134,117	%	134,117	
Inventec Development Japan Corporation	Famm Co., Ltd.	-	Non-current financial assets at fair value through other comprehensive income	100	11,296	16.00 %	11,296	
Inventec Investments Co., Ltd.	ENNOSTAR Inc.	-	Current financial assets at fair value through profit or loss	881	36,500	0.12 %	36,500	
"	UCFUNNEL CO LTD	-	Non-current financial assets at fair value through other comprehensive income	83	16,178	5.00 %	16,178	
"	Sagacity Tech. Co., Ltd.	-	"	79	468	15.00 %	468	
"	Living Pattern Technology Inc.	-	"	4	438	13.70 %	438	
"	E-TON Solar Tech. Co., Ltd	The Group's substantive related party	Current financial assets at fair value through profit or loss	15,813	95,986	4.95 %	95,986	
Inventec Appliances Corp.	SCOPE INDUSTRIES BERHAD	-	Non-current financial assets at fair value through other comprehensive income	84,444	86,998	7.32 %	86,998	
"	Rong Cheng Tech. Co., Ltd.	-	"	1,950	-	9.38 %	-	
"	Tai Yi Precision Corporation	-	"	635	-	1.67 %	-	
"	Siano Mobile Silicon Inc.	-	"	461	-	0.15 %	-	
"	All People Health Social Enterprise Co.,Ltd.	-	"	100	1,000	11.76 %	1,000	
"	GCT Semiconductor, Inc.	-	"	93	-	0.12 %	-	
"	Pandigital Worldwide, Ltd. preferred stock	-	"	939	-	4.80 %	-	
"	3GTMobile Corporation	-	"	314	-	2.88 %	-	
"	Line Global Inc. (Proximiant, Inc.) preferred stock	-	"	594	-	5.30 %	-	
"	Molekule, Inc. preferred stock	-	"	160	-	0.14 %	-	
"	XMEMS LABS INC	-	"	3,375	57,488	3.27 %	57,488	
"	Cardio Ring Technologies, Inc. convertible long-term note	-	Non-current financial assets at fair value through profit or loss	-	20,783	- %	20,783	
Inventec Appliances (Cayman) Holding Corp.	Siano Mobile Silicon Inc.	-	Non-current financial assets at fair value through other comprehensive income	99	-	0.03 %	-	
"	Leadtone Limited(Class B preferred stock)	-	"	1,250	-	2.36 %	-	
"	Digital Chaotex Holdings Ltd.(Class A2 preferred stock)	-	"	446	-	2.08 %	-	

Note 1: The value of listed company is market value, and the value of unlisted company is net asset value. The net asset value uses recent audited or unaudited financial statements.

Note 2: The transactions in foreign currencies were translated into New Taiwan Dollars using spot rates at the financial report date.

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4. Individual securities acquired or disposed of with accumulated amount exceeding the lower of TWD300 million or 20% of the capital stock:

(Amounts Expressed in Thousands of New Taiwan Dollars)

Name of company	Security type and name (Note 1)	Account name (Note 1)	Counter-party	Relationship	Beginning Balance		Acquisition		Disposal				Ending Balance	
					Shares	Amount	Shares	Amount	Shares	Price	Cost	Gain (loss) on disposal	Shares	Amount
The Company	Inventec Holding(North America) Corp. ordinary share	Investments accounted for using equity method	Cash Capital Increase	Related parties	2,001	1,496,415	6	2,336,612	-	-	-	-	2,007	3,833,027
"	TOP TAIWAN XIV VENTURE CAPITAL CO., LTD.	Non-current financial assets at fair value through other comprehensive income	Incorporation by solicitation	Non-related parties	-	-	30,000	300,000	-	-	-	-	-	300,000
Inventec Holding(North America) Corp.	IEC TECHNOLOGIES, S. DE R.L. DE C.V.	Investments accounted for using equity method	Cash Capital Increase	Related parties	160,483	514,373	1,020,000	1,719,225	-	-	-	-	1,180,483	2,233,598
Inventec Hi-Tech Corp.	SCSB Ching Hsiang Li series open-end wealth management products	Current financial assets at fair value through profit or loss	Bank of Shanghai	Non-related parties	-	-	-	443,300	-	444,971	443,300	1,671	-	-
"	SCSB Winners Zhan Chong Jun Xiang Financial Product	"	"	"	-	433,992	-	9,308	-	453,390	443,300	10,090	-	-

Note 1: The ending balance includes adjustments of valuation.

Note 2: The transactions in foreign currencies were translated into New Taiwan Dollars using spot rates at the financial report date.

5. Acquisition of individual real estate with amount exceeding the lower of TWD300 million or 20% of the capital stock:

(In Thousands of New Taiwan Dollars)

Name of company	Name of property	Transaction date	Transaction amount	Status of payment	Counter-party	Relationship	If the counter-party is a related party, disclose the previous transfer information				References for determining price	Purpose of acquisition and current condition	Others
							Owner	Relationship with the Company	Date of transfer	Amount			
The Company	Property, plant and equipment	April 26, 2022	308,880	100%	E-TON Solar Tech. Co., Ltd	Substantive related party	JI-EE INDUSTRY CO., LTD.	Non-related parties	In December of 2009	503,854	Appraisal report of Evermore Valuation: TWD 480,556	Owner-occupied plant	None

6. Disposal of individual real estate with amount exceeding the lower of TWD300 million or 20% of the capital stock: None.

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7. Related-party transactions for purchases and sales with amounts exceeding the lower of TWD100 million or 20% of the capital stock:

(In Thousands of New Taiwan Dollars)

Name of company	Related party	Nature of relationship	Transaction details				Transactions with terms different from others		Notes/Accounts receivable (payable)		Note
			Purchase/Sale	Amount	Percentage of total purchases/sale	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/accounts receivable (payable)	
The Company	Inventec Holding (North America) Corp.	Subsidiary	Sales	65,990,110	18.97 %	105 days	Negotiate price	No general trading partner can be compared.	39,510,292	37.31 %	
"	Inventec (Czech), s.r.o.	"	Sales	1,726,243	0.50 %	105 days	"	"	802,017	0.76 %	
"	Inventec Corporation (Hong Kong) Ltd.	"	Purchases	249,890,680	72.66 %	90-105 days	"	"	(71,173,781)	55.47 %	
"	Inventec Appliances (Jiangning) Corp.	"	Purchases	119,167	0.03 %	90 days	"	"	(24,939)	0.02 %	
"	Inventec Holding (North America) Corp.	"	Purchases	355,810	0.10 %	105 days	"	"	(1,954,710)	1.52 %	
"	Inventec (Czech), s.r.o.	"	Purchases	544,943	0.16 %	105 days	"	"	(134,295)	0.10 %	
Inventec Holding (North America) Corp.	The Company	Parent	Purchases	65,990,110	96.41 %	105 days	"	"	(37,805,472)	100.00 %	
"	The Company	"	Sales	355,810	0.54 %	105 days	"	"	235,061	1.58 %	
"	SQ Technology (Shanghai) Corporation	Associates	Sales	251,309	0.38 %	105 days	"	"	67,746	0.45 %	
Inventec (Czech), s.r.o.	The Company	Parent	Purchases	1,726,243	94.44 %	105 days	"	"	(802,017)	94.36 %	
"	The Company	"	Sales	544,943	22.31 %	105 days	"	"	134,295	27.73 %	
Inventec Corporation (Hong Kong) Ltd.	The Company	Parent	Sales	249,890,680	100.00 %	90-105 days	"	"	71,173,781	53.81 %	
"	Inventec (Pudong) Technology Corp.	Associates	Purchases	22,114,076	8.85 %	105 days	"	"	(10,304,555)	7.79 %	
"	SQ Technology (Shanghai) Corporation	"	Purchases	9,051,045	3.62 %	105 days	"	"	(6,376,889)	4.82 %	
"	Inventec (Chongqing) Corp.	"	Purchases	218,725,113	87.53 %	90 days	"	"	(54,492,337)	41.20 %	
Inventec (Pudong) Technology Corp.	Inventec Corporation (Hong Kong) Ltd.	"	Sales	22,114,076	80.09 %	105 days	"	"	10,304,555	81.43 %	
"	SQ Technology (Shanghai) Corporation	"	Sales	3,769,917	13.65 %	105 days	"	"	1,477,604	11.68 %	
"	SQ Technology (Shanghai) Corporation	"	Purchases	292,436	1.04 %	105 days	"	"	(135,658)	1.07 %	
"	Inventec (Shanghai) Corp.	"	Sales	113,012	0.41 %	105 days	"	"	93,035	0.74 %	
Inventec (Shanghai) Corp.	SQ Technology (Shanghai) Corporation	"	Purchases	8,909,659	98.75 %	105 days	"	"	(3,370,849)	97.31 %	

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Name of company	Related party	Nature of relationship	Transaction details				Transactions with terms different from others		Notes/Accounts receivable (payable)		Note
			Purchase/Sale	Amount	Percentage of total purchases/sale	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/accounts receivable (payable)	
Inventec (Shanghai) Corp.	Inventec (Pudong) Technology Corp.	Associates	Purchases	113,012	1.25 %	105 days	Negotiate price	No general trading partner can be compared.	(93,035)	2.56 %	
Inventec (Chongqing) Corp.	Inventec Corporation (Hong Kong) Ltd.	"	Sales	218,725,113	99.73 %	90 days	"	"	54,492,337	99.82 %	
"	AIMobile Co., Ltd.	"	Sales	155,926	0.07 %	90 days	"	"	61,392	0.11 %	
SQ Technology (Shanghai) Corporation	Inventec Corporation (Hong Kong) Ltd.	"	Sales	9,051,045	22.55 %	105 days	"	"	6,376,889	32.38 %	
"	Inventec (Shanghai) Corp.	"	Sales	8,909,659	22.20 %	105 days	"	"	3,370,849	17.12 %	
"	Inventec (Pudong) Technology Corp.	"	Sales	292,436	0.73 %	105 days	"	"	135,658	0.69 %	
"	Inventec (Pudong) Technology Corp.	"	Purchases	3,769,917	8.87 %	105 days	"	"	(1,477,604)	6.27 %	
"	Inventec Holding (North America) Corp.	"	Purchases	251,309	0.60 %	105 days	"	"	(67,746)	0.29 %	
"	Yingtengda (Guangdong) Technology Co., Ltd	Affiliate	Sales	519,872	1.30 %	75 days	"	"	373,094	1.89 %	
Inventec Appliances Corp.	Inventec Appliances (Pudong) Corp.	Associates	Purchases	16,901,198	76.25 %	1-2 months	"	"	(9,233,818)	84.78 %	
"	Inventec Appliances (Jiangning) Corp.	"	Purchases	646,416	2.92 %	"	"	"	(174,887)	1.61 %	
"	Inventec Appliances (Nanchang) Intelligent Manufacturing Co., Ltd.	"	Purchases	288,573	1.30 %	"	"	"	(27,106)	0.25 %	
"	Inventec Appliances (Malaysia) SDN. BHD.	"	Purchases	1,735,315	7.83 %	"	"	"	(647,911)	5.95 %	
"	Inventec Appliances (USA) Distribution Corp.	"	Sales	559,102	2.31 %	"	"	"	274,170	2.68 %	
Inventec Appliances (USA) Distribution Corp.	Inventec Appliances Corp.	"	Purchases	559,102	100.00 %	1-2 months	"	"	(274,170)	100.00 %	
Inventec Appliances (Pudong) Corp.	Inventec Appliances Corp.	"	Sales	16,901,198	98.21 %	"	"	"	9,233,818	96.23 %	
"	Inventec Appliances (Nanchang) Intelligent Manufacturing Co., Ltd.	"	Sales	145,441	0.78 %	90 days	"	"	254,505	2.65 %	
"	Inventec Appliances (Malaysia) SDN. BHD.	"	Purchases	722,487	4.60 %	"	"	"	(265,900)	3.41 %	

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Name of company	Related party	Nature of relationship	Transaction details				Transactions with terms different from others		Notes/Accounts receivable (payable)		Note
			Purchase/Sale	Amount	Percentage of total purchases/sale	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/accounts receivable (payable)	
Inventec Appliances (Jiangning) Corp.	Inventec Appliances Corp.	Associates	Sales	646,416	21.08 %	1-2 months	Negotiate price	No general trading partner can be compared.	174,887	30.52 %	
"	The Company	Parent	Sales	119,167	3.89 %	90 days	"	"	24,939	4.35 %	
Inventec Appliances (Nanchang) Intelligent Manufacturing Co., Ltd.	Inventec Appliances Corp.	Associates	Sales	288,573	99.44 %	60 days	"	"	27,106	97.99 %	
"	Inventec Appliances (Pudong) Corp.	"	Purchases	145,441	70.92 %	90 days	"	"	(254,505)	99.65 %	
Inventec Appliances (Malaysia) SDN. BHD.	Inventec Appliances Corp.	"	Sales	1,735,315	70.53 %	1-2 months	"	"	647,911	70.97 %	
"	Inventec Appliances (Pudong) Corp.	"	Sales	722,487	29.45 %	90 days	"	"	265,900	29.03 %	
AIMobile Co., Ltd.	Inventec (Chongqing) Corp.	Associates	Purchases	155,926	60.00 %	90 days	"	"	(61,392)	83.07 %	

Note 1: Based on the negotiated price while trading.

Note 2: The aforementioned inter-company transactions were eliminated in the consolidated financial statements.

8. Receivables from related parties with amounts exceeding the lower of NT\$100 million or 20% of capital stock:

(Expressed in Thousands of New Taiwan Dollars)

Name of company	Counter party	Relationship	Ending balance	Turnover	Overdue		Amounts received in subsequent period	Allowance for bad debts
					Amount	Action taken		
The Company	Inventec Holding (North America) Corp.	Subsidiary	39,510,292	2.47	5,330,628	Received in the subsequent period	1,125,408	-
"	Inventec (Czech), s.r.o.	Subsidiary	802,017	1.03	284,773	Intensive follow-up on collection	-	-
"	Inventec Corporation (Hong Kong) Ltd. (Note1)	Subsidiary	60,932,120	-	7,161,462	Received in the subsequent period	6,342,599	-
Inventec Holding (North America) Corp.	The Company	Parent	235,061	1.90	47,329	Received in the subsequent period	106,252	-
Inventec (Czech), s.r.o.	The Company	Parent	134,295	3.68	-		-	-
Inventec Corporation (Hong Kong) Ltd.	The Company	Parent	71,173,781	4.79	806,575	Received in the subsequent period	5,874,570	-
"	Inventec (Pudong) Technology Corp. (Note1)	Associates	5,161,105	-	1,288,432	Intensive follow-up on collection	-	-
"	SQ Technology (Shanghai) Corporation (Note1)	Associates	18,673,760	-	5,873,030	Intensive follow-up on collection	-	-
"	Inventec (Chongqing) Corp. (Note1)	Associates	37,097,255	-	-		6,342,599	-
Inventec (Pudong) Technology Corp.	Inventec Corporation (Hong Kong) Ltd.	Associates	10,304,555	3.49	-		698,280	-

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Name of company	Counter party	Relationship	Ending balance	Turnover	Overdue		Amounts received in subsequent period	Allowance for bad debts
					Amount	Action taken		
Inventec (Pudong) Technology Corp.	SQ Technology (Shanghai) Corporation	Associates	1,477,604	0.65	18,967	Received in the subsequent period	158,700	-
Inventec (Chongqing) Corp.	Inventec Corporation (Hong Kong) Ltd.	Associates	54,492,337	5.26	-		5,176,290	-
SQ Technology (Shanghai) Corporation	Inventec Corporation (Hong Kong) Ltd.	Associates	6,376,889	2.12	806,575	Intensive follow-up on collection	-	-
"	Inventec (Shanghai) Corp.	Associates	3,370,849	2.56	373,269	Received in the subsequent period	1,654,085	-
"	Inventec (Pudong) Technology Corp.	Associates	135,658	2.45	-		-	-
"	Yingtengda (Guangdong) Technology Co., Ltd	Affiliate	373,094	3.09	-		1,564	-
Inventec Appliances Corp.	Inventec Appliances (USA) Distribution Corp.	Subsidiary	274,170	2.92	-		44,603	-
"	Inventec Appliances (Pudong) Corp.	Subsidiary	720,589	2.95	-		189,881	-
Inventec Appliances (Pudong) Corp.	Inventec Appliances Corp.	Associates	9,233,818	2.77	-		1,942,923	-
"	Inventec Appliances (Nanchang) Intelligent Manufacturing Co., Ltd.	Associates	254,505	0.79	168,657	Received in the subsequent period	46,462	-
"	Inventec Appliances (Malaysia) SDN. BHD.	Associates	101,418	17.77	37,102	Intensive follow-up on collection	-	-
Inventec Appliances (Jiangning) Corp.	Inventec Appliances Corp.	Associates	174,887	4.78	-		108,799	-
Inventec Appliances (Malaysia) SDN. BHD.	Inventec Appliances Corp.	Associates	647,911	5.04	-		160,890	-
"	Inventec Appliances (Pudong) Corp.	Associates	265,900	3.78	-		68,683	-

Note 1: The receivables were not yielded by sales or purchases; therefore, there is no turnover rate.

Note 2: The aforementioned inter-company transactions were eliminated in the consolidated financial statements.

9. Trading in derivative instruments: Please refer to notes (6)(b) and (6)(x).

10. Business relationships and significant inter-company transactions:

No.	Name of company	Name of counter party	Existing relationship with the counter-party	Intercompany Transactions			
				Account name	Amount	Terms of trading	Percentage of the consolidated total revenue or total assets
0	Inventec Corporation	Inventec Holding (North America) Corp.	1	Sales	65,990,110	Negotiated price	16 %
	"	"	1	Accounts Receivable	39,510,292	105 days	15 %
	"	Inventec Corporation (Hong Kong) Ltd.	1	Purchases	249,890,680	Negotiated price	61 %
	"	"	1	Other Receivables	60,932,120	90-105 days	23 %
	"	"	1	Accounts Payable	71,173,781	"	26 %
1	Inventec Corporation (Hong Kong) Ltd.	Inventec (Pudong) Technology Corp.	3	Purchases	22,114,076	Negotiated price	5 %
	"	"	3	Accounts Payable	10,304,555	105 days	4 %
	"	"	3	Accounts Receivable	5,161,105	"	2 %

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No.	Name of company	Name of counter party	Existing relationship with the counter-party	Intercompany Transactions			
				Account name	Amount	Terms of trading	Percentage of the consolidated total revenue or total assets
1	Inventec Corporation (Hong Kong) Ltd.	SQ Technology (Shanghai) Corporation	3	Purchases	9,051,045	Negotiated price	2 %
	"	"	3	Accounts Payable	6,376,889	105 days	2 %
	"	"	3	Accounts Receivable	18,673,760	"	7 %
	"	Inventec (Chongqing) Corp.	3	Purchases	218,725,113	Negotiated price	54 %
	"	"	3	Accounts Payable	54,492,337	90 days	20 %
	"	"	3	Accounts Receivable	37,097,255	"	14 %
2	Inventec (Pudong) Technology Corp.	SQ Technology (Shanghai) Corporation		Sales	3,769,917	Negotiated price	1 %
	"	"	3	Accounts Receivable	1,477,604	105 days	1 %
3	SQ Technology (Shanghai) Corporation	Inventec (Shanghai) Co., Ltd.	3	Sales	8,909,659	Negotiated price	2 %
	"	"	3	Accounts Receivable	3,370,849	105 days	1 %
4	Inventec Appliances Corp.	Inventec Appliances (Pudong) Corp.	3	Purchases	16,901,198	Negotiated price	4 %
	"	"	3	Accounts Payable	9,233,818	1-2 months	3 %

Note 1: Company numbering as follows:

1. Parent company - 0.
2. Subsidiaries starts from 1.

Note 2: The numbering of the relationship between transaction parties as follows:

1. Parent company to subsidiary.
2. Subsidiary to parent company.
3. Subsidiary to subsidiary.

Note 3: The transaction amount is calculated as a proportion of the consolidated revenue or assets. If categorized as an asset or liability, the calculation is compared with the consolidated asset; if categorized as income or loss, the calculation is compared with the consolidated operating revenue.

(b) Information on investments:

The following is the information on investees for the nine months ended September 30, 2022 (excluding investees in Mainland China):

(In Thousands of New Taiwan Dollars, Except for Share Data)

Investor company	Investee company	Location	Main businesses and products	Original investment amount		Balance as of September 30, 2022			Net income (loss) of the investee	Share of profits/losses of investee	Note
				September 30, 2022	December 31, 2021	Shares/Units (In thousands)	Percentage of ownership	Carrying value			
The Company	Inventec Besta Co., Ltd.	Taipei	Electronic dictionary	420,347	420,347	23,405	37.53 %	230,476	(56,331)	(21,140)	Investment accounted for using equity method
"	Inventec Corporation (Hong Kong) Ltd.	Hong Kong	Trading	167,162	167,162	2,500	100.00 %	423,552	14,424	14,424	Subsidiary
"	Inventec Holding (North America) Corp.	USA	Holding Company	2,214,093	353,743	2,007	100.00 %	3,833,027	48,995	48,995	"
"	Inventec Appliances Corp.	New Taipei City	Intelligent device products	9,656,877	9,656,877	536,857	100.00 %	8,694,078	(26,641)	(26,641)	"
"	Inventec (Cayman) Corp.	Cayman	Holding Company	9,812,963	9,812,963	301,768	100.00 %	26,711,648	(870,341)	(870,341)	"

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Investor company	Investee company	Location	Main businesses and products	Original investment amount		Balance as of September 30, 2022			Net income (loss) of the investee	Share of profits/losses of investee	Note
				September 30, 2022	December 31, 2021	Shares/Units (In thousands)	Percentage of ownership	Carrying value			
The Company	IEC (Cayman) Corporation	Cayman	Holding Company	739,500	739,500	25,000	100.00 %	1,752,668	142,897	142,897	Subsidiary
"	Inventec (Czech), S.R.O.	Czech	Production and sales of computer products	85,921	85,921	-	100.00 %	222,383	56,438	56,438	"
"	Inventec Investment Co., Ltd.	Taipei	Investment Company	1,000,000	1,000,000	108,800	100.00 %	66,257	(25,476)	(25,476)	"
"	Inventec Solar Energy Corporation	Taoyuan	Sales of solar cells and medical equipment	1,087,800	1,087,800	108,150	33.45 %	(647,618)	(42,949)	(14,365)	"
"	Inventec Development Japan Corporation	Japan	Trading	630,845	630,845	45	100.00 %	16,934	(488)	(488)	"
"	Inventec Japan Corporation	Japan	Trading and management service	2,954	2,954	-	100.00 %	3,155	388	388	"
"	AIMobile Co., Ltd.	Taipei	Developing, production and sales of intelligent mobile devices	80,300	182,500	8,030	73.00 %	57,927	(25,586)	(18,693)	"
Inventec Investment Co., Ltd.	Inventec Solar Energy Corporation	Taoyuan	Sales of solar cells and medical equipment	150,000	150,000	15,000	4.64 %	(95,571)	(42,949)	-	Associate Company
Inventec Appliances Corp.	Inventec Appliances (Cayman) Holding Corp.	Cayman	Holding Company	6,334,499	6,334,499	199,575	100.00 %	13,046,328	(829,340)	-	"
"	Gainia Intellectual Asset Services, Inc.	Taipei	Intellectual property rights integrative services	6,240	6,400	189	35.87 %	-	(3,359)	-	Investment accounted for using equity method
"	Good Future Biomedical Technology Corp.	Taoyuan	Biotechnology services and retail sale and wholesale of medical devices	23,712	23,712	9,120	30.00 %	20,940	(4,309)	-	"
"	Inventec Solar Energy Corporation	Taoyuan	Sales of solar cells and medical equipment	311,160	311,160	30,930	9.57 %	(197,068)	(42,949)	-	Associate Company
Inventec Appliances (Cayman) Holding Corp.	Inventec Appliances (USA) Distribution Corp.	USA	Marketing promotion	25,392	25,392	400	100.00 %	105,089	696	-	"
"	Inventec Appliances Corporation USA, Inc.	"	Sales services	1,587	1,587	10	100.00 %	16,010	551	-	"
Inventec Appliances (Pudong) Corp.	Inventec Appliances (Malaysia) SDN. BHD.	Malaysia	Production and sales of intelligent devices	831,064	831,064	121,000	100.00 %	(116,173)	(622,197)	-	"

Note 1: The aforementioned inter-company transactions have been eliminated in the consolidated financial statements.

Note 2: The transactions in foreign currencies were translated into New Taiwan Dollars using spot rates at the financial report date.

Note 3: According to the regulations, investment companies other than the Company are not required to disclose the share of income / loss of investees.

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(c) Information on investments in Mainland China:

1. The names of investees in Mainland China, the main businesses and products, and other information:

(In Thousands of New Taiwan Dollars)

Name of investee	Main businesses and products	Total amount of paid-in capital	Method of investment (Note 1)	Accumulated outflow of investment from Taiwan as of January 1, 2022	Investment flows		Accumulated outflow of investment from Taiwan as of September 30, 2022	Net income (losses) of the investee	Percentage of ownership	Investment income (losses) (Note 2)	Book value	Accumulated remittance of earnings in current period (Note 6)
					Out-flow	Inflow						
Inventec (Shanghai) Service Co., Ltd	Sales of computer products	327,363	(2)	63,480	-	-	63,480	22,809	100.00 %	22,809	282,408	30,234
Inventec (ChongQing) Service Co., Ltd	Sales of computer products	31,740	(2)	31,740	-	-	31,740	734	100.00 %	734	41,343	-
Inventec(Pudong) Co.,Ltd	Sales of computer products	1,587,000	(2)	1,587,000	-	-	1,587,000	52,124	100.00 %	52,124	4,357,614	-
Inventec (Shanghai) Co.,Ltd.	Sales of computer products	2,137,660	(2)	936,330	-	-	936,330	(28,419)	100.00 %	(28,419)	1,900,629	-
Inventec (ChongQing) Corporation	Production and sales of computer products	2,380,500	(2)	2,380,500	-	-	2,380,500	842,986	100.00 %	842,986	11,617,057	2,242,107
Inventec (Pudong) Technology Corp.	Production and sales of computer products	1,859,701	(2)	1,587,000	-	-	1,587,000	(1,652,255)	100.00 %	(1,631,161)	8,068,773	321,599
Inventec Electronics (Tianjin) Co.,Ltd.	Electronic product software development	158,700	(2)	134,895	-	-	134,895	19,431	100.00 %	19,431	268,064	149,517
Inventec Electronics (Beijing) Co.,Ltd.	Electronic product software development	46,023	(2)	46,023	-	-	46,023	(4,905)	100.00 %	(4,905)	76,628	-
Inventec Hi-Tech Corporation	Sales of computer products	1,587,000	(2)	1,587,000	-	-	1,587,000	(25,616)	100.00 %	(25,616)	1,722,634	-
Inventec Asset-Management (Shanghai) Corporation	Leasing	1,914,291	(3)	-	-	-	-	(20,741)	78.00 %	(16,178)	1,373,078	-
Saint Investment Consulting Corporation	Business management	223,525	(3)	-	-	-	-	21,537	100.00 %	21,537	245,498	-
SQ Technology (Shanghai) Corporation	Production and sales of computer products	243,008	(3)	-	-	-	-	(1,578,381)	100.00 %	(1,578,381)	(869,993)	-
Truswe (ChongQing) Technology Co.,Ltd	Sales of electronic products	134,115	(3)	-	-	-	-	(23,124)	20.00 %	(4,625)	21,272	-
Yingtegda (Guangdong) Technology Co., Ltd	Production and sales of computer products	44,705	(3)	-	-	-	-	19,623	15.00 %	2,290	2,310	-
Testron Technology (JiangSu) Co., Ltd.	Production and sales of electronic products.	111,763	(3)	-	-	-	-	117,305	10.81 %	24,285	95,125	-
Inventec Appliances (Shanghai) Corp.	Development of intelligent devices	1,637,784	(2)	1,527,266	-	-	1,527,266	(127,544)	100.00 %	(127,544)	1,534,855	1,535,981
Inventec Appliances (Pudong) Corp.	Production and sales of intelligent devices	2,443,980	(2)	2,443,980	-	-	2,443,980	(746,311)	100.00 %	(686,366)	7,257,692	2,297,117
Inventec Appliances (Jiangning) Corp.	Production and sales of intelligent devices	2,158,320	(2)	1,333,080	-	-	1,333,080	(19,787)	100.00 %	(19,787)	3,614,658	3,571,177
Inventec Appliances (Nanjing) Corp.	Production and sales of intelligent devices	158,700	(2)	285,072	-	-	285,072	23,039	100.00 %	23,039	429,500	85,353

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Name of investee	Main businesses and products	Total amount of paid-in capital	Method of investment (Note 1)	Accumulated outflow of investment from Taiwan as of January 1, 2022	Investment flows		Accumulated outflow of investment from Taiwan as of September 30, 2022	Net income (losses) of the investee	Percentage of ownership	Investment income (losses) (Note 2)	Book value	Accumulated remittance of earnings in current period (Note 6)
					Out-flow	Inflow						
Inventec Appliances (Xi'an) Corporation	House leasing	126,960	(2)	126,960	-	-	126,960	10,541	100.00 %	10,541	74,391	-
Inventec Appliances (Nanchang) Corp.	Development of intelligent devices	66,654	(2)	66,654	-	-	66,654	(31,445)	100.00 %	(31,445)	6,360	-
APEX Business Managements & Consulting (Shanghai) Co., Ltd.	Business management	2,262	(3)	-	-	-	-	12,302	100.00 %	12,302	123,975	-
Inventec Appliances (Shanghai) Enterprise	Business management	35,764	(3)	-	-	-	-	(1,729)	100.00 %	(1,729)	21,013	-
Inventec Appliances (Nanchang) Intelligent Manufacturing Co., Ltd.	Production and sales of intelligent devices	268,233	(3)	-	-	-	-	(99,398)	100.00 %	(99,398)	(96,466)	-
Inventec Easy Doctor Corporation	Production and sales of medical devices	44,705	(3)	-	-	-	-	(7,656)	100.00 %	(7,656)	35,941	-

2. Upper limit on investment in Mainland China:

Name of Company	Accumulated Investment in Mainland China as of September 30, 2022	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment (Note 3,4,7)
The Company	8,420,622	8,420,622	-
Inventec Appliances Corp.	5,853,745	5,853,745	4,754,774

Note 1: There are three ways of investments as following:

- (1) Direct investment in Mainland China.
- (2) Indirect investment in Mainland china through a subsidiary in a third place.
- (3) Others

Note 2: The recognition of investment income (loss) is based on the financial statements reviewed by CPA of the investee company.

Note 3: In accordance with the regulation of amended limitation calculation of Investment Commission in 29 August, 2008, MOEA (IDB) committed the Company were in the scope of operating headquarter; therefore there is no need to calculate the limitation.

Note 4: The upper limit on investment of Inventec Appliances Corp. is the higher of 60% of net value or 60% of consolidated net value.

Note 5: The transactions in foreign currencies were translated into New Taiwan Dollars using spot rates at the financial report date.

Note 6: The amount of foreign currencies was translated into New Taiwan Dollars at historical exchange rates.

Note 7: After the accumulated investment in Mainland China as of September 30, 2022, deducted the accumulated remittance of earnings, the investment amounts of Inventec Appliance Corp. was still under the upper limit on investment.

Note 8: The inter-company transactions were eliminated in the consolidated financial statements

3. Significant transactions:

The significant inter-company transactions with the subsidiary in Mainland China for the nine months ended September 30, 2022, which were eliminated in the preparation of consolidated financial statements, are disclosed in "Information on significant transactions".

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September 30, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

(d) Information on major shareholders:

Shareholder's Name	Shareholding	Shares	Percentage
Taishin International Bank Co., Ltd, entrusted with custody of Cathay MSCI Taiwan ESG Sustainability High Dividend Yield ETF		209,308,000	5.83 %
Yuanta Taiwan Dividend Plus ETF		192,637,986	5.36 %

Note 1: The information on major shareholders, which is provided by the Taiwan Depository & Clearing Corporation, summarized the shareholders who held over 5% of total non-physical common stocks and preferred stocks (including treasury stocks) on the last business date of each quarter. The registered non-physical stocks may be different from the capital stocks disclosed in the financial statement due to different calculation basis.

Note 2: If shares are entrusted, the above information regarding such shares will be revealed by each trustors of individual trust account. The shareholders holding more than 10% of the total shares of the company should declare insider's equity according to Securities and Exchange Act. The numbers of the shares declared by the insider include the shares of the trust assets which the insider has discretion over use. For details of the insider's equity announcement please refer to the TWSE website.

(14) Segment Information

(a) General information

The Group's reportable segments: core department and other department. The core department manufactures computer products and intelligent device products and sells them to customers. The other department is engaged in environmental energy and emerging technology business.

The reportable segments are the Group's strategic divisions. They offer different products and services, and are managed separately because they require different technological and marketing strategies.

(b) Information about reportable segments and their measurement and reconciliations

	For the three months ended September 30, 2022			
	Core	Others	Adjustment and Elimination	Total
Revenue				
Revenue from external customers	\$ 142,452,075	-	-	142,452,075
Intersegment revenues	-	-	-	-
Total revenue	<u>\$ 142,452,075</u>	<u>-</u>	<u>-</u>	<u>142,452,075</u>
Reportable segment profit (loss)	<u>\$ 2,296,646</u>	<u>(3,463)</u>	<u>-</u>	<u>2,293,183</u>

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

September 30, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

For the three months ended September 30, 2021				
	Core	Others	Adjustment and Elimination	Total
Revenue				
Revenue from external customers	\$ 145,079,137	-	-	145,079,137
Intersegment revenues	-	-	-	-
Total revenue	<u>\$ 145,079,137</u>	<u>-</u>	<u>-</u>	<u>145,079,137</u>
Reportable segment profit (loss)	<u>\$ 3,719,706</u>	<u>(189,714)</u>	<u>-</u>	<u>3,529,992</u>
For the nine months ended September 30, 2022				
	Core	Others	Adjustment and Elimination	Total
Revenue				
Revenue from external customers	\$ 406,993,892	-	-	406,993,892
Total revenue	<u>\$ 406,993,892</u>	<u>-</u>	<u>-</u>	<u>406,993,892</u>
Reportable segment profit (loss)	<u>\$ 5,799,385</u>	<u>(42,949)</u>	<u>-</u>	<u>5,756,436</u>
For the nine months ended September 30, 2021				
	Core	Others	Adjustment and Elimination	Total
Revenue				
Revenue from external customers	\$ 371,719,442	11,412	-	371,730,854
Total revenue	<u>\$ 371,719,442</u>	<u>11,412</u>	<u>-</u>	<u>371,730,854</u>
Reportable segment profit (loss)	<u>\$ 6,669,501</u>	<u>(521,883)</u>	<u>-</u>	<u>6,147,618</u>
Reportable segment assets				
September 30, 2022	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
December 31, 2021	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
September 30, 2021	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>

Taxation or extraordinary activity is not able to be allocated to each reportable segment. In addition, not all reportable segments include depreciation and amortization of significant non-cash items. The reportable amount is the same as the report used by the chief operating decision maker.

The operating segment's accounting policies are similar to those described in Note 2 "Significant accounting policies". Reportable segment profit or loss is measured by operating profit or loss before taxation, and is used as the base of performance evaluation.

Since the evaluated amount of the Group's assets was not provided to the chief operating decision maker, the evaluated amount of the assets which should be disclosed was 0.