INNOLUX CORPORATION AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS AND

INDEPENDENT AUDITORS’ REVIEW REPORT

MARCH 31, 2023 AND 2022

INDEPENDENT AUDITORS' REVIEW REPORT

To the Board of Directors and Shareholders of Innolux Corporation

Introduction

We have reviewed the accompanying consolidated balance sheets of Innolux Corporation and subsidiaries (the "Group") as at March 31, 2023 and 2022, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the three-month periods then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of these 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" that came into effect as endorsed by the Financial Supervisory Commission. Our responsibility is to express a conclusion on these consolidated financial statements based on our reviews.

Scope of Review

We conducted our reviews in accordance with the Standards on Review Engagements No. 2410, "Review of Financial Information Performed by the Independent Auditor of the Entity" in the Republic of China. A review of consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our reviews and the reports of other auditors (please refer to the Other matter section), 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 at March 31, 2023 and 2022, and of its consolidated financial performance and its consolidated cash flows for the three-month periods then ended in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and International Accounting

Standard 34, “Interim Financial Reporting” that came into effect as endorsed by the Financial Supervisory Commission.

Other matter - Reference to the reviews of other auditors

We did not review the financial statements of certain subsidiaries of the Company for the three-month periods ended March 31, 2023 and 2022, which were reviewed by other auditors. Therefore, our report expressed herein, insofar as it relates to the amounts and the information disclosed in Note 13 included in respect of these subsidiaries, is based solely on the reports of the other auditors. Total assets of these subsidiaries included in the Group's consolidated financial statements amounted to NT$2,376,600 thousand and NT$1,626,180 thousand, constituting 0.6% and 0.3% of the consolidated total assets of the Group as at March 31, 2023 and 2022, respectively, and sales revenue of these subsidiaries included in the Group's consolidated financial statements amounted to NT$458,849 thousand and NT$465,156 thousand, constituting 1.0% and 0.7% of the consolidated total sales revenue of the Group for the three-month periods ended March 31, 2023 and 2022, respectively.

PricewaterhouseCoopers, Taiwan
April 18, 2023

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

INNOLUX CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
MARCH 31, 2023, DECEMBER 31, 2022 AND MARCH 31, 2022
(Expressed in thousands of New Taiwan dollars)
(The consolidated balance sheets as of March 31, 2023 and 2022 are reviewed, not audited)

	Assets	Notes	March 31, 2023	December 31, 2022	March 31, 2022
	Current Assets				
1100	Cash and cash equivalents	6(1)	$ 78,693,614	$ 68,490,588	$ 27,230,161
1110	Financial assets at fair value through profit or loss - current	6(2)	7,392,794	385,503	13,918,874
1136	Financial assets at amortized cost - current	6(4)	33,841,567	22,238,541	45,069,711
1170	Accounts receivable, net	6(5)	28,426,129	32,877,767	54,907,287
1180	Accounts receivable, net - related parties	7	465,395	714,522	1,469,137
1200	Other receivables		1,706,596	1,995,830	1,933,497
130X	Inventory	6(6)	34,322,229	35,917,279	41,541,332
1410	Prepayments		1,562,848	1,757,532	4,113,021
1479	Other current assets	8	938,036	924,103	409,591
11XX	**Total current assets**		187,349,208	165,301,665	190,592,611
	Non-current assets				
1510	Financial assets at fair value through profit or loss - non-current	6(2)	5,909,207	4,841,428	3,795,071
1517	Financial assets at fair value through other comprehensive income - non-current	6(3)	6,132,983	5,331,006	6,639,927
1535	Financial assets at amortized cost - non-current	6(4)	6,456,841	2,871,573	58,244,849
1550	Investments accounted for under equity method	6(7)	1,597,348	1,536,817	1,546,887
1600	Property, plant and equipment	6(8), 7 and 8	156,413,448	157,533,518	160,700,466
1755	Right-of-use assets	6(9)	4,731,795	4,789,753	5,205,844
1760	Investment property, net	6(10)	436,919	443,866	464,708
1780	Intangible assets	6(11)	17,501,195	17,511,360	17,523,477
1840	Deferred income tax assets		3,101,492	3,547,360	3,416,448
1990	Other non-current assets	6(8) , 8 and 9	18,968,887	20,033,150	18,594,484
15XX	**Total non-current assets**		221,250,115	218,439,831	276,132,161
1XXX	**Total assets**		$ 408,599,323	$ 383,741,496	$ 466,724,772

(Continued)

INNOLUX CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
MARCH 31, 2023, DECEMBER 31, 2022 AND MARCH 31, 2022
(Expressed in thousands of New Taiwan dollars)
(The consolidated balance sheets as of March 31, 2023 and 2022 are reviewed, not audited)

	Liabilities and Equity	Notes	March 31, 2023	December 31, 2022	March 31, 2022
	Current Liabilities				
2100	Short-term borrowings	6(12)	$ 395,000	$ 425,000	$ 170,000
2120	Financial liabilities at fair value through profit or loss - current	6(2)	176,020	329,181	1,066,142
2170	Accounts payable		36,916,444	35,612,347	51,399,124
2180	Accounts payable - related parties	7	1,321,843	1,161,824	2,446,359
2200	Other payables	6(13) and 7	26,428,942	31,947,840	34,320,030
2230	Current income tax liabilities		2,214,177	2,453,028	1,965,316
2250	Provisions - current	6(16) and 9	4,516,177	5,668,367	7,153,586
2280	Lease liabilities - current		685,359	662,818	657,560
2320	Long-term liabilities, current portion	6(14)	12,523,609	8,774,740	8,770,723
2399	Other current liabilities		5,981,178	5,687,868	6,381,040
21XX	**Total current liabilities**		91,158,749	92,723,013	114,329,880
	Non-current liabilities				
2540	Long-term borrowings	6(14)	60,699,324	26,838,109	35,591,558
2570	Deferred income tax liabilities		1,700,233	1,570,091	1,748,021
2580	Lease liabilities - non-current		3,761,613	3,882,389	4,374,582
2600	Other non-current liabilities	6(15)	4,524,262	5,733,174	3,818,004
25XX	**Total non-current liabilities**		70,685,432	38,023,763	45,532,165
2XXX	**Total liabilities**		161,844,181	130,746,776	159,862,045
	Equity attributable to owners of the parent				
	Share capital	6(17)			
3110	Common stock		95,564,562	95,564,562	105,596,201
3200	Capital surplus	6(18)	103,593,923	103,312,414	103,290,753
	Retained earnings	6(19)			
3310	Legal reserve		13,811,763	13,811,763	8,062,551
3320	Special reserve		3,204,136	3,204,136	6,059,671
3350	Unappropriated retained earnings		34,981,668	42,750,417	86,462,949
3400	Other equity interest	6(20)	(4,572,358)	(5,565,152)	(3,075,601)
31XX	**Equity attributable to owners of the parent**		245,980,778	252,475,224	306,396,524
36XX	**Non-controlling interests**		774,364	519,496	466,203
3XXX	**Total equity**		246,755,142	252,994,720	306,862,727
3X2X	**Total liabilities and equity**		$ 408,599,323	$ 383,741,496	$ 466,724,772

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

INNOLUX CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars, except for earnings (loss) per share amounts)
(Reviewed, not audited)

	Items	Notes	2023	2022
4000	Sales revenue	6(21) and 7	$ 45,595,408	$ 69,886,018
5000	Operating costs	6(6)(26) and 7	(48,803,021)	(61,314,211)
5900	Net operating (loss) margin		(3,207,613)	8,571,807
	Operating expenses	6(26)		
6100	Selling expenses		(852,409)	(956,070)
6200	General and administrative expenses		(1,749,922)	(2,083,053)
6300	Research and development expenses		(2,800,488)	(3,290,060)
6000	Total operating expenses		(5,402,819)	(6,329,183)
6900	Operating (loss) profit		(8,610,432)	2,242,624
	Non-operating income and expenses			
7100	Interest income	6(22)	508,998	222,512
7010	Other income	6(23)	892,629	909,363
7020	Other gains and losses	6(24)	559,244	(815,446)
7050	Finance costs	6(25)	(285,533)	(224,817)
7060	Share of loss of associates and joint ventures accounted for under equity method	6(7)	(4,054)	(4,897)
7000	Total non-operating income and expenses		1,671,284	86,715
7900	**(Loss) profit before income tax**		(6,939,148)	2,329,339
7950	Income tax expense	6(28)	(818,500)	(426,907)
8200	**(Loss) profit for the period**		$ (7,757,648)	$ 1,902,432

(Continued)

INNOLUX CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars, except for earnings (loss) per share amounts)
(Reviewed, not audited)

	Items	Notes	2023	2022
	Other comprehensive income (net)			
	Components of other comprehensive income (loss) that will not be reclassified to profit or loss			
8311	Remeasurement of defined benefit plans	6(15)	$ —	$ 34,162
8316	Unrealized gains (losses) on financial assets at fair value through other comprehensive income	6(20)	805,439	(3,244,592)
8320	Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss	6(7)(20)	—	22,356
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss		(86,759)	466,189
8310	Components of other comprehensive income (loss) that will not be reclassified to profit or loss		718,680	(2,721,885)
	Components of other comprehensive income (loss) that will be reclassified to profit or loss			
8361	Financial statements translation differences of foreign operations	6(20)	279,289	2,849,744
8370	Share of other comprehensive (loss) income of associates and joint ventures accounted for under equity method	6(7)(20)	(5,639)	30,305
8360	Components of other comprehensive income that will be reclassified to profit or loss		273,650	2,880,049
8300	**Other comprehensive income for the period, net of tax**		$ 992,330	$ 158,164
8500	**Total comprehensive (loss) income for the period**		$ (6,765,318)	$ 2,060,596
	(Loss) profit attributable to:			
8610	Owners of the parent		$ (7,768,749)	$ 1,889,989
8620	Non-controlling interest		$ 11,101	$ 12,443
	Other comprehensive (loss) income attributable to:			
8710	Owners of the parent		$ (6,775,955)	$ 2,045,853
8720	Non-controlling interest		$ 10,637	$ 14,743
	(Loss) earnings per share (in dollars)	6(29)		
9750	Basic (loss) earnings per share		$ (0.82)	$ 0.18
9850	Diluted (loss) earnings per share		$ (0.82)	$ 0.18

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

INNOLUX CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)
(Reviewed, not audited)

		Equity attributable to owners of the parent										
		Share Capital		Retained Earnings			Other Equity Interest					
	Notes	Common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Treasury shares	Total	Non-controlling interests	Total
2022												
Balance at January 1		$ 105,596,201	$103,287,482	$ 8,062,551	$ 6,059,671	$ 84,545,631	$ (9,862,144)	$ 6,658,008	$ —	$ 304,347,400	$ 449,531	$ 304,796,931
Profit for the period		—	—	—	—	1,889,989	—	—	—	1,889,989	12,443	1,902,432
Other comprehensive income (loss) for the period	6(20)	—	—	—	—	27,329	2,877,749	(2,749,214)	—	155,864	2,300	158,164
Total comprehensive income (loss)		—	—	—	—	1,917,318	2,877,749	(2,749,214)	—	2,045,853	14,743	2,060,596
Recognition of change in equity of associates in proportion to the Group's ownership	6(18)	—	247	—	—	—	—	—	—	247	—	247
Recognition of changes in ownership interests in subsidiaries	6(18)	—	319	—	—	—	—	—	—	319	1,929	2,248
Others	6(18)	—	2,705	—	—	—	—	—	—	2,705	—	2,705
Balance at March 31		$ 105,596,201	$103,290,753	$ 8,062,551	$ 6,059,671	$ 86,462,949	$ (6,984,395)	$ 3,908,794	$ —	$ 306,396,524	$ 466,203	$ 306,862,727
2023												
Balance at January 1		$ 95,564,562	$103,312,414	$13,811,763	$ 3,204,136	$ 42,750,417	$ (8,173,822)	$ 2,608,670	$ (602,916)	$ 252,475,224	$ 519,496	$ 252,994,720
(Loss) profit for the period		—	—	—	—	(7,768,749)	—	—	—	(7,768,749)	11,101	(7,757,648)
Other comprehensive income (loss) for the period	6(20)	—	—	—	—	—	274,114	718,680	—	992,794	(464)	992,330
Total comprehensive income (loss)		—	—	—	—	(7,768,749)	274,114	718,680	—	(6,775,955)	10,637	(6,765,318)
Recognition of change in equity of associates in proportion to the Group's ownership	6(18)	—	224	—	—	—	—	—	—	224	—	224
Recognition of changes in ownership interests in subsidiaries	6(18)	—	267,136	—	—	—	—	—	—	267,136	234,769	501,905
Difference between consideration and carrying amount of subsidiaries disposed	6(18)	—	11,475	—	—	—	—	—	—	11,475	9,462	20,937
Others	6(18)	—	2,674	—	—	—	—	—	—	2,674	—	2,674
Balance at March 31		$ 95,564,562	$103,593,923	$13,811,763	$ 3,204,136	$ 34,981,668	$ (7,899,708)	$ 3,327,350	$ (602,916)	$ 245,980,778	$ 774,364	$ 246,755,142

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

INNOLUX CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)
(Reviewed, not audited)

	Notes	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss) profit before tax		$ (6,939,148)	$ 2,329,339
Adjustments			
Adjustments to reconcile (profit) loss			
Depreciation and amortization	6(26)	7,737,287	8,525,280
Net (gain) loss on financial assets or liabilities at fair value through profit or loss		(1,047,549)	582,612
Compensation cost of share-based payments	6(26)	17,374	2,248
Share of loss of associates and joint ventures accounted for under equity method	6(7)	4,054	4,897
Loss on disposal of property, plant and equipment	6(24)	10,938	42,000
Interest expense	6(25)	285,533	224,817
Interest income	6(22)	(508,998)	(222,512)
Dividend income	6(23)	(115)	(201,810)
Foreign exchange loss (gain)		89,731	(492,953)
Changes in operating assets and liabilities			
Changes in operating assets			
Financial assets /liabilities at fair value through profit or loss		44,075	1,045,343
Accounts receivable		4,451,638	5,620,881
Accounts receivable - related parties		249,127	(117,762)
Other receivables		178,822	612,266
Inventories		1,595,050	(3,263,110)
Prepayments		7,037	(5,027,129)
Other current assets		(27,868)	(126,834)
Changes in operating liabilities			
Accounts payable		1,304,097	(922,354)
Accounts payable - related parties		160,019	256,051
Other payables		(4,848,416)	(2,534,639)
Provisions		(1,481,024)	(387,596)
Other current liabilities		(437,542)	(154,957)
Other non-current liabilities		(476,649)	49,255
Cash inflow generated from operations		367,473	5,843,333
Cash paid for income tax		(573,800)	(544,539)
Net cash flows (used in) from operating activities		(206,327)	5,298,794

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INNOLUX CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)
(Reviewed, not audited)

	Notes	2023	2022
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of financial assets at fair value through profit or loss		$ (7,219,625)	$ (19,775)
Proceeds from disposal of financial assets at fair value through profit or loss		1,109	3,252,996
Increase in financial assets at amortized cost - current		(16,424,248)	(12,463,452)
Acquisitions of financial assets at amortized cost - non-current		(4,476,161)	—
Proceeds from disposal of financial assets at amortized cost		724,276	6,908,915
Proceeds from repayments of financial assets at amortized cost		4,941,919	661,351
Decrease (increase) in refundable deposits		65,022	(467,589)
Increase in investment accounted for under equity method		(70,000)	(80,000)
Acquisition of property, plant and equipment	6(30)	(5,684,392)	(5,197,045)
Proceeds from disposal of property, plant and equipment		2,156	22,568
Acquisition of intangible assets	6(11)	(103)	(4,300)
Interest received		779,125	86,558
Dividends received		115	201,810
Net cash flows used in investing activities		(27,360,807)	(7,097,963)
CASH FLOWS FROM FINANCING ACTIVITIES			
(Decrease) increase in short-term borrowings		(30,000)	170,000
Proceeds from long-term borrowings		37,762,284	—
Repayments of long-term borrowings		(8,333)	(9,833)
Interest paid		(246,037)	(215,964)
Repayment of the principal portion of lease liabilities		(169,159)	(161,552)
Net change of non-controlling interests		—	(2,068)
Others	6(18)	2,674	2,705
Net cash flows from (used in) financing activities		37,311,429	(216,712)
Effect of changes in foreign currency exchange		458,731	578,296
Net increase (decrease) in cash and cash equivalents		10,203,026	(1,437,585)
Cash and cash equivalents at beginning of period		68,490,588	28,667,746
Cash and cash equivalents at end of period		$ 78,693,614	$ 27,230,161

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

INNOLUX CORPORATION AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)
(Reviewed, not audited)

1. HISTORY AND ORGANIZATION

(1) Innolux Corporation (the “Company”) was organized on January 14, 2003 under the Act for Establishment and Administration of Science Parks in the Republic of China (R.O.C.). The Company was listed on the Taiwan Stock Exchange Corporation (the “TSEC”) in October 2006. The Company merged with TPO Displays Corporation and Chi Mei Optoelectronics Corporation on March 18, 2010, with the Company as the surviving entity.

(2) The Company and its subsidiaries (the “Group”) engage in the research, development, design, manufacture and sales of TFT-LCD panels, modules and monitors of LCD, color filter, and low temperature poly-silicon TFT-LCD.

2. THE DATE OF AUTHORIZATION FOR ISSUANCE OF THE CONSOLIDATED FINANCIAL STATEMENTS AND PROCEDURES FOR AUTHORIZATION

These consolidated financial statements were reported to the Board of Directors on April 18, 2023.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

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

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

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

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

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

None.

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

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

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

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

(1) Compliance statement

A. The consolidated financial statements of the Group have been prepared in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and International Accounting Standard 34, "Interim financial reporting" that came into effect as endorsed by the FSC.

B. These financial statements should be read with the consolidated financial statements for the year ended December 31, 2022.

(2) Basis of preparation

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

(a) Financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.

(b) Financial assets at fair value through other comprehensive income.

(c) Defined benefit assets or liabilities recognized based on the net amount of pension fund assets less present value of defined benefit obligations.

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

(3) Basis of consolidation

A. Basis for preparation of consolidated financial statements

The basis applied in these consolidated financial statements is consistent with that applied in the consolidated financial statements for the year ended December 31, 2022.

B. Subsidiaries included in the consolidated financial statements:

Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%) March 31, 2023	Ownership (%) December 31, 2022	Ownership (%) March 31, 2022	Description
Innolux Corporation	Innolux Holding Limited	Investment holdings	100	100	100	—
	Keyway Investment Management Limited	Investment holdings	100	100	100	—
	Landmark International Ltd.	Investment holdings	100	100	100	—
	Toppoly Optoelectronics (B.V.I.) Ltd.	Investment holdings	100	100	100	—
	Innolux Hong Kong Holding Limited	Investment holdings	100	100	100	—
	Yuan Chi Investment Co., Ltd.	Investment company	100	100	100	—
	InnoJoy Investment Corporation	Investment company	100	100	100	—
	Innolux Japan Co., Ltd.	Investment, R&D and distribution company	54	54	54	—
	Innolux Singapore Holding Pte. Ltd.	Investment holdings	100	100	100	—
	InnoCare Optoelectronics Corporation	Investment, R&D, manufacturing and distribution company	51	57	59	(a)&(b)
	GIO Optoelectronics Corp.	Investment, R&D, manufacturing and distribution company	76	76	76	—
	INStek Corporation	R&D, manufacturing and distribution company	40	40	40	—
Innolux Holding Limited	Rockets Holding Limited	Investment holdings	100	100	100	—
	Suns Holding Ltd	Investment holdings	100	100	100	—
Keyway Investment Management Limited	Foshan Innolux Logistics Ltd.	Warehousing company	100	100	100	—
Landmark International Ltd.	Ningbo Innolux Optoelectronics Ltd.	Processing company	100	100	100	—

Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%) March 31, 2023	Ownership (%) December 31, 2022	Ownership (%) March 31, 2022	Description
Landmark International Ltd.	Foshan Innolux Optoelectronics Ltd.	Processing company	100	100	100	—
	Ningbo Innolux Display Ltd.	Processing company	100	100	100	—
Toppoly Optoelectronics (B.V.I.) Ltd.	Toppoly Optoelectronics (Cayman) Ltd.	Investment holdings	100	100	100	—
Innolux Hong Kong Holding Limited	Innolux Hong Kong Limited	Distribution company	100	100	100	—
	Innolux Japan Co., Ltd.	Investment, R&D and distribution company	46	46	46	—
	CarUX Holding Limited	Investment holdings	100	100	100	—
InnoJoy Investment Corporation	Inno Capital Corporation	Investment company	100	100	100	—
Innolux Japan Co., Ltd.	Innolux USA, Inc.	Distribution company	100	100	100	—
Innolux Singapore Holding Pte. Ltd.	INNOLUX OPTOELECTRONICS INDIA PRIVATE LIMITED	Distribution company	100	100	100	—
	INNOLUX OPTOELECTRONICS PHILIPPINES CORP.	Manufacturing and distribution company	—	—	100	(c)
Rockets Holding Limited	Stanford Developments Limited	Investment holdings	100	100	100	—
	Nets Trading Ltd.	Investment company	100	100	100	—
Suns Holding Ltd	Warriors Technology Investments Ltd	Investment company	100	100	100	—
Toppoly Optoelectronics (Cayman) Ltd.	Nanjing Innolux Technology Ltd.	Distribution company	100	100	100	—
	Nanjing Innolux Optoelectronics Ltd.	Processing company	100	100	100	—
CarUX Holding Limited	CARUX TECHNOLOGY PTE. LTD.	Investment and distribution company	100	100	100	—
	Ultimate Fantasy Limited	Investment holdings	—	—	—	(d)
CARUX TECHNOLOGY PTE. LTD.	Innolux Optoelectronics Hong Kong Holding Limited	Investment holdings	100	100	100	—

Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%) March 31, 2023	Ownership (%) December 31, 2022	Ownership (%) March 31, 2022	Description
CARUX TECHNOLOGY PTE. LTD.	Innolux Europe B.V.	Investment, distribution, and R&D testing company	100	100	100	—
	CarUX Technology Inc	R&D, manufacturing and distribution company	100	100	100	—
Innolux Optoelectronics Hong Kong Holding Limited	Shanghai Innolux Optoelectronics Ltd.	Processing company	100	100	100	—
Innolux Europe B.V.	Innolux Technology Germany GmbH	Testing and maintenance company	100	100	100	—
Stanford Developments Limited	Innocom Technology (Shenzhen) Co., Ltd.	Processing company	100	100	100	—
Ningbo Innolux Optoelectronics Ltd.	Ningbo CarUX Technology Ltd.	Processing company	100	100	100	—
InnoCare Optoelectronics Corporation	InnoCare Optoelectronics Japan Co., Ltd.	Distribution company	100	100	100	—
	InnoCare Optoelectronics USA, INC.	Distribution company	100	100	100	—
	Ningbo Innolux Electronics Ltd.	Manufacturing and distribution company	100	100	100	—
	Innocare Optoelectronics Europe B.V.	After-sales service company	100	100	100	—
GIO Optoelectronics Corp.	Double Star Inc.	Investment holdings	100	100	100	—
	GIO (Maanshan) Optoelectronics Co., Ltd.	Processing company	100	100	100	—

(a) In the third quarter of 2022, the employee stock options issued by InnoCare Optoelectronics Corporation were exercised and converted into ordinary shares, thereby decreasing the Company’s shareholding ratio from 59% to 57%.

(b) In the first quarter of 2023, InnoCare Optoelectronics Corporation issued 3,600 thousand common stock in cash capital increase before the initial listing and the Company over-allotment 300 thousand shares, thereby decreasing the Company’s shareholding ratio from 57% to 51%.

(c) In the third quarter of 2022, INNOLUX OPTOELECTRONICS PHILIPPINES CORP. had completed liquidation and dissolution.

(d) Ultimate Fantasy Limited was established in the first quarter of 2023 and was included in the consolidated financial statements since the date of establishment.

C. Subsidiaries not included in the consolidated financial statements: None.

D. Adjustments for subsidiaries with different balance sheet dates: None.

E. The restrictions on fund remittance from subsidiaries to the parent company: None.

F. Subsidiaries that have non-controlling interests that are material to the Group: None.

(4) Employee benefits

Except for the following additional accounting policies, the accounting policies on employee benefits are the same as those described in Note 4 of the 2022 consolidated financial statements.

Pension cost for the interim period is calculated on a year-to-date basis by using the pension cost rate derived from the actuarial valuation at the end of the prior financial year, adjusted for significant market fluctuations since that time and for significant curtailments, settlements, or other significant one-off events. Also, the related information is disclosed accordingly.

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

For more information, please refer to Note 5 of the consolidated financial statements for the year ended December 31, 2022.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	March 31, 2023	December 31, 2022	March 31, 2022
Cash on hand, demand deposits and checking accounts	$ 24,283,075	$ 32,480,275	$ 22,286,486
Time deposits	54,410,539	35,733,923	4,943,675
Fixed income financial products in 3 months	—	276,390	—
	$ 78,693,614	$ 68,490,588	$ 27,230,161

A. The Group associates with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.

B. The above time deposits expire in 3 months and risks of changes in their values are remote.

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

Assets	March 31, 2023	December 31, 2022	March 31, 2022
Current items			
Financial assets mandatorily measured at fair value through profit or loss			
Beneficiary certificates	$ 7,204,528	$ —	$ 13,911,723
Forward foreign exchange contracts	153,421	342,475	7,151
Foreign exchange swap contracts	34,845	43,028	—
	$ 7,392,794	$ 385,503	$ 13,918,874

Assets	March 31, 2023	December 31, 2022	March 31, 2022
Non-current items			
Financial assets mandatorily measured at fair value through profit or loss			
Listed stocks	$ 4,311,044	$ 3,261,581	$ 1,082,849
Unlisted stocks	1,270,305	1,271,077	2,652,073
Financial products	135,512	114,782	60,149
Convertible bonds	192,346	193,988	—
	$ 5,909,207	$ 4,841,428	$ 3,795,071

Liabilities	March 31, 2023	December 31, 2022	March 31, 2022
Current items			
Financial liabilities held for trading			
Forward foreign exchange contracts	$ 107,607	$ 289,691	$ 534,915
Foreign exchange swap contracts	68,413	39,490	531,227
	$ 176,020	$ 329,181	$ 1,066,142

The non-hedging derivative financial assets and liabilities transaction information are as follows:

	March 31, 2023			December 31, 2022		
Derivative financial assets and liabilities	Contract Amount (Notional Principal) (in thousands)		Contract Period	Contract Amount (Notional Principal) (in thousands)		Contract Period
Current items						
Forward foreign exchange contracts	USD (sell)	$ 425,000	2023/02-2023/05	USD (sell)	$ 250,000	2022/12-2023/01
	RMB (buy)	2,933,560	2023/02-2023/05	RMB (buy)	1,748,133	2022/12-2023/01
Forward foreign exchange contracts	RMB (sell)	525,000	2023/02-2023/05	RMB (sell)	550,000	2022/10-2023/01
	TWD (buy)	2,314,850	2023/02-2023/05	TWD (buy)	2,417,714	2022/10-2023/01
Forward foreign exchange contracts	USD (sell)	60,000	2023/03-2023/04	USD (sell)	30,000	2022/12-2023/01
	JPY (buy)	8,036,160	2023/03-2023/04	JPY (buy)	4,049,825	2022/12-2023/01
Forward foreign exchange contracts	TWD (sell)	5,975,145	2023/01-2023/07	TWD (sell)	4,850,675	2022/10-2023/03
	JPY (buy)	25,900,000	2023/01-2023/07	JPY (buy)	22,000,000	2022/10-2023/03
Forward foreign exchange contracts	EUR (sell)	4,700	2023/02-2023/06	EUR (sell)	7,700	2022/11-2023/02
	USD (buy)	5,043	2023/02-2023/06	USD (buy)	7,994	2022/11-2023/02
Forward foreign exchange contracts	HKD (sell)	53,140	2023/02-2023/04	HKD (sell)	37,500	2022/11-2023/01
	USD (buy)	6,800	2023/02-2023/04	USD (buy)	4,800	2022/11-2023/01
Forward foreign exchange contracts	USD (sell)	469,600	2023/02-2023/05	USD (sell)	871,860	2022/12-2023/02
	TWD (buy)	14,295,584	2023/02-2023/05	TWD (buy)	26,492,656	2022/12-2023/02
Foreign exchange swap contracts	USD (sell)	457,000	2023/02-2023/05	USD (sell)	457,000	2022/11-2023/02
	TWD (buy)	13,865,620	2023/02-2023/05	TWD (buy)	14,022,914	2022/11-2023/02

Derivative financial assets and liabilities	March 31, 2022 Contract Amount (Notional Principal) (in thousands)		Contract Period
Current items			
Forward foreign exchange contracts	RMB (sell)	$ 575,000	2022/03-2022/04
	TWD (buy)	2,562,966	2022/03-2022/04
Forward foreign exchange contracts	USD (sell)	50,000	2022/03-2022/04
	JPY (buy)	5,887,395	2022/03-2022/04
Forward foreign exchange contracts	JPY (sell)	1,827,250	2022/03-2022/04
	USD (buy)	15,000	2022/03-2022/04
Forward foreign exchange contracts	TWD (sell)	5,641,520	2022/01-2022/07
	JPY (buy)	23,500,000	2022/01-2022/07
Forward foreign exchange contracts	EUR (sell)	12,000	2022/02-2022/06
	USD (buy)	13,413	2022/02-2022/06
Forward foreign exchange contracts	HKD (sell)	78,074	2022/02-2022/06
	USD (buy)	9,990	2022/02-2022/06
Forward foreign exchange contracts	USD (sell)	940,000	2022/02-2022/05
	TWD (buy)	26,546,368	2022/02-2022/05
Foreign exchange swap contracts	USD (sell)	795,000	2021/12-2022/07
	TWD (buy)	22,194,893	2021/12-2022/07

The Group entered into forward foreign exchange contracts to hedge exchange rate risk of import and export proceeds in foreign currency, foreign exchange swap contracts are to meet fund procurement demand. However, these contracts are not accounted for using hedge accounting.

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

	March 31, 2023	December 31, 2022	March 31, 2022
Non-current items			
Equity instruments			
Listed stocks	$ 6,112,031	$ 5,309,890	$ 6,609,203
Unlisted stocks	20,952	21,116	30,724
	$ 6,132,983	$ 5,331,006	$ 6,639,927

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

B. For information on other comprehensive income for fair value change recognized by the Group for the three-month periods ended March 31, 2023 and 2022, please refer to Note 6(20) “Other equity”.

(4) Financial assets at amortized cost

	March 31, 2023	December 31, 2022	March 31, 2022
Current items			
Principal guaranteed financial assets	$ 28,045,085	$ 15,031,515	$ 37,517,176
Corporate bonds	5,309,048	5,186,488	2,686,285
Fixed income financial products	487,434	2,020,538	4,866,250
	$ 33,841,567	$ 22,238,541	$ 45,069,711
Non-current items			
Principal guaranteed financial assets	$ 6,456,841	$ 1,984,480	$ 52,611,976
Corporate bonds	—	887,093	5,136,867
Fixed income financial products	—	—	496,006
	$ 6,456,841	$ 2,871,573	$ 58,244,849

A. The Group recognized $142,017 and $180,518 of interest income arising from the financial assets at amortized cost for the three-month periods ended March 31, 2023 and 2022, respectively.

B. The Group associates with a variety of financial institutions and counterparties all with high credit quality to disperse credit risk, so it expects that the probability of financial institution and counterparty defaults is remote.

(5) Notes receivable and accounts receivable

	March 31, 2023	December 31, 2022	March 31, 2022
Notes receivable	$ 185,746	$ 161,976	$ 99,059
Accounts receivable	28,519,502	32,995,051	55,070,840
Total	28,705,248	33,157,027	55,169,899
Less: Allowance for uncollectible accounts	(279,119)	(279,260)	(262,612)
	$ 28,426,129	$ 32,877,767	$ 54,907,287

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

	March 31, 2023	December 31, 2022	March 31, 2022
Not past due	$ 27,555,063	$ 29,766,334	$ 52,330,053
Up to 60 days	798,377	2,224,780	1,800,582
61 to 180 days	64,702	820,381	732,067
Over 180 days	287,106	345,532	307,197
	$ 28,705,248	$ 33,157,027	$ 55,169,899

The above aging analysis was based on past due date.

B. As of March 31, 2023, December 31, 2022 and March 31, 2022, accounts receivable and notes receivable were all from contracts with customers. As of January 1, 2022, the balance of receivables from contracts with customers amounted to $60,790,780.

C. Information relating to credit risk of accounts receivable is provided in Note 12(2).

(6) Inventories

	March 31, 2023	December 31, 2022	March 31, 2022
Raw materials and supplies	$ 6,320,096	$ 5,919,722	$ 9,001,293
Work in progress	14,592,849	14,418,978	15,029,651
Finished goods	13,409,284	15,578,579	17,510,388
	$ 34,322,229	$ 35,917,279	$ 41,541,332

For the three-month periods ended March 31, 2023 and 2022, the Group recognized cost of goods sold for inventories that have been sold at $48,798,665 and $61,171,151 and recognized net inventory loss at $4,356 and $143,060 due to write down of cost of scrap inventories to net realizable value, respectively.

(7) Investments accounted for under the equity method

	March 31, 2023	December 31, 2022	March 31, 2022
Ampower Holding Ltd.	$ 896,105	$ 904,206	$ 827,670
FI Medical Device Manufacturing Co., Ltd.	300,757	304,356	340,122
CDIB-Innolux Limited Partnership	233,368	139,072	149,829
PanelSemi Corporation	147,654	162,329	225,291
Others	19,464	26,854	3,975
	$ 1,597,348	$ 1,536,817	$ 1,546,887

The operating results of the Group's share in all individually immaterial associates are summarized below:

	For the three-month periods ended March 31,	
	2023	2022
Loss for the period from continuing operations	$ (4,054)	$ (4,897)
Other comprehensive (loss) income - net of tax	(5,639)	52,661
Total comprehensive (loss) income	$ (9,693)	$ 47,764

(8) Property, plant and equipment

	2023				
	At January 1	Additions	Disposals	Transfer, net exchange differences and others	At March 31
Cost:					
Land	$ 4,093,726	$ —	$ —	$ —	$ 4,093,726
Buildings	208,111,269	116,951	(70,496)	508,988	208,666,712
Machinery and equipment	545,736,320	841,534	(796,071)	2,813,033	548,594,816
Other equipment	51,037,607	3,212	(265,590)	1,013,711	51,788,940
	808,978,922	961,697	(1,132,157)	4,335,732	813,144,194
Accumulated depreciation and impairment:					
Buildings	(156,000,139)	(1,820,165)	67,503	(82,960)	$ (157,835,761)
Machinery and equipment	(467,000,256)	(4,723,459)	792,544	(171,764)	(471,102,935)
Other equipment	(44,540,303)	(1,018,018)	259,016	(23,300)	(45,322,605)
	(667,540,698)	(7,561,642)	1,119,063	(278,024)	(674,261,301)
Unfinished construction and equipment under acceptance	16,095,294	4,355,200	—	(2,919,939)	17,530,555
	$ 157,533,518				$ 156,413,448

	2022				
	At January 1	Additions	Disposals	Transfer, net exchange differences and others	At March 31
Cost:					
Land	$ 4,093,726	$ —	$ —	$ —	$ 4,093,726
Buildings	205,568,161	141,460	(146)	1,515,009	207,224,484
Machinery and equipment	537,561,904	866,765	(354,573)	3,363,099	541,437,195
Other equipment	50,862,400	2,861	(964,398)	1,213,191	51,114,054
	798,086,191	1,011,086	(1,319,117)	6,091,299	803,869,459
Accumulated depreciation and impairment:					
Buildings	(147,599,956)	(2,176,383)	34	(644,037)	(150,420,342)
Machinery and equipment	(453,390,220)	(5,095,448)	319,765	(1,349,626)	(459,515,529)
Other equipment	(44,323,458)	(1,083,695)	957,285	(189,697)	(44,639,565)
	(645,313,634)	(8,355,526)	1,277,084	(2,183,360)	(654,575,436)
Unfinished construction and equipment under acceptance	9,835,351	4,528,866	—	(2,957,774)	11,406,443
	$ 162,607,908				$ 160,700,466

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

B. As of March 31, 2023, December 31, 2022 and March 31, 2022, the prepayments for business facilities which have not yet entered the factory (shown as 'other non-current assets') amounted to $2,682,639, $3,704,935 and $8,698,476, respectively.

C. Information about impairment assessment is provided in Note 6(11)

(9) Leasing arrangements - lessee

A. The Group leases various assets including land, offices and business vehicles. Rental contracts are typically made for periods of 2 to 50 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased assets may not be used as security for borrowing purposes.

B. Short-term leases with a lease term of 12 months or less comprise office, dormitory and equipment. Low-value assets comprise computer equipment.

C. The carrying amounts of right-of-use assets and the depreciation charge are as follows:

	March 31, 2023	December 31, 2022	March 31, 2022
	Carrying amount	Carrying amount	Carrying amount
Land	$ 4,570,265	$ 4,693,516	$ 5,107,792
Buildings (Office)	160,668	95,060	95,978
Transportation equipment (Business vehicles)	862	1,177	2,074
	$ 4,731,795	$ 4,789,753	$ 5,205,844

	For the three-month periods ended March 31,	
	2023	2022
	Depreciation Charge	Depreciation Charge
Land	$ 122,063	$ 120,687
Buildings (Office)	14,566	8,883
Transportation equipment (Business vehicles)	325	309
	$ 136,954	$ 129,879

D. For the three-month periods ended March 31, 2023 and 2022, the additions to right-of-use assets were $7,928 and $2,513, respectively.

E. The information on profit and loss accounts relating to lease contracts is as follows:

	For the three-month periods ended March 31,	
	2023	2022
Items affecting profit or loss		
Interest expense on lease liabilities	$ 19,307	$ 20,768
Expense on variable lease payments	42,507	36,918
Expense on short-term lease contracts	14,515	16,891
Expense on leases of low-value assets	7,503	14,311

F. For the three-month periods ended March 31, 2023 and 2022, the Group's total cash outflow for leases were $241,492 and $203,870, respectively.

(10) Investment property

	2023		
	At January 1	Additions	At March 31
Cost:			
Land	$ 188,247	$ —	$ 188,247
Buildings	439,228	—	439,228
	627,475	—	627,475
Accumulated depreciation:			
Buildings	(183,609)	(6,947)	(190,556)
	$ 443,866	$ (6,947)	$ 436,919

	2022		
	At January 1	Additions	At March 31
Cost:			
Land	$ 188,247	$ —	$ 188,247
Buildings	439,228	—	439,228
	627,475	—	627,475
Accumulated depreciation:			
Buildings	(155,820)	(6,947)	(162,767)
	$ 471,655	$ (6,947)	$ 464,708

The fair value of the investment property held by the Group as at March 31, 2023, December 31, 2022 and March 31, 2022 was $1,697,991, $1,670,276 and $1,770,664, respectively. The amounts mentioned above represent valuation results of comparative method based on market trading information categorized within Level 3 in the fair value hierarchy.

(11) Intangible assets

A. Intangible assets are goodwill, payments for TFT-LCD related technology and royalty. Details of intangible assets are as follows:

	2023				
	At January 1	Additions	Disposals	Transfer, net exchange differences and others	At March 31
Cost:					
Patents and royalty	$ 8,229,854	$ —	$ —	$ —	$ 8,229,854
Goodwill	17,117,339	—	—	—	17,117,339
Others	4,677,996	103	(74,564)	22,863	4,626,398
	30,025,189	103	(74,564)	22,863	29,973,591
Accumulated amortization and impairment:					
Patents and royalty	(8,188,585)	(4,931)	—	1	(8,193,515)
Others	(4,325,244)	(26,813)	74,564	(1,388)	(4,278,881)
	(12,513,829)	(31,744)	74,564	(1,387)	(12,472,396)
	$ 17,511,360	$ (31,641)	$ —	$ 21,476	$ 17,501,195

	2022				
	At January 1	Additions	Disposals	Transfer, net exchange differences and others	At March 31
Cost:					
Patents and royalty	$ 8,232,454	$ —	$ —	$ —	$ 8,232,454
Goodwill	17,117,339	—	—	—	17,117,339
Others	4,862,691	4,300	(132,106)	41,409	4,776,294
	30,212,484	4,300	(132,106)	41,409	30,126,087
Accumulated amortization and impairment:					
Patents and royalty	(8,171,928)	(4,911)	—	—	(8,176,839)
Others	(4,519,962)	(28,017)	132,106	(9,898)	(4,425,771)
	(12,691,890)	(32,928)	132,106	(9,898)	(12,602,610)
	$ 17,520,594	$ (28,628)	$ —	$ 31,511	$ 17,523,477

B. Details of amortization of intangible assets are as follows:

	For the three-month periods ended March 31,	
	2023	2022
Operating costs	$ 10,298	$ 9,656
Operating expenses	21,446	23,272
	$ 31,744	$ 32,928

C. The Group periodically performed impairment assessment on the recoverable amount of goodwill and property, plant and equipment, and used the value in use as the basis for calculation of the recoverable amount.The value in use was calculated based on the estimated present value of future cash flows for five years. Based on the periodical assessment above, the Group did not recognize impairment loss on goodwill and property, plant and equipment for the three-month periods ended March 31, 2023 and 2022, respectively.

(12) Short-term borrowings

Type of borrowings	March 31, 2023	December 31, 2022	March 31, 2022	Collateral
Bank borrowings				
Unsecured borrowings	$ 395,000	$ 425,000	$ 170,000	None
Range of interest rates	1.85%~1.92%	1.95%~2.07%	1.35%~1.52%	

(13) Other payables

	March 31, 2023	December 31, 2022	March 31, 2022
Other personnel expenses	$ 7,288,173	$ 11,943,471	$ 13,905,322
Payable on machinery and equipment	4,391,833	4,759,328	4,515,255
Repairs and maintenance expense payable	2,616,341	2,636,678	3,057,564
Utilities expense payable	1,170,823	1,116,532	1,163,559
Other payables	10,961,772	11,491,831	11,678,330
	$ 26,428,942	$ 31,947,840	$ 34,320,030

(14) Long-term borrowings

Type of borrowings	Period	March 31, 2023	December 31, 2022	March 31, 2022
Syndicated bank borrowings	2019/4/15 ~2026/3/24	$ 72,500,000	$ 35,000,000	$ 43,750,000
Unsecured borrowings	2021/12/2 ~2029/2/15	862,284	600,000	600,000
Secured borrowings	2021//9/22 ~2024/9/22	50,000	58,333	85,333
Less:				
Administrative expenses charged by syndicated banks		(189,351)	(45,484)	(73,052)
Current portion (includes administrative expenses)		(12,523,609)	(8,774,740)	(8,770,723)
		$ 60,699,324	$ 26,838,109	$ 35,591,558
Range of interest rates		1.38%~4.00%	0.75%~2.26%	0.75%~1.90%

A. Please refer to Note 8 for the information on assets pledged as collateral for long-term borrowings.

B. The syndicated borrowing agreements specified that the Company shall meet covenants on current ratio, liability ratio, interest coverage, and tangible net equity, based on the Company's annual consolidated financial statements audited by independent auditors. The Company's financial ratios on the consolidated financial statements for the year ended December 31, 2022 are in compliance with the covenants on the syndicated borrowing agreement.

C. For repayment of borrowings from financial institutions and financing mid-term working capital fund, the Board of Directors approved the signing of a syndicated borrowing with financial institution in the amount of $37.5 billion on May 5, 2020. The borrowing has to be drawn down in the first quarter of 2023.

(15) Pensions

A. Defined benefit pension plans

(a) The Company and its domestic subsidiaries have a defined benefit pension plan in accordance with the Labor Standards Law, covering all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Law.

(b) In February 2023, the Science Park, Ministry of Science and Technology approved the Company to stop contributing to the retirement fund temporarily.

(c) In the first quarter of 2022, the Company reached an agreement with part of its employees for terminating their defined benefit pension plans and settled its defined benefit obligation. Accordingly, the Company re-assessed the actuarial assumptions and recognized gain on the settlement amounting to $3,969 and the gain on remeasurement of net defined benefit liability amounting to $34,162.

B. Defined contribution pension plans

(a) Effective July 1, 2005, the Company and its domestic subsidiaries have established a defined contribution pension plan (the "New Plan") under the Labor Pension Act (the "Act"), covering all regular employees with R.O.C. nationality.

(b) The Company's foreign subsidiaries have provided the pension in accordance with statutory laws and regulations.

C. The pension costs under the abovementioned pension plans of the Group for the three-month periods ended March 31, 2023 and 2022 were $476,551 and $504,546, respectively.

(16) Provisions-current

	Warranty	Litigation and others	Total
At January 1, 2023	$ 2,682,510	$ 2,985,857	$ 5,668,367
Additions during the period	150,370	82,737	233,107
Used (unused amounts reversed) during the period	(1,170,743)	(214,410)	(1,385,153)
Effect of change in exchange rate	(144)	—	(144)
At March 31, 2023	$ 1,661,993	$ 2,854,184	$ 4,516,177

A. Warranty

The Group provides warranty on TFT-LCD panel products sold. Provision for warranty is estimated based on historical warranty data of TFT-LCD panel products.

B. Litigation and others

Litigation and other provisions for the Group are related to patents of TFT-LCD panel products and anti-trust litigations. For information on estimation of provisions, please refer to Note 9(1).

(17) Share capital

A. As of March 31, 2023, the Company's authorized and outstanding capital were $120,000,000 and $95,564,562, with a par value of $10 (in dollars) per share, respectively. All proceeds from shares issued have been collected. The number of common shares outstanding at the beginning and end of the first quarter of 2023 was both 9,511,206 thousand shares; the number of common shares outstanding at the beginning and end of the first quarter of 2022 was both 10,559,620 thousand shares.

B. Treasury shares

(a) Reason for share reacquisition and movements in the number of the Company's treasury shares are as follows:

		March 31, 2023	
Name of company holding the shares	Reason for reacquisition	Quantity (in thousand units)	Book Value
The Company	To be reissued to employees	45,250	$ 602,916

(b) The Company acquired a total of 50,000 thousand treasury shares at $650,416 in the second quarter of 2022. After the cash capital reduction declaration became effective and the change registration was completed in the third quarter of 2022, the Company eliminated 4,750 thousand shares and reduced cost of treasury shares by $47,500.

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

(d) Pursuant to the R.O.C. Securities and Exchange Act, treasury shares should not be pledged as collateral and shareholder's rights should not be enjoyed before it is reissued.

(e) Pursuant to the R.O.C. Securities and Exchange Act, treasury shares should be reissued to the employees within five years from the reacquisition date and shares not reissued within the five-year period are to be cancelled.

(18) Capital surplus

Pursuant to the R.O.C. Company Act, capital surplus arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the R.O.C. Securities and Exchange Act requires that the amount of capital surplus to be capitalized mentioned above should not exceed 10% of the paid-in capital each year. Accumulated deficit shall first be covered by retained earnings before the capital reserve can be used to cover the accumulated deficit.

	2023					
	Share premium	Treasury share transactions	Changes in ownership interests in subsidiaries	Share of profit (loss) of associates accounted for under equity method	Difference between proceeds on acquisition or disposal of equity interest in a subsidiary and its carrying amount	Total
At January 1	$100,006,693	$ 3,183,414	$ 16,653	$ 41,524	$ 64,130	$103,312,414
Recognition of changes in ownership interests in subsidiaries	—	—	267,136	—	—	267,136
Recognition of change in equity of associates in proportion to the Group's ownership	—	—	—	224	—	224
Difference between consideration and carrying amount of subsidiaries disposed	—	—	—	—	11,475	11,475
Others	2,674	—	—	—	—	2,674
At March 31	$100,009,367	$ 3,183,414	$ 283,789	$ 41,748	$ 75,605	$103,593,923

	2022					
	Share premium	Treasury share transactions	Changes in ownership interests in subsidiaries	Share of profit (loss) of associates accounted for under equity method	Difference between proceeds on acquisition or disposal of equity interest in a subsidiary and its carrying amount	Total
At January 1	$ 99,992,177	$ 3,183,414	$ 6,484	$ 41,277	$ 64,130	$103,287,482
Recognition of changes in ownership interests in subsidiaries	—	—	319	—	—	319
Recognition of change in equity of associates in proportion to the Group's ownership	—	—	—	247	—	247
Others	2,705	—	—	—	—	2,705
At March 31	$ 99,994,882	$ 3,183,414	$ 6,803	$ 41,524	$ 64,130	$103,290,753

(19) Retained earnings

A. Under the Company’s Articles of Incorporation, the current year’s earnings, if any, shall first be offset against prior years’ operating losses, then set aside 10% of the remaining amount as legal reserve (until the legal reserve equals the paid-in capital). Preferred dividend shall be distributed after setting aside or reversing a special reserve according to related regulations. The appropriation of the remaining amount along with the unappropriated earnings from previous years shall be proposed by the Board of Directors and resolved by the shareholders. The net decrease in other equity accumulated in prior periods should be appropriated from prior period's undistributed earnings to a special reserve of the same amount, and if there is a deficiency, the same amount should be appropriated from the post-tax profit for the year plus the amount of items other than post-tax profit for the year, and the amount was included in the unappropriated earnings for the year.

Depending on the Company's future long-term financial planning, investment environment, industry competition, capital expenditure budget, capital requirements and protection of shareholders' rights, dividends should account for at less 20% of the distributable earnings for the year. However, as the distributable earnings is lower than 2% of the paid-in capital, the Company may choose not to distribute dividends and transferred dividends to the retained earnings. Earnings shall be preferably distributed using cash dividends and may also be distributed using stock dividends. The ratio for cash dividends shall not be less than 50% of the total amount of dividends distributed. The aforementioned dividend distribution rate may be adjusted based on financial, business and operational factors.

B. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the balance of the reserve exceeds 25% of the Company’s paid-in capital.

C. The 2022 deficit compensation was resolved at the Board of Directors’ meeting in April 2023 and the appropriation of 2021 net income which was approved at the stockholders’ meeting in June 2022 are as follows:

	Year ended December 31,			
	2022		2021	
	Amount	Dividends per share (in dollars)	Amount	Dividends per share (in dollars)
Legal reserve	$ —		$ 5,749,212	
Provision for (reversal of) special reserve	2,361,016		(2,855,535)	
Cash dividends	—	$ —	11,087,601	$ 1.05
	$ 2,361,016		$ 13,981,278	

(20) Other equity items

	2023		
	Currency translation	Financial assets at fair value through other comprehensive income	Total
At January 1	$ (8,173,822)	$ 2,608,670	$ (5,565,152)
Revaluation - gross	—	805,439	805,439
Currency translation differences	279,753	—	279,753
Share of other comprehensive income of associates	(5,639)	—	(5,639)
Effect of income tax	—	(86,759)	(86,759)
At March 31	$ (7,899,708)	$ 3,327,350	$ (4,572,358)

	2022		
	Currency translation	Financial assets at fair value through other comprehensive income	Total
At January 1	$ (9,862,144)	$ 6,658,008	$ (3,204,136)
Revaluation - gross	—	(3,244,592)	(3,244,592)
Currency translation differences	2,847,444	—	2,847,444
Share of other comprehensive loss of associates	30,305	22,356	52,661
Effect of income tax	—	473,022	473,022
At March 31	$ (6,984,395)	$ 3,908,794	$ (3,075,601)

(21) Operating income

	For the three-month periods ended March 31,	
	2023	2022
TFT-LCD products	$ 45,595,408	$ 69,886,018

The Group derives revenue from the transfer of goods at a point in time.

(22) Interest income

	For the three-month periods ended March 31,	
	2023	2022
Interest income from bank deposits	$ 366,981	$ 41,994
Interest income from financial assets at amortized cost	142,017	180,518
	$ 508,998	$ 222,512

(23) Other income

	For the three-month periods ended March 31,	
	2023	2022
Service revenue	$ 320,155	$ 379,209
Grant revenue	60,317	70,667
Dividend income	115	201,810
Other income	512,042	257,677
	$ 892,629	$ 909,363

(24) Other gains and losses

	For the three-month periods ended March 31,	
	2023	2022
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	$ 898,687	$ (2,715,004)
Net currency exchange (loss) gain	(311,586)	1,941,927
Loss on disposal of property, plant and equipment	(10,938)	(42,000)
Other losses	(16,919)	(369)
	$ 559,244	$ (815,446)

(25) Finance costs

	For the three-month periods ended March 31,	
	2023	2022
Interest expense:		
Bank borrowings	$ 266,202	$ 204,041
Others	19,331	20,776
	$ 285,533	$ 224,817

(26) Expenses by nature

	For the three-month periods ended March 31,	
	2023	2022
Employee benefit expense:		
Salaries and other short-term employee benefits	$ 7,823,882	$ 10,688,632
Share-based payments	17,374	2,248
Post-employment benefits	476,551	504,546
Depreciation	7,705,543	8,492,352
Amortization	31,744	32,928
	$ 16,055,094	$ 19,720,706

(27) Employees' compensation and directors' remuneration

A. According to the Articles of Incorporation of the Company, a ratio of profit of the current year distributable, after covering accumulated losses, shall be distributed as employees' compensation and directors' remuneration. The ratio shall not be lower than 5% for employees' compensation and shall not be higher than 0.1% for directors' remuneration.

B. For the three-month periods ended March 31, 2023 and 2022, employees' compensation was accrued at $0 and $145,827, respectively; while the Company did not accrue directors' remuneration. The aforementioned amounts were recognized in expenses.

For the year ended December 31, 2022, the Company incurred net loss and had an accumulated deficit. Thus, there was no distribution of employees' compensation and directors' remuneration as resolved by the Board of Directors on February 14, 2023.

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

(28) Income tax

A. Income tax expense

(a)Components of income tax expense:

	For the three-month periods ended March 31,	
	2023	2022
Current tax:		
Current tax on profit for the period	$ 329,297	$ 220,116
Prior year income tax (overestimation) underestimation	(710)	294
Total current tax	328,587	220,410
Deferred tax:		
Origination and reversal of temporary differences	489,913	206,497
Income tax expense	$ 818,500	$ 426,907

(b)The income tax (charge)/credit relating to components of other comprehensive income is as follows:

	For the three-month periods ended March 31,	
	2023	2022
Changes in fair value of financial assets at fair value through other comprehensive income	$ 86,759	$ (473,021)
Remeasurements of defined benefit obligations	—	6,832
Income tax expense	$ 86,759	$ (466,189)

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

(29) (Loss) earnings per share

	For the three-month period ended March 31, 2023		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Loss per share (in dollars)
Basic loss per share			
Loss attributable to ordinary shareholders of the parent	$ (7,768,749)	9,511,206	$ (0.82)

	For the three-month period ended March 31, 2022		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 1,889,989	10,559,620	$ 0.18
Diluted earnings per share			
Profit attributable to ordinary shareholders of the parent	1,889,989	10,559,620	
Assumed conversion of all dilutive potential ordinary shares:			
-Employees' compensation	—	126,652	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 1,889,989	10,686,272	$ 0.18

(30) Supplemental cash flow information

Investing activities with partial cash payments:

	For the three-month periods ended March 31,	
	2023	2022
Purchase of property, plant and equipment	$ 5,316,897	$ 5,539,952
Add: Opening balance of payable on equipment	4,759,328	4,172,348
Less: Ending balance of payable on equipment	(4,391,833)	(4,515,255)
Cash paid during the period	$ 5,684,392	$ 5,197,045

7. RELATED PARTY TRANSACTIONS

(1) Names and relationship of related parties

Names of related parties	Relationship with the Group
Hon Hai Precision Industry Co., Ltd. and its subsidiaries	Other related party
PanelSemi Corporation and its subsidiaries	Associate

(2) Significant related party transactions

A. Operating revenue

	For the three-month periods ended March 31,	
	2023	2022
Sales of goods:		
Other related parties	$ 388,047	$ 1,092,938
Associates	77,844	111,826
	$ 465,891	$ 1,204,764

The collection period was mainly 30~90 days upon shipment or on a monthly-closing basis to related parties. The sales prices and the trading terms to related parties above were not significantly different from those of sales to third parties.

B. Purchases of goods

	For the three-month periods ended March 31,	
	2023	2022
Purchases of goods:		
Other related parties	$ 949,138	$ 1,486,811
Associates	22,681	109,136
	$ 971,819	$ 1,595,947

The payment term was 30~120 days to related parties after transaction date, and 30~180 days to non-related parties after delivery or on a monthly-closing basis. The purchase prices and the payment terms from related parties above were not materially different from those of purchases from third parties.

C. Receivables from related parties

	March 31, 2023	December 31, 2022	March 31, 2022
Accounts receivable:			
Other related parties	$ 408,318	$ 606,765	$ 1,366,289
Associates	57,077	107,757	102,848
	$ 465,395	$ 714,522	$ 1,469,137

The receivables from related parties arise mainly from sales transactions. The receivables are due 30~90 days after the date of sale. The receivables are unsecured in nature and bear no interest.

D. Payables to related parties

	March 31, 2023	December 31, 2022	March 31, 2022
Accounts payable:			
Other related parties	$ 1,246,832	$ 1,072,075	$ 2,264,088
Associates	75,011	89,749	182,271
	$ 1,321,843	$ 1,161,824	$ 2,446,359

The payables to related parties arise mainly from purchase transactions and are due 30~120 days after the date of purchase. The payables bear no interest.

E. Property transactions

Purchase of property

(a) Acquisition of property, plant and equipment:

	For the three-month periods ended March 31,	
	2023	2022
Other related parties	$ 1,538	$ 2,558
Associates	2,063	720
	$ 3,601	$ 3,278

(b) Period-end balances arising from purchases of property (shown as ‘Other payables’):

	March 31, 2023	December 31, 2022	March 31, 2022
Associates	$ 2,026	$ —	$ —
Other related parties	—	791	—
	$ 2,026	$ 791	$ —

(3) Key management compensation

	For the three-month periods ended March 31,	
	2023	2022
Salaries and other short-term employee benefits	$ 26,953	$ 25,197
Share-based payments	123	322
Post-employment benefits	378	355
	$ 27,454	$ 25,874

8. PLEDGED ASSETS

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

	Book value			
Pledged asset	March 31, 2023	December 31, 2022	March 31, 2022	Purpose
Property, plant and equipment	$ 51,014,966	$ 53,818,998	$ 60,352,152	Long-term borrowings
Other assets - others				
-Demand deposits	—	—	350	Long-term borrowings
-Time deposits	15,620	15,620	50,430	Tariff guarantee and performance bond
-Refundable deposits	852,600	846,036	788,596	Litigation guarantee
	$ 51,883,186	$ 54,680,654	$ 61,191,528	

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED CONTRACT COMMITMENTS

(1) Contingencies - Significant Litigations

A. The Company's subsidiary in U.S. received a civil complaint from the government of Puerto Rico in September 2018, claiming that the company, together with other defendants of Taiwan, Japan and South Korea TFT - LCD companies, had unjustified enrichment from the TFT-LCD price conspiracy in 2006 and requested monetary compensation. The U.S. subsidiary of the Company retained lawyers to handle the lawsuit. On October 31, 2022, the court dismissed the case for lack of diligent prosecution.

B. Bishop Display Tech LLC (Bishop) filed a lawsuit against the Company with the United States District Court for the Eastern District of Texas on October 3, 2022, alleging infringement of its US patent. The Company received the service of a complaint on October 28, 2022 and subsequently filed an answer to the complaint on January 26, 2023. Currently, the lawsuit has no impact on the Company's operations and financial position.

C. The Company had assessed and recognized related losses and liabilities as shown in 'provisions-current' for the aforementioned investigation relating to anti-trust laws and patent litigation.

(2) Commitments

A. Capital expenditure contracted for at the balance sheet date but not yet incurred is as follows:

	March 31, 2023	December 31, 2022	March 31, 2022
Property, plant and equipment	$ 42,700,378	$ 27,044,460	$ 20,862,661

B. Outstanding letters of credit

The outstanding letters of credit for the purchase of property, plant and equipment are as follows:

	March 31, 2023	December 31, 2022	March 31, 2022
Outstanding letters of credit	$ 447,858	$ 349,512	$ 314,341

C. On August 3, 2021, the Board of Directors of the Company resolved to enter into a long-term strategic partnership supply contract with SDP Global (China) Co., LTD. The total price of the contract amounted to RMB 4 billion and will be prepaid based on agreed payment terms. As of March 31, 2023, the remaining amount the Group hasn't paid was RMB 1.1 billion. SDP Global (China) Co., LTD. committed to supply certain products in specified quantities each year from January 1, 2022 to December 31, 2033 to the Company and its subsidiary, Foshan Innolux Optoelectronics Ltd. The abovementioned prepayments to suppliers of the Group are shown as 'prepayments' and 'other non-current assets' based on liquidity amounting to $0 and $12,617,704, respectively, as of March 31, 2023 and $91,601 and $6,996,732, respectively, as of March 31, 2022.

D. Based on the consideration of long-term business development in India and emerging markets, the Company assisted Vedanta Group and its subsidiary, Vedanta Displays Limited, to establish a front-end production base for TFT-LCD display panels in India.The Company will provide relevant assistance in accordance with the contract.

10. SIGNIFICANT DISASTER LOSS

None.

11. SUBSEQUENT EVENTS AFTER THE BALANCE SHEET DATE

On April 18, 2023, the Board of Directors of the Company resolved to reduce its capital and return cash to shareholders in the amount of $4,778,228, constituting 477,823 thousand shares which will be cancelled. The capital reduction percentage is approximately 5.0%. After the resolution of the shareholders during their meeting, such proposal shall be reported to the competent authorities for approval. The Chairman of the Board has been authorized to determine the record date for capital reduction and replacement of shares, and other related matters.

12. OTHERS

(1) Capital management

No significant changes during the period. Please refer to Note 12 in the consolidated financial statements for the year ended December 31, 2022.

(2) Financial instruments

A. Financial instruments by category

For information of the Group's financial assets (financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income, financial assets at amortized cost, cash and cash equivalents, accounts receivable (including related parties), other receivables and partial other assets-others (including current and non-current portion)) and financial liabilities (short-term borrowings, financial liabilities at fair value through profit or loss, accounts payable (including related parties), other payables, lease liability and long-term borrowings (including current portion)), please refer to Note 6 and consolidated balance sheets.

B. Financial risk management policies

No significant changes during the period. Please refer to Note 12 in the consolidated financial statements for the year ended December 31, 2022.

C. Significant financial risks and degrees of financial risks

Except for the following, there was no significant change in the period. Please refer to Note 12 in the consolidated financial statements for the year ended December 31, 2022.

(a) Market risk

Foreign exchange risk

i. The Group operates internationally and is exposed to foreign exchange risk arising from the transactions of the Group used in various functional currency, primarily with respect to the USD and RMB. Foreign exchange risk arises from future commercial transactions, recognized assets and liabilities and net investments in foreign operations.

ii. The Group's businesses involve some non-functional currency operations (the Company's and certain subsidiaries' functional currency: NTD; other certain subsidiaries' functional currency: RMB and USD). Based on the simulations performed, the impact on pre-tax profit of a 1% exchange rate fluctuation would be an increase of \$403,916 and \$506,583 for the three-month periods ended March 31, 2023 and 2022, respectively. The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

	March 31, 2023			December 31, 2022		
	Foreign Currency Amount (In Thousands)	Exchange Rate (Note)	Book Value (NTD)	Foreign Currency Amount (In Thousands)	Exchange Rate (Note)	Book Value (NTD)
Financial assets						
Monetary items						
USD	$ 3,856,336	30.45	$ 117,425,431	$ 3,883,581	30.71	$ 119,264,773
RMB	558,738	4.43	2,475,209	571,131	4.41	2,518,688
EUR	15,306	33.15	507,394	17,966	32.72	587,848
HKD	87,659	3.88	340,117	53,706	3.94	211,602
JPY	1,000,167	0.23	230,038	1,447,149	0.23	332,844
Non-monetary items						
USD	$ 2,978,022	30.45	$ 90,680,770	$ 2,886,671	30.71	$ 88,649,666
JPY	9,596,710	0.23	2,207,243	9,051,976	0.23	2,081,954
RMB	251,667	4.43	1,114,885	252,911	4.41	1,115,338
Financial liabilities						
Monetary items						
USD	$ 2,410,435	30.45	$ 73,397,746	$ 2,107,450	30.71	$ 64,719,790
JPY	28,782,329	0.23	6,619,936	25,853,886	0.23	5,946,394
EUR	13,505	33.15	447,691	11,449	32.72	374,611
SGD	5,289	22.91	121,171	3,370	22.88	77,106

	March 31, 2022		
	Foreign Currency Amount (In Thousands)	Exchange Rate (Note)	Book Value (NTD)
Financial assets			
Monetary items			
USD	$ 4,995,949	28.63	$ 143,034,020
RMB	581,983	4.51	2,624,743
JPY	7,687,269	0.24	1,844,945
EUR	16,376	31.92	522,722
HKD	102,816	3.66	376,307
Non-monetary items			
USD	$ 2,999,726	28.63	$ 85,882,155
JPY	7,850,822	0.24	1,884,197
RMB	278,887	4.51	1,257,780
Financial liabilities			
Monetary items			
USD	$ 3,133,472	28.63	$ 89,711,303
JPY	32,365,434	0.24	7,767,704
EUR	8,314	31.92	265,383

Note: Exchange rate represents the amount of NT dollars for which one foreign currency could be exchanged.

iii. Total exchange gain (loss), including realized and unrealized arising from significant foreign exchange variation on the monetary items held by the Group for the three-month periods ended March 31, 2023 and 2022 amounted to $(311,586) and $1,941,927, respectively.

Price risk

i. The Group is exposed to equity securities price risk because of investments held by the Group and classified on the consolidated balance sheet as financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done by the Group in respect of the targets and stages.

ii. The Group's investments in equity securities comprise domestic listed and unlisted stocks, beneficiary certificates and financial products. The prices of equity securities would change due to the change of the future value of investee companies. If the prices of these equity securities had increased/decreased by 20% with all other variables held constant, pre-tax profit for the three-month periods ended March 31, 2023 and 2022 would have increased/decreased by $2,584,278 and $3,541,359, respectively; other comprehensive gains and losses would have increased/decreased by $1,226,597 and $1,327,985, respectively.

Cash flow and fair value interest rate risk

i. The Group's main interest rate risk arises from long-term borrowings and short-term borrowings with variable rates, which expose the Group to cash flow interest rate risk. During the three-month periods ended March 31, 2023 and 2022, the Group's borrowings at variable rate were denominated in the NTD and RMB.

ii. If the borrowing interest rate had increased/decreased by 0.25% with all other variables held constant, pre-tax profit for the three-month periods ended March 31, 2023 and 2022 would have decreased/increased by $46,130 and $27,878, respectively. The main factor is that changes in interest expense result in floating-rate borrowings.

(b) Credit risk

i. Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms, and the contract cash flows. As at March 31, 2023, December 31, 2022 and March 31, 2022, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at amortized cost and accounts receivable held by the Group was its carrying amount.

ii. According to the Group's credit policy, each local entity in the Group is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the managements. The utilization of credit limits is regularly monitored.

iii. The Group adopts the following assumption under IFRS 9 to assess whether there has been a significant increase in credit risk on that instrument since initial recognition:
If the contract payments are past due over 30 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.

iv. The Group adopts the assumption under IFRS 9, the default occurs when the contract payments are past due over 90 days.

v. The Group classifies customer's accounts receivable in accordance with credit rating of customer, credit risk on trade and customer types. The Group applies the simplified approach using provision matrix to estimate expected credit loss.

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

(i) It becomes probable that the issuer will enter bankruptcy or other financial reorganization due to their financial difficulties;

(ii) Default or delinquency in interest or principal repayments;

(iii) Adverse changes in national or regional economic conditions that are expected to cause a default.

vii. The Group uses the forecastability to adjust historical and timely information to assess the default possibility of accounts receivable.
According to abovementioned consideration and information, the Group does not expect any significant default possibility of accounts receivable.

viii. Movements in relation to the Group applying the simplified approach to provide loss allowance for accounts receivable are as follows:

	2023	
	Accounts receivable	
At January 1	$	279,260
Effect on exchange rate changes		(141)
At March 31	$	279,119

	2022	
	Accounts receivable	
At January 1	$	262,610
Provision for impairment		2
At March 31	$	262,612

ix. The Group's financial assets at amortized cost have low credit risk, and the Group did not recognize significant loss allowance in accordance with 12 months expected credit losses.

(c) Liquidity risk

The information below analyses the Group's non-derivative financial liabilities and net-settled or gross-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date for non-derivative financial liabilities and to the expected maturity date for derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows.

Non-derivative financial liabilities:

March 31, 2023	Less than 1 year	Between 1 and 3 years	Between 3 and 5 years	Over 5 years	Total
Lease liability (Note)	$ 757,531	$ 1,195,374	$ 1,031,790	$ 1,822,610	$ 4,807,305
Long-term borrowings (including current portion)	12,547,989	60,423,755	195,978	244,562	73,412,284

December 31, 2022	Less than 1 year	Between 1 and 3 years	Between 3 and 5 years	Over 5 years	Total
Lease liability (Note)	$ 736,175	$ 1,216,128	$ 1,022,382	$ 1,947,699	$ 4,922,384
Long-term borrowings (including current portion)	8,786,111	26,612,500	259,722	—	35,658,333

March 31, 2022	Less than 1 year	Between 1 and 3 years	Between 3 and 5 years	Over 5 years	Total
Lease liability (Note)	$ 737,318	$ 1,341,670	$ 1,064,090	$ 2,327,322	$ 5,470,400
Long-term borrowings (including current portion)	8,785,333	35,177,778	472,222	—	44,435,333

Note: The Company applied a 1-year grace period for land rental payment starting from September 2020. The payment is repayable in 36 equal monthly installments for 3 years.

Except for the above, the non-derivative and derivative financial liabilities of the Group are all due within one year.

(3) Fair value information

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

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

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. The fair value of the Group's investment in derivative instruments and financial products is included in Level 2.

Level 3: Unobservable inputs for the asset or liability. The fair value of the Group's investment in equity investment without active market and bonds payable is included in Level 3.

B. Fair value information of investment property at cost is provided in Note 6(10).

C. Financial instruments not measured at fair value

Except for those listed in the table below, the carrying amounts of cash and cash equivalents, accounts receivable (including related parties), other receivables, financial assets at amortized cost, partial other assets-others (including current and non-current portion), accounts payable (including related parties), other payables, lease liability, short-term borrowings and long-term borrowings (including current portion) are approximate to their fair values.

	March 31, 2023			
		Fair value		
	Book value	Level 1	Level 2	Level 3
Financial assets:				
Corporate bonds	$ 5,309,048	$ —	$ 5,232,960	$ —

	December 31, 2022			
		Fair value		
	Book value	Level 1	Level 2	Level 3
Financial assets:				
Corporate bonds	$ 6,073,581	$ —	$ 5,943,761	$ —

	March 31, 2022			
		Fair value		
	Book value	Level 1	Level 2	Level 3
Financial assets:				
Corporate bonds	$ 7,823,152	$ —	$ 7,678,832	$ —

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

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

March 31, 2023	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Equity securities	$ 4,311,044	$ —	$ 1,270,305	$ 5,581,349
Forward foreign exchange contracts	—	153,421	—	153,421
Convertible bonds	—	—	192,346	192,346
Foreign exchange swap contracts	—	34,845	—	34,845
Beneficiary certificates	7,204,528	—	—	7,204,528
Financial instruments	—	135,512	—	135,512
Financial assets at fair value through other comprehensive income				
Equity securities	6,112,031	—	20,952	6,132,983
	$ 17,627,603	$ 323,778	$ 1,483,603	$ 19,434,984
Liabilities				
Recurring fair value measurements				
Financial liabilities at fair value through profit or loss				
Forward foreign exchange contracts	$ —	$ 107,607	$ —	$ 107,607
Foreign exchange swap contracts	—	68,413	—	68,413
	$ —	$ 176,020	$ —	$ 176,020

December 31, 2022	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Equity securities	$ 3,261,581	$ —	$ 1,271,077	$ 4,532,658
Forward foreign exchange contracts	—	342,475	—	342,475
Convertible bonds	—	—	193,988	193,988
Foreign exchange swap contracts	—	43,028	—	43,028
Financial instruments	—	114,782	—	114,782
Financial assets at fair value through other comprehensive income				
Equity securities	5,309,890	—	21,116	5,331,006
	$ 8,571,471	$ 500,285	$ 1,486,181	$ 10,557,937

December 31, 2022	Level 1	Level 2	Level 3	Total
Liabilities				
Recurring fair value measurements				
Financial liabilities at fair value through profit or loss				
Forward foreign exchange contracts	$ —	$ 289,691	$ —	$ 289,691
Foreign exchange swap contracts	—	39,490	—	39,490
	$ —	$ 329,181	$ —	$ 329,181

March 31, 2022	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Equity securities	$ 1,082,849	$ —	$ 2,652,073	$ 3,734,922
Forward foreign exchange contracts	—	7,151	—	7,151
Beneficiary certificates	13,911,723	—	—	13,911,723
Financial instruments	—	60,149	—	60,149
Financial assets at fair value through other comprehensive income				
Equity securities	6,609,203	—	30,724	6,639,927
	$ 21,603,775	$ 67,300	$ 2,682,797	$ 24,353,872
Liabilities				
Recurring fair value measurements				
Financial liabilities at fair value through profit or loss				
Forward foreign exchange contracts	$ —	$ 534,915	$ —	$ 534,915
Foreign exchange swap contracts	—	531,227	—	531,227
	$ —	$ 1,066,142	$ —	$ 1,066,142

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

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

	Listed shares	Emerging stocks	Corporate bond
Market quoted price	Closing price	Last transaction price	Weighted average quoted price

ii. Except for financial instruments with active markets, the fair value of other financial instruments is measured by using valuation techniques or by reference to counterparty quotes. The fair value of financial instruments measured by using valuation techniques can be referred to current fair value of instruments with similar terms and characteristics in substance, discounted cash flow method or other valuation methods, including calculated by applying model using market information available at the consolidated balance sheet date.

iii. When assessing non-standard and low-complexity financial instruments, for example, foreign exchange swap contracts and financial products, the Group adopts valuation technique that is widely used by market participants. The inputs used in the valuation method to measure these financial instruments are normally observable in the market.

iv. The valuation of derivative financial instruments is based on valuation model widely accepted by market participants, such as present value techniques and option pricing models. Forward foreign exchange contracts and foreign exchange swap contracts are usually valued based on the current forward exchange rate. Convertible bonds derivative instruments are measured by using appropriate option pricing models (binary tree model or Black-Scholes model for convertible bond pricing).

v. The output of valuation model is an estimated value and the valuation technique may not be able to capture all relevant factors of the Group's financial and non-financial instruments. Therefore, the estimated value derived using valuation model is adjusted accordingly with additional inputs, for example, model risk or liquidity risk and etc. In accordance with the Group's management policies and relevant control procedures relating to the valuation models used for fair value measurement, management believes adjustment to valuation is necessary in order to reasonably represent the fair value of financial and non-financial instruments at the consolidated balance sheet. The inputs and pricing information used during valuation are carefully assessed and adjusted based on current market conditions.

vi. The Group takes into account adjustments for credit risks to measure the fair value of financial and non-financial instruments to reflect credit risk of the counterparty and the Group's credit quality.

E. For the three-month periods ended March 31, 2023 and 2022, there was no transfer between Level 1 and Level 2.

F. The following table presents the changes in Level 3 instruments for the three-month periods ended March 31, 2023 and 2022:

	2023		
Financial assets at fair value through profit or loss / Financial assets at fair value through other comprehensive income	Equity securities	Hybrid instrument	Total
At January 1	$ 1,292,193	$ 193,988	$ 1,486,181
Gains and losses recognized in other comprehensive income	1,346	—	1,346
Effect on exchange rate changes	(2,282)	(1,642)	(3,924)
At March 31	$ 1,291,257	$ 192,346	$ 1,483,603

	2022
Financial assets at fair value through profit or loss / Financial assets at fair value through other comprehensive income	Equity securities
At January 1	$ 3,093,322
Gains and losses recognized in profit or loss	(467,576)
Gains and losses recognized in other comprehensive income	(4,658)
Effect on exchange rate changes	61,709
At March 31	$ 2,682,797

G. Investment management segment is in charge of valuation procedures for fair value measurements being categorized within Level 3, which is to verify independent fair value of financial instruments. Such assessment is to ensure the valuation results are reasonable by applying independent information to make results close to current market conditions, confirming the resource of information is independent, reliable and in line with other resources and represented as the exercisable price, and frequently calibrating valuation model, performing back-testing, updating inputs used to the valuation model and making any other necessary adjustments to the fair value.

Investment management segment set up valuation policies, valuation processes, and rules for measuring fair value of financial instruments and ensure compliance with the related requirements in IFRS.

H. The following is the qualitative information of significant unobservable inputs and sensitivity analysis of changes in significant unobservable inputs to valuation model used in Level 3 fair value measurement:

	Fair value at March 31, 2023	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted shares	$1,208,521	Market comparable companies	Price to sales ratio multiple, price to book ratio multiple	0.86~5.69 (1.30)	The higher the multiple, the higher the fair value
			Discount for lack of marketability	30%~80% (32%)	The higher the discount for lack of marketability, the lower the fair value
	15,277	Using the last transaction price in an inactive market	Discount for lack of marketability	30% (30%)	The higher the discount for lack of marketability, the lower the fair value
	45,649	Net asset value	Discount for lack of marketability	27% (27%)	The higher the discount for lack of marketability, the lower the fair value
Venture capital shares Private equity fund investment	21,810	Net asset value	Not applicable	Not applicable	Not applicable

	Fair value at March 31, 2023	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Hybrid instrument:					
Convertible bond	192,346	Discounted cash flow method and Option pricing model	Discount and Volatility rate	4.39%~28.48% (15.78%)	The higher the volatility, the higher the fair value; the higher the discount rate, the lower the fair value

	Fair value at December 31, 2022	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted shares	$1,209,140	Market comparable companies	Price to sales ratio multiple, price to book ratio multiple	0.86~5.69 (1.30)	The higher the multiple, the higher the fair value
			Discount for lack of marketability	30%~80% (32%)	The higher the discount for lack of marketability, the lower the fair value
	15,407	Using the last transaction price in an inactive market	Discount for lack of marketability	30% (30%)	The higher the discount for lack of marketability, the lower the fair value
	45,649	Net asset value	Discount for lack of marketability	27% (27%)	The higher the discount for lack of marketability, the lower the fair value
Venture capital shares Private equity fund investment	21,997	Net asset value	Not applicable	Not applicable	Not applicable

	Fair value at December 31, 2022	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Hybrid instrument:					
Convertible bond	193,988	Discounted cash flow method and Option pricing model	Discount and Volatility rate	4.39%~28.48% (15.78%)	The higher the volatility, the higher the fair value; the higher the discount rate, the lower the fair value

	Fair value at March 31, 2022	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted shares	$ 405,107	Market comparable companies	Price to sales ratio multiple, price to book ratio multiple	1.36~5.19 (2.08)	The higher the multiple, the higher the fair value
			Discount for lack of marketability	30%~80% (35%)	The higher the discount for lack of marketability, the lower the fair value
	2,228,503	Using the last transaction price in an inactive market	Discount for lack of marketability	25%~30% (27%)	The higher the discount for lack of marketability, the lower the fair value
	27,726	Net asset value	Discount for lack of marketability	12% (12%)	The higher the discount for lack of marketability, the lower the fair value
Venture capital shares Private equity fund investment	21,461	Net asset value	Not applicable	Not applicable	Not applicable

I. The Group has carefully assessed the valuation models and assumptions used to measure fair value. However, use of different valuation models or assumptions may result in different measurement. The following is the effect on profit or loss or on other comprehensive income from financial assets and liabilities categorized within Level 3 if the inputs used to valuation models have changed:

			March 31, 2023			
			Recognized in profit or loss		Recognized in other comprehensive income	
Financial assets	Input	Change	Favourable change	Unfavourable change	Favourable change	Unfavourable change
Equity instrument	Liquidity discount	± 1%	$ 19,225	$ (19,225)	$ 299	$ (299)
Hybrid instrument	Discount and Volatility rate	± 1%	$ 4,619	$ (4,468)	$ —	$ —

			December 31, 2022			
			Recognized in profit or loss		Recognized in other comprehensive income	
Financial assets	Input	Change	Favourable change	Unfavourable change	Favourable change	Unfavourable change
Equity instrument	Liquidity discount	± 1%	$ 19,245	$ (19,245)	$ 302	$ (302)
Hybrid instrument	Discount and Volatility rate	± 1%	4,658	(4,506)	—	—

			March 31, 2022			
			Recognized in profit or loss		Recognized in other comprehensive income	
Financial assets	Input	Change	Favourable change	Unfavourable change	Favourable change	Unfavourable change
Equity instrument	Liquidity discount	± 1%	$ 37,745	$ (37,745)	$ 439	$ (439)

13. SUPPLEMENTARY DISCLOSURES

(1) Significant transactions information

A. Loans to others: Please refer to Table 1.

B. Provision of endorsements and guarantees to others: None.

C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Please refer to Table 2.

D. Acquisition or sale of the same security with the accumulated cost exceeding $300 million or 20% of the Company's paid-in capital: Please refer to Table 3.

E. Acquisition of real estate reaching $300 million or 20% of paid-in capital or more: None.

F. Disposal of real estate reaching $300 million or 20% of paid-in capital or more: None.

G. Purchases or sales of goods from or to related parties reaching $100 million or 20% of paid-in capital or more: Please refer to Table 4.

H. Receivables from related parties reaching $100 million or 20% of paid-in capital or more: Please refer to Table 5.

I. Trading in derivative instruments undertaken during the reporting periods: Please refer to Note 6(2).

J. Significant inter-company transactions during the reporting period: Please refer to Table 6.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China): Please refer to Table 7.

(3) Information on investments in Mainland China

A. Basic information: Please refer to Table 8.

B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: Please refer to Table 1, 4, 5 and 6.

(4) Major shareholders information

Names, number of shares and ownership of shareholders whose equity interest is greater than 5%: None.

14. SEGMENT INFORMATION

(1) General information

The Group is primarily engaged in the research, development, design, manufacture and sales of TFT-LCD panels, modules and monitors of LCD, color filter, and low temperature poly-silicon TFT-LCD. The Group operates TFT-LCD business only in a single industry. The chief operating decision-maker who allocates resources and assesses performance of the Group as a whole, has identified that the Group has only one reportable operating segment.

The Group's operating segment information was prepared in accordance with the Group's accounting policies. The chief operating decision-maker allocated resources and assesses performance of the operating segments primarily based on the operating revenue and profit (loss) before tax and discontinued operations of individual operating segment.

(2) Segment information

The segment information provided to the chief operating decision-maker for the reportable segments is as follows:

	For the three-month periods ended March 31,	
	2023	2022
	TFT LCD	TFT LCD
Segment revenue	$ 45,595,408	$ 69,886,018
Segment (loss) income	$ (6,939,148)	$ 2,329,339
Depreciation and amortization	$ 7,737,287	$ 8,525,280
Capital expenditure-property, plant and equipment	$ 5,684,392	$ 5,197,045
Segment assets	$ 408,599,323	$ 466,724,772

(3) Reconciliation for segment income

In current period, the revenue and income or loss before tax of reportable operating segment are consistent with those of continuing operations.

Innolux Corporation and Subsidiaries

Loans to others

For the three-month period ended March 31, 2023

Table 1

Expressed in thousands of NTD
(Except as otherwise indicated)

No.	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the three-month period ended March 31, 2023	Balance as at March 31, 2023	Actual amount drawn down	Interest rate	Nature of loan	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party	Ceiling on total loans granted	Footnote
													Item	Value			
1	Innocom Technology (Shenzhen) Co., Ltd.	Foshan Innolux Optoelectronics Ltd.	Other receivables	Yes	$ 6,645,713	$ 6,645,713	$ 6,645,713	2.00%	Short-term financing	$ —	Operating support	$ —	—	$ —	24,612,224	24,612,224	A
1	Innocom Technology (Shenzhen) Co., Ltd.	Ningbo Innolux Optoelectronics Ltd.	Other receivables	Yes	2,215,238	2,215,238	221,524	2.00%	Short-term financing	—	Operating support	—	—	—	24,612,224	24,612,224	A
1	Innocom Technology (Shenzhen) Co., Ltd.	Ningbo Innolux Display Ltd.	Other receivables	Yes	3,101,333	3,101,333	2,525,372	2.00%	Short-term financing	—	Operating support	—	—	—	24,612,224	24,612,224	A
1	Innocom Technology (Shenzhen) Co., Ltd.	Shanghai Innolux Optoelectronics Ltd.	Other receivables	Yes	1,329,143	1,329,143	1,151,923	2.00%	Short-term financing	—	Operating support	—	—	—	24,612,224	24,612,224	A
1	Innocom Technology (Shenzhen) Co., Ltd.	Nanjing Innolux Optoelectronics Ltd.	Other receivables	Yes	3,101,333	3,101,333	797,485	2.00%	Short-term financing	—	Operating support	—	—	—	24,612,224	24,612,224	A
1	Innocom Technology (Shenzhen) Co., Ltd.	Ningbo CarUX Technology Ltd.	Other receivables	Yes	2,481,066	2,481,066	753,182	2.00%	Short-term financing	—	Operating support	—	—	—	24,612,224	24,612,224	A
2	Innolux Japan Co., Ltd.	Innolux Corporation	Other receivables	Yes	2,279,410	2,279,410	2,279,410	1.00%	Long-term and short-term financing	—	Operating support	—	—	—	8,066,594	8,066,594	A
3	Innolux Holding Limited	Innolux Corporation	Other receivables	Yes	232,065	232,065	232,065	0.00%	Long-term and short-term financing	—	Operating support	—	—	—	36,993,836	36,993,836	A
4	Warriors Technology Investments Ltd	Innolux Corporation	Other receivables	Yes	3,593,100	3,593,100	3,593,100	0.00%	Long-term and short-term financing	—	Operating support	—	—	—	11,869,112	11,869,112	A
5	Innolux Hong Kong Limited	Innolux Hong Kong Holding Limited	Other receivables	Yes	1,686,930	1,686,930	1,686,930	0.00%	Long-term and short-term financing	—	Operating support	—	—	—	3,395,948	3,395,948	A
6	Innolux Hong Kong Holding Limited	CARUX TECHNOLOGY PTE. LTD.	Other receivables	Yes	1,683,885	1,683,885	1,683,885	3.82%~ 4.55%	Long-term and short-term financing	—	Operating support	—	—	—	10,789,358	10,789,358	A

Note A:

1.For loans obtained for short-term financing, financial limit on loans granted to a single party shall not exceed 10% of the Group's net equity, based on the most recent audited or reviewed financial statements of the creditor.

2.The financial limit on loans granted shall not exceed 40% of the creditor's net equity. If it is for short-term capital needs, the limit shall not exceed 30% of the creditor's net equity, based on the most recent audited or reviewed financial statements of the creditor.

3.The policy for loans granted to direct or indirect wholly-owned ultimate parent company or overseas subsidiaries is as follows: for short-term capital needs, financial limit is not restricted to the abovementioned two rules, however, financial limit on total loans granted and limit on loans granted to a single party for the overseas subsidiaries should not exceed 200% of the creditor's net equity.

Innolux Corporation and Subsidiaries

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

March 31, 2023

Table 2

Expressed in thousands of NTD
(Except as otherwise indicated)

Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	As of March 31, 2023				Footnote
				Shares/Units	Book value	Ownership (%)	Fair value	
	Common stock							
Innolux Corporation	AvanStrate Inc.	None	Financial assets at fair value through profit or loss	900,000	$ 10,789	1	$ 10,789	
Innolux Corporation	TPV Technology Limited	None	Financial assets at fair value through profit or loss	60,200,000	1,115,187	3	1,115,187	
Innolux Corporation	Chi Lin Optoelectronics Co., Ltd.	Other related party	Financial assets at fair value through profit or loss	4,270,212	45,649	19	45,649	
Innolux Corporation	Cheng Mei Materials Technology Corporation	None	Financial assets at fair value through profit or loss	57,211,305	718,002	8	718,002	
Innolux Corporation	General Interface Solution (GIS) Holding Limited	None	Financial assets at fair value through profit or loss	1,669,000	136,858	—	136,858	
Innolux Corporation	Obsidian Sensors, Inc.	None	Financial assets at fair value through profit or loss	477,142	6,158	12	6,158	
Innolux Corporation	VIZIO Holding Corp.	None	Financial assets at fair value through other comprehensive income	8,347,068	2,333,264	4	2,333,264	
Innolux Corporation	Cathay Financial Holding Co., Ltd. Preferred Stock A	None	Financial assets at fair value through other comprehensive income	1,027,000	61,517	—	61,517	
Innolux Corporation	TAISHIN FINANCIAL HOLDING CO., LTD. Preferred Stock E	None	Financial assets at fair value through other comprehensive income	263,000	13,413	—	13,413	
Innolux Corporation	Chailease Holding Company Limited Class A Preferred Shares	None	Financial assets at fair value through other comprehensive income	674,000	67,131	—	67,131	
Innolux Corporation	Fubon Financial Holding Co., Ltd. Preferred Shares B	None	Financial assets at fair value through other comprehensive income	1,110,000	67,155	—	67,155	
Innolux Corporation	ENNOSTAR Inc.	None	Financial assets at fair value through profit or loss	2,750,000	146,300	—	146,300	
Yuan Chi Investment Co., Ltd.	Trillion Science, Inc.	None	Financial assets at fair value through profit or loss	1,439,180	—	3	—	
Yuan Chi Investment Co., Ltd.	Cheng Mei Materials Technology Corporation	None	Financial assets at fair value through profit or loss	315,000	3,953	—	3,953	
Yuan Chi Investment Co., Ltd.	WPG Holdings Limited Preferred Share A	None	Financial assets at fair value through other comprehensive income	1,520,000	75,012	1	75,012	
Yuan Chi Investment Co., Ltd.	WT MICROELECTRONICS CO., LTD. Preferred Shares A	None	Financial assets at fair value through other comprehensive income	176,000	8,659	—	8,659	
Yuan Chi Investment Co., Ltd.	VISIONATICS INC.	Other related party	Financial assets at fair value through other comprehensive income	300,000	1,674	10	1,674	
Yuan Chi Investment Co., Ltd.	Clarix Imaging Corporation	None	Financial assets at fair value through profit or loss	113,033	2,105	1	2,105	

Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	As of March 31, 2023 Shares/Units	Book value	Ownership (%)	Fair value	Footnote
	Common stock							
InnoJoy Investment Corporation	Advanced Optoelectronic Technology, Inc.	None	Financial assets at fair value through profit or loss	6,964,222	$ 143,811	5	$ 143,811	
InnoJoy Investment Corporation	ENNOSTAR Inc.	None	Financial assets at fair value through profit or loss	954,000	50,753	—	50,753	
InnoJoy Investment Corporation	EPILEDS Co., Ltd.	Other related party	Financial assets at fair value through other comprehensive income	7,347,144	122,330	7	122,330	
InnoJoy Investment Corporation	Fitipower Integrated Technology Inc.	None	Financial assets at fair value through other comprehensive income	9,000,000	1,516,500	5	1,516,500	
Ningbo Innolux Optoelectronics Ltd.	Shenzhen Tiandeyu Electronics Co., Ltd.	None	Financial assets at fair value through profit or loss	30,599,775	3,111,367	7	3,111,367	
Warriors Technology Investments Ltd	OED Holding Ltd.	None	Financial assets at fair value through profit or loss	16,000,000	39,703	6	39,703	
Warriors Technology Investments Ltd	Obsidian Sensors, Inc.	None	Financial assets at fair value through profit or loss	414,136	5,300	11	5,300	
Warriors Technology Investments Ltd	Reco Technology Holding Limited	None	Financial assets at fair value through profit or loss	2,016,000	23,604	2	23,604	
Warriors Technology Investments Ltd	Kymeta Corporation	None	Financial assets at fair value through other comprehensive income	1,027,371	15,276	—	15,276	
Warriors Technology Investments Ltd	General Interface Solution (GIS) Holding Limited	None	Financial assets at fair value through other comprehensive income	22,525,000	1,847,050	7	1,847,050	
Warriors Technology Investments Ltd	CJK Associates Co., Ltd.	None	Financial assets at fair value through other comprehensive income	4,000	687	14	687	
Warriors Technology Investments Ltd	Perinnova Limited	Other related party	Financial assets at fair value through other comprehensive income	1,900	—	19	—	
Warriors Technology Investments Ltd	KA Imaging Inc.	Other related party	Financial assets at fair value through other comprehensive income	1,819,240	3,315	12	3,315	
Nets Trading Ltd.	PilotTech Global Fund	None	Financial assets at fair value through profit or loss	90	21,810	—	21,810	
	Convertible bonds							
Warriors Technology Investments Ltd	KA Imaging Inc.	Other related party	Financial assets at fair value through profit or loss	—	97,971	Not applicable	97,971	
Warriors Technology Investments Ltd	Obsidian Sensors, Inc.	None	Financial assets at fair value through profit or loss	—	94,375	Not applicable	94,375	
	Beneficiary certificates							
Innolux Corporation	Taishin Ta-Chong Money Market Fund	None	Financial assets at fair value through profit or loss	13,836,522	200,289	—	200,289	
Innolux Corporation	Taishin 1699 Money Market Fund	None	Financial assets at fair value through profit or loss	145,031,058	2,002,792	—	2,002,792	

Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	As of March 31, 2023				Footnote
				Shares/Units	Book value	Ownership (%)	Fair value	
	Beneficiary certificates							
Innolux Corporation	CTBC Hwa-win Money Market Fund	None	Financial assets at fair value through profit or loss	44,615,371	$ 500,161	—	$ 500,161	
Innolux Corporation	Fubon Chi-Hsiang Money Market Fund	None	Financial assets at fair value through profit or loss	31,345,997	500,163	—	500,163	
Innolux Corporation	Jih Sun Money Market Fund	None	Financial assets at fair value through profit or loss	99,282,299	1,500,463	—	1,500,463	
Innolux Corporation	Capital Money Market Fund	None	Financial assets at fair value through profit or loss	91,304,931	1,500,332	—	1,500,332	
Innolux Corporation	UPAMC James Bond Money Market Fund	None	Financial assets at fair value through profit or loss	29,432,541	500,159	—	500,159	
Innolux Corporation	Hua Nan Phoenix Money Market Fund	None	Financial assets at fair value through profit or loss	30,187,221	500,169	—	500,169	
	Financial products							
Innolux Corporation	Fixed Income RMB-Structured Deposits	None	Financial assets at amortized cost	—	487,434	Not applicable	487,434	
Ningbo Innolux Display Ltd.	Chang Jiang Sheng Shih Ru Yi Serials A congregate group pension plan	None	Financial assets at fair value through profit or loss	—	9,888	Not applicable	9,888	
Foshan Innolux Optoelectronics Ltd.	Chang Jiang Sheng Shih Ru Yi Serials A congregate group pension plan	None	Financial assets at fair value through profit or loss	—	37,805	Not applicable	37,805	
Ningbo Innolux Electronics Ltd.	Chang Jiang Sheng Shih Ru Yi Serials A congregate group pension plan	None	Financial assets at fair value through profit or loss	—	328	Not applicable	328	
Ningbo Innolux Optoelectronics Ltd.	Chang Jiang Sheng Shih Ru Yi Serials A congregate group pension plan	None	Financial assets at fair value through profit or loss	—	48,212	Not applicable	48,212	
Ningbo CarUX Technology Ltd.	Chang Jiang Sheng Shih Ru Yi Serials A congregate group pension plan	None	Financial assets at fair value through profit or loss	—	1,670	Not applicable	1,670	
Nanjing Innolux Optoelectronics Ltd.	Chang Jiang Sheng Shih Ru Yi Serials A congregate group pension plan	None	Financial assets at fair value through profit or loss	—	21,278	Not applicable	21,278	
Innocom Technology (Shenzhen) Co., Ltd.	Chang Jiang Sheng Shih Ru Yi Serials A congregate group pension plan	None	Financial assets at fair value through profit or loss	—	9,442	Not applicable	9,442	
Shanghai Innolux Optoelectronics Ltd.	Chang Jiang Sheng Shih Ru Yi Serials A congregate group pension plan	None	Financial assets at fair value through profit or loss	—	6,889	Not applicable	6,889	
	Bonds							
Innolux Corporation	Taiwan Mobile Co., Ltd.	None	Financial assets at amortized cost	—	200,060	Not applicable	199,960	
Innolux Corporation	Nan Ya Plastics Corporation	None	Financial assets at amortized cost	—	125,282	Not applicable	124,500	
Innolux Corporation	Highwealth Construction corp.	None	Financial assets at amortized cost	—	250,230	Not applicable	250,200	
Innolux Corporation	Far Eastern New Century Corporation Co., Ltd.	None	Financial assets at amortized cost	—	125,186	Not applicable	125,188	
Innolux Corporation	Far Eastone Telecommunications, 2017, Third	None	Financial assets at amortized cost	—	100,135	Not applicable	99,980	
Innolux Corporation	Far Eastone Telecommunications, 2018, First	None	Financial assets at amortized cost	—	100,051	Not applicable	99,980	
Innolux Corporation	Agricultural Bank of China (New York Branch)	None	Financial assets at amortized cost	—	289,742	Not applicable	280,791	

Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	As of March 31, 2023				Footnote
				Shares/Units	Book value	Ownership (%)	Fair value	
	Bonds							
Innolux Corporation	Arab Petroleum Investments Corporation	None	Financial assets at amortized cost	—	$ 165,693	Not applicable	$ 162,284	
Innolux Corporation	Bank of Communications (Hong Kong Branch)	None	Financial assets at amortized cost	—	183,026	Not applicable	182,970	
Innolux Corporation	Daimler Finance North America LLC	None	Financial assets at amortized cost	—	152,720	Not applicable	152,055	
Innolux Corporation	Doosan Infracore Co., Ltd.	None	Financial assets at amortized cost	—	243,946	Not applicable	240,733	
Innolux Corporation	Emirates NBD Bank PJSC	None	Financial assets at amortized cost	—	304,500	Not applicable	301,281	
Innolux Corporation	GS Caltex Corporation	None	Financial assets at amortized cost	—	153,453	Not applicable	151,763	
Innolux Corporation	Hyundai Capital America	None	Financial assets at amortized cost	—	36,724	Not applicable	36,375	
Innolux Corporation	Industrial and Commercial Bank of China Limited (Hong Kong Branch)	None	Financial assets at amortized cost	—	274,363	Not applicable	270,972	
Innolux Corporation	KIA Corporation	None	Financial assets at amortized cost	—	294,962	Not applicable	294,187	
Innolux Corporation	Korea Resources Corporation	None	Financial assets at amortized cost	—	305,016	Not applicable	304,372	
Innolux Corporation	NongHyup Bank	None	Financial assets at amortized cost	—	183,254	Not applicable	180,424	
Innolux Corporation	POSCO	None	Financial assets at amortized cost	—	277,102	Not applicable	273,225	
Innolux Corporation	Saudi Electricity Global SUKUK Company 4	None	Financial assets at amortized cost	—	281,955	Not applicable	271,792	
Innolux Corporation	Shinhan Bank	None	Financial assets at amortized cost	—	279,623	Not applicable	272,639	
Innolux Corporation	Siam Commercial Bank Cayman Islands	None	Financial assets at amortized cost	—	209,240	Not applicable	207,748	
Innolux Corporation	Sinopec Capital 2013 LTD.	None	Financial assets at amortized cost	—	34,772	Not applicable	34,674	
Innolux Corporation	SK broadband CO. LTD.	None	Financial assets at amortized cost	—	154,144	Not applicable	151,400	
Innolux Corporation	Societe Generale SA	None	Financial assets at amortized cost	—	278,683	Not applicable	271,984	
Innolux Corporation	Sumitomo Mitsui Trust Bank	None	Financial assets at amortized cost	—	305,186	Not applicable	291,483	

Innolux Corporation and Subsidiaries

Acquisition or sale of the same security with the accumulated cost exceeding $300 million or 20% of the Company's paid-in capital

For the three-month period ended March 31, 2023

Table 3

Expressed in thousands of NTD

(Except as otherwise indicated)

Investor	Marketable securities (Note 1)	General ledger account	Counterparty (Note 2)	Relationship with the investor (Note 2)	Balance as at January 1, 2023		Addition (Note 3)		Disposal (Note 3)				Balance as at March 31, 2023 (Note 6)	
					Shares/Units	Amount	Shares/Units	Amount	Shares/ Units	Selling price	Book value	Gain (loss) on disposal	Shares/Units	Amount
Innolux Corporation	CTBC Hwa-win Money Market Fund	Note 4	—	—	—	$ —	44,615,371	$ 500,000	—	$ —	$ —	$ —	44,615,371	$ 500,161
Innolux Corporation	Fubon Chi-Hsiang Money Market Fund	Note 4	—	—	—	—	31,345,997	500,000	—	—	—	—	31,345,997	500,163
Innolux Corporation	Jih Sun Money Market Fund	Note 4	—	—	—	—	99,282,299	1,500,000	—	—	—	—	99,282,299	1,500,463
Innolux Corporation	Capital Money Market Fund	Note 4	—	—	—	—	91,304,931	1,500,000	—	—	—	—	91,304,931	1,500,332
Innolux Corporation	Taishin 1699 Money Market Fund	Note 4	—	—	—	—	145,031,058	2,000,000	—	—	—	—	145,031,058	2,002,792
Innolux Corporation	UPAMC James Bond Money Market Fund	Note 4	—	—	—	—	29,432,541	500,000	—	—	—	—	29,432,541	500,159
Innolux Corporation	Hua Nan Phoenix Money Market Fund	Note 4	—	—	—	—	30,187,221	500,000	—	—	—	—	30,187,221	500,169
Innolux Corporation	Fixed Income Structured Linked Deposit	Note 5	—	—	—	1,535,500	—	—	—	1,533,203	1,594,750	14,203	—	—

Note 1: Marketable securities in the table refer to stocks, bonds, beneficiary certificates and other related derivative securities.

Note 2: Fill in the columns the counterparty and relationship if securities are accounted for using the equity method; otherwise leave the columns blank.

Note 3: Aggregate purchases and sales amounts should be calculated separately at their market values to verify whether they individually reach NT$300 million or 20% of paid-in capital or more.

Note 4: Code of general ledger account is "financial assets at fair value through profit or loss". Due to adoption of IFRS, it would be valued at fair value rather than recognized disposal gain or loss.

Note 5: Code of general ledger account is "financial assets at amortized cost". The gain or loss due to disposal is interest income.

Note 6: The carrying amount as at March 31, 2023 included gains or losses on valuation.

Innolux Corporation and Subsidiaries

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

For the three-month period ended March 31, 2023

Table 4

Expressed in thousands of NTD
(Except as otherwise indicated)

			Transaction				Differences in transaction terms compared to third party transactions		Notes/accounts receivable (payable)		
Purchaser/seller	Counterparty	Relationship with the counterparty	Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	Footnote
Innolux Corporation	CARUX TECHNOLOGY PTE. LTD.	An indirect wholly-owned subsidiary	Sales	$ 4,033,095	11	60 days	Similar with general sales	No material difference	$ 8,983,214	29	
Innolux Corporation	Innolux USA Inc.	An indirect wholly-owned subsidiary	Sales	1,617,142	4	120 days	Similar with general sales	No material difference	944,434	3	
Innolux Corporation	HONGFUJIN PRECISION ELECTRONICS (YANTAI) CO., LTD.	An indirect wholly-owned subsidiary of Hon Hai Precision Industry Co., Ltd.	Sales	244,326	1	60 days	Similar with general sales	No material difference	73,734	—	
Innolux Corporation	Foshan Innolux Optoelectronics Ltd.	An indirect wholly-owned subsidiary	Sales	194,198	1	60-90 days	Similar with general sales	No material difference	16,248	—	
Innolux Corporation	InnoCare Optoelectronics Corporation	A subsidiary of the Company	Sales	113,038	—	90 days	Similar with general sales	No material difference	142,968	—	
Innolux Corporation	Foshan Innolux Optoelectronics Ltd.	An indirect wholly-owned subsidiary	Processing expense	5,555,773	13	60 days	Cost plus	No material difference	(3,730,016)	9	
Innolux Corporation	Ningbo Innolux Display Ltd.	An indirect wholly-owned subsidiary	Processing expense	4,477,640	10	60 days	Cost plus	No material difference	(6,179,177)	15	
Innolux Corporation	Ningbo Innolux Optoelectronics Ltd.	An indirect wholly-owned subsidiary	Processing expense	2,959,600	7	60 days	Cost plus	No material difference	(8,198,363)	20	
Innolux Corporation	Nanjing Innolux Optoelectronics Ltd.	An indirect wholly-owned subsidiary	Processing expense	1,418,906	3	60 days	Cost plus	No material difference	(2,869,426)	7	
Innolux Corporation	Ningbo CarUX Technology Ltd.	An indirect wholly-owned subsidiary	Processing expense	483,120	1	60 days	Cost plus	No material difference	(57,312)	—	
Shanghai Innolux Optoelectronics Ltd.	CARUX TECHNOLOGY PTE. LTD.	An indirect wholly-owned subsidiary	Processing revenue	3,294,477	87	60 days	Similar with general transactions	No material difference	1,287,176	63	

			Transaction				Differences in transaction terms compared to third party transactions		Notes/accounts receivable (payable)		
Purchaser/seller	Counterparty	Relationship with the counterparty	Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	Footnote
CarUX Technology Inc.	CARUX TECHNOLOGY PTE. LTD.	An indirect wholly-owned subsidiary	Processing revenue	$ 2,346,410	100	60 days	Similar with general transactions	No material difference	$ 2,119,903	98	
Ningbo Innolux Optoelectronics Ltd.	Ningbo Innolux Display Ltd.	An indirect wholly-owned subsidiary	Sales	915,920	16	60 days	Similar with general transactions	No material difference	758,185	8	
InnoCare Optoelectronics Corporation	InnoCare Optoelectronics Japan Co., Ltd.	An indirect wholly-owned subsidiary	Sales	174,071	45	60 days	Similar with general transactions	No material difference	326,712	66	
Ningbo Innolux Display Ltd.	Hon Hai Precision Industry Co., Ltd.	Same major stockholder	Purchases	491,791	7	90 days	Similar with general transactions	No material difference	(562,712)	9	
Ningbo Innolux Optoelectronics Ltd.	Hon Hai Precision Industry Co., Ltd.	Same major stockholder	Purchases	161,706	3	90 days	Similar with general transactions	No material difference	(176,170)	4	
Innolux Europe B.V.	CARUX TECHNOLOGY PTE. LTD.	An indirect wholly-owned subsidiary	Service revenue	226,584	99	60 days	Similar with general transactions	No material difference	153,725	99	

Innolux Corporation and Subsidiaries

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

March 31, 2023

Table 5

Expressed in thousands of NTD

(Except as otherwise indicated)

Creditor	Counterparty	Relationship with the counterparty	Balance as at March 31, 2023 (Note A)	Turnover rate	Overdue receivables Amount	Overdue receivables Action taken	Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
Innolux Corporation	CARUX TECHNOLOGY PTE. LTD.	An indirect wholly-owned subsidiary	$ 8,983,214	1.83	$ 4,162,995	Subsequent collection	$ 623,491	$ —
Innolux Corporation	Innolux USA Inc.	An indirect wholly-owned subsidiary	944,434	3.54	—	—	—	—
Innolux Corporation	CARUX TECHNOLOGY PTE. LTD.	An indirect wholly-owned subsidiary	394,906 (Shown as other receivables)	—	162,811	Subsequent collection	13,117	—
Innolux Corporation	CarUX Technology Inc.	An indirect wholly-owned subsidiary	275,513 (Shown as other receivables)	—	240,236	Subsequent collection	—	—
Innolux Corporation	Hon Hai Precision Industry Co., Ltd.	Same major stockholder	211,191	0.77	7,872	Subsequent collection	21,101	—
Innolux Corporation	InnoCare Optoelectronics Corporation	A subsidiary of the Company	142,968	3.30	—	—	—	—
Ningbo Innolux Optoelectronics Ltd.	Innolux Corporation	Ultimate parent company	8,198,363	1.63	4,140,165	Subsequent collection	1,218,302	—
Ningbo Innolux Display Ltd.	Innolux Corporation	Ultimate parent company	6,179,177	4.07	—	—	2,314,826	—
Foshan Innolux Optoelectronics Ltd.	Innolux Corporation	Ultimate parent company	3,730,016	6.57	—	—	837,386	—
Nanjing Innolux Optoelectronics Ltd.	Innolux Corporation	Ultimate parent company	2,869,426	2.08	1,271,570	Subsequent collection	—	—
CarUX Technology Inc.	CARUX TECHNOLOGY PTE. LTD.	An indirect wholly-owned subsidiary	2,119,903	4.40	—	—	1,218,092	—
Shanghai Innolux Optoelectronics Ltd.	CARUX TECHNOLOGY PTE. LTD.	An indirect wholly-owned subsidiary	1,287,176	10.32	—	—	1,287,176	—
Ningbo Innolux Optoelectronics Ltd.	Ningbo Innolux Display Ltd.	An indirect wholly-owned subsidiary	758,185	5.57	—	—	—	—

Creditor	Counterparty	Relationship with the counterparty	Balance as at March 31, 2023 (Note A)	Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
					Amount	Action taken		
Innocom Technology (Shenzhen) Co., Ltd.	Innolux Corporation	Ultimate parent company	$ 505,902	0.57	$ 435,183	Subsequent collection	$ —	$ —
InnoCare Optoelectronics Corporation	InnoCare Optoelectronics Japan Co., Ltd.	An indirect wholly-owned subsidiary	326,712	4.82	17,207	Subsequent collection	67,063	—
Innolux Europe B.V.	CARUX TECHNOLOGY PTE. LTD.	An indirect wholly-owned subsidiary	153,725	6.17	—	—	—	—

Note A：For the information on receivables of loans to related parties reaching NT$100 million or 20% of paid-in capital or more, please refer to Table 1.

Innolux Corporation and Subsidiaries

Significant inter-company transactions during the reporting period

For the three-month period ended March 31, 2023

Table 6

Expressed in thousands of NTD

(Except as otherwise indicated)

Number (Note A)	Company name	Counterparty	Relationship (Note B)	Transaction (Note D and E) General ledger account	Amount	Transaction terms (Note C)	Percentage of consolidated total operating revenues or total assets
0	Innolux Corporation	Innocom Technology (Shenzhen) Co., Ltd.	1	Accrued expenses	$ (505,902)	—	—
0	Innolux Corporation	Nanjing Innolux Optoelectronics Ltd.	1	Processing expense	1,418,906	—	3
0	Innolux Corporation	Nanjing Innolux Optoelectronics Ltd.	1	Accrued expenses	(2,869,426)	—	1
0	Innolux Corporation	Ningbo Innolux Optoelectronics Ltd.	1	Processing expense	2,959,600	—	6
0	Innolux Corporation	Ningbo Innolux Optoelectronics Ltd.	1	Accrued expenses	(8,198,363)	—	2
0	Innolux Corporation	Foshan Innolux Optoelectronics Ltd.	1	Sales	194,198	—	—
0	Innolux Corporation	Foshan Innolux Optoelectronics Ltd.	1	Processing expense	5,555,773	—	12
0	Innolux Corporation	Foshan Innolux Optoelectronics Ltd.	1	Accrued expenses	(3,730,016)	—	1
0	Innolux Corporation	Ningbo Innolux Display Ltd.	1	Processing expense	4,477,640	—	10
0	Innolux Corporation	Ningbo Innolux Display Ltd.	1	Accrued expenses	(6,179,177)	—	2
0	Innolux Corporation	Innolux USA Inc.	1	Sales	1,617,142	—	4
0	Innolux Corporation	Innolux USA Inc.	1	Accounts receivable	944,434	—	—
0	Innolux Corporation	CarUX Technology Inc.	1	Other receivables	275,513	—	—
0	Innolux Corporation	InnoCare Optoelectronics Corporation	1	Sales	113,038	—	—
0	Innolux Corporation	InnoCare Optoelectronics Corporation	1	Accounts receivable	142,968	—	—
0	Innolux Corporation	CARUX TECHNOLOGY PTE. LTD.	1	Sales	4,033,095	—	9
0	Innolux Corporation	CARUX TECHNOLOGY PTE. LTD.	1	Accounts receivable	8,983,214	—	2
0	Innolux Corporation	CARUX TECHNOLOGY PTE. LTD.	1	Other receivables	394,906	—	—
0	Innolux Corporation	Ningbo CarUX Technology Ltd.	1	Processing expense	483,120	—	1
1	Shanghai Innolux Optoelectronics Ltd.	CARUX TECHNOLOGY PTE. LTD.	3	Processing revenue	3,294,477	—	7
1	Shanghai Innolux Optoelectronics Ltd.	CARUX TECHNOLOGY PTE. LTD.	3	Accounts receivable	1,287,176	—	—
2	Innolux Europe B.V.	CARUX TECHNOLOGY PTE. LTD.	3	Service revenue	226,584	—	—
2	Innolux Europe B.V.	CARUX TECHNOLOGY PTE. LTD.	3	Accounts receivable	153,725	—	—

Number (Note A)	Company name	Counterparty	Relationship (Note B)	Transaction (Note D and E)			
				General ledger account	Amount	Transaction terms (Note C)	Percentage of consolidated total operating revenues or total assets
3	Ningbo Innolux Optoelectronics Ltd.	Ningbo Innolux Display Ltd.	3	Sales	$ 915,920	—	2
3	Ningbo Innolux Optoelectronics Ltd.	Ningbo Innolux Display Ltd.	3	Accounts receivable	758,185	—	—
4	CarUX Technology Inc.	CARUX TECHNOLOGY PTE. LTD.	3	Processing revenue	2,346,410	—	5
4	CarUX Technology Inc.	CARUX TECHNOLOGY PTE. LTD.	3	Accounts receivable	2,119,903	—	1
5	InnoCare Optoelectronics Corporation	InnoCare Optoelectronics Japan Co., Ltd.	3	Sales	174,071	—	—
5	InnoCare Optoelectronics Corporation	InnoCare Optoelectronics Japan Co., Ltd.	3	Accounts receivable	326,712	—	—

Note A: The information of transactions between the Company and the consolidated subsidiaries should be noted in "Number" column.

(1) Number 0 represents the parent company.

(2) The subsidiaries are numbered in order from number 1.

Note B: 1 refers to the parent company to the subsidiary.

3 refers to the subsidiary to the subsidiary.

Note C: Except for no comparable transactions from related parties, sales prices were similar to non-related parties transactions and the collection period was mainly 30~120 days; the purchases from related parties were at market prices and payment term was 30~120 days upon receipt of goods.

Note D: Amount disclosure standard: purchases, sales and receivables from related parties in excess of $100 million or 20% of capital.

Note E: For the information on transactions between the Company and the consolidated subsidiaries relating to nature of loan, please refer to Table 1.

Innolux Corporation and Subsidiaries

Information on investees

For the three-month period ended March 31, 2023

Table 7

Expressed in thousands of NTD

(Except as otherwise indicated)

				Initial investment amount		Shares held as at March 31, 2023					
Investor	Investee	Location	Main business activities	Balance as at March 31, 2023	Balance as at December 31, 2022	Number of shares	Ownership (%)	Book value	Net profit (loss) of the investee for the three-month period ended March 31, 2023	Investment income (loss) recognized by the Company for the three-month period ended March 31, 2023	Footnote
Innolux Corporation	Innolux Holding Limited	Samoa	Investment holdings	$ 6,192,509	$ 6,192,509	180,568,185	100	$ 18,496,918	$ 42,602	$ 42,602	
Innolux Corporation	Keyway Investment Management Limited	Samoa	Investment holdings	62,197	62,197	1,656,410	100	110,338	1,865	1,865	
Innolux Corporation	Landmark International Ltd.	Samoa	Investment holdings	33,438,542	33,438,542	709,450,000	100	56,714,174	1,215,725	1,215,725	
Innolux Corporation	Toppoly Optoelectronics (B.V.I.) Ltd.	BVI	Investment holdings	3,674,115	3,674,115	146,847,000	100	6,531,331	(131,569)	(131,569)	
Innolux Corporation	Innolux Hong Kong Holding Limited	Hong Kong	Investment holdings	3,231,780	3,231,780	1,158,844,000	100	5,176,338	200,271	200,531	
Innolux Corporation	Innolux Singapore Holding Pte. Ltd.	Singapore	Investment holdings	754,943	754,943	25,400,000	100	155,304	344	344	
Innolux Corporation	Yuan Chi Investment Co., Ltd.	Taiwan	Investment company	1,217,235	1,217,235	—	100	850,087	73	73	
Innolux Corporation	InnoJoy Investment Corporation	Taiwan	Investment company	1,674,054	1,674,054	167,405,392	100	2,863,447	58,643	58,643	
Innolux Corporation	InnoCare Optoelectronics Corporation	Taiwan	Holdings, R&D, manufacturing and distribution company	202,000	205,000	20,200,000	51	637,486	29,756	17,065	
Innolux Corporation	Innolux Japan Co., Ltd.	Japan	Holdings, R&D and distribution company	1,682,751	1,682,751	98	54	2,195,727	220,582	120,085	
Innolux Corporation	iZ3D, Inc.	USA	Research and development and sale of 3D flat monitor	—	—	4,333	35	—	—	—	
Innolux Corporation	GIO Optoelectronics Corp.	Taiwan	Holdings, R&D, manufacturing and distribution company	451,168	451,168	41,288,528	76	405,179	(6,736)	(5,148)	
Innolux Corporation	INStek Corporation	Taiwan	R&D, manufacturing and distribution company	35,300	35,300	2,647,507	40	27,590	(51)	(21)	
Innolux Corporation	Ampower Holding Ltd.	Cayman	Investment holdings	1,717,714	1,717,714	14,062,500	50	896,105	(5,211)	(2,606)	
Innolux Corporation	FI Medical Device Manufacturing Co., Ltd.	Taiwan	Production and selling of the absorption for medical element	73,500	73,500	7,350,000	49	300,757	(7,345)	(3,599)	
Innolux Corporation	eLux Inc.	USA	R&D of MicroLED technology	91,155	91,155	300,000	28	14,482	(15,064)	(5,960)	

Investor	Investee	Location	Main business activities	Initial investment amount: Balance as at March 31, 2023	Initial investment amount: Balance as at December 31, 2022	Shares held as at March 31, 2023: Number of shares	Shares held as at March 31, 2023: Ownership (%)	Shares held as at March 31, 2023: Book value	Net profit (loss) of the investee for the three-month period ended March 31, 2023	Investment income (loss) recognized by the Company for the three-month period ended March 31, 2023	Footnote
Innolux Corporation	PanelSemi Corporation	Taiwan	Manufacturing of electronic parts	$ 250,000	$ 250,000	25,000,000	45	$ 147,654	$ (32,286)	$ (14,675)	
Innolux Holding Limited	Rockets Holding Limited	Samoa	Investment holdings	5,222,180	5,222,180	160,504,550	100	12,330,267	40,555	40,555	
Innolux Holding Limited	Suns Holding Ltd	Samoa	Investment holdings	555,422	555,422	18,177,052	100	5,934,558	2,047	2,047	
Toppoly Optoelectronics (B.V.I.) Ltd.	Toppoly Optoelectronics (Cayman) Ltd.	Cayman	Investment holdings	3,650,192	3,650,192	146,817,000	100	6,530,975	(131,569)	(131,569)	
Innolux Hong Kong Holding Limited	Innolux Hong Kong Limited	Hong Kong	Distribution company	—	—	35,000,000	100	1,697,974	349	349	
Innolux Hong Kong Holding Limited	Innolux Japan Co., Ltd.	Japan	Holdings, R&D and distribution company	1,815,603	1,815,603	82	46	1,837,570	220,582	100,497	
Innolux Hong Kong Holding Limited	CarUX Holding Limited	Cayman	Investment holdings	3,772,473	3,772,473	125,231,749	100	1,842,481	84,014	84,014	
CarUX Holding Limited	CARUX TECHNOLOGY PTE. LTD.	Singapore	Holdings and distribution company	3,769,371	3,769,371	125,131,749	100	1,738,230	85,368	85,368	
CarUX Holding Limited	Ultimate Fantasy Limited	BVI	Investment holdings	3	—	—	—	3	—	—	
CARUX TECHNOLOGY PTE. LTD.	Innolux Optoelectronics Hong Kong Holding Limited	Hong Kong	Investment holdings	1,818,180	1,818,180	162,897,802	100	2,048,302	(42,810)	(217,513)	
CARUX TECHNOLOGY PTE. LTD.	Innolux Europe B.V.	Netherlands	Holding, distribution and R&D testing company	464,341	464,341	375,810	100	512,085	10,327	10,327	
CARUX TECHNOLOGY PTE. LTD.	CarUX Technology Inc.	Taiwan	R&D, manufacturing and distribution company	1,400,000	1,400,000	140,000,000	100	1,836,313	45,093	(77,675)	
Innolux Japan Co., Ltd.	Innolux USA Inc.	USA	Distribution company	369,092	369,092	12,842	100	1,342,149	219,868	219,868	
Rockets Holding Limited	Stanford Developments Limited	Samoa	Investment holdings	5,391,125	5,391,125	164,000,000	100	12,306,163	40,555	40,555	
Rockets Holding Limited	Nets Trading Ltd.	Samoa	Investment company	27,477	27,477	900,001	100	23,967	—	—	
Suns Holding Ltd	Warriors Technology Investments Ltd	Samoa	Investment company	555,422	555,422	18,177,052	100	5,934,556	2,047	2,047	
Innolux Europe B.V.	Innolux Technology Germany GmbH	Germany	Testing and maintenance company	33,735	33,735	100,000	100	25,928	302	302	
Innolux Singapore Holding Pte. Ltd.	INNOLUX OPTOELECTRONICS INDIA PRIVATE LIMITED	India	Distribution company	607,284	607,284	144,095,499	100	6,962	298	298	

Investor	Investee	Location	Main business activities	Initial investment amount: Balance as at March 31, 2023	Initial investment amount: Balance as at December 31, 2022	Shares held as at March 31, 2023: Number of shares	Shares held as at March 31, 2023: Ownership (%)	Shares held as at March 31, 2023: Book value	Net profit (loss) of the investee for the three-month period ended March 31, 2023	Investment income (loss) recognized by the Company for the three-month period ended March 31, 2023	Footnote
Yuan Chi Investment Co., Ltd.	INNOLUX OPTOELECTRONICS INDIA PRIVATE LIMITED	India	Distribution company	$ —	$ —	1	—	$ —	$ 298	$ —	
Yuan Chi Investment Co., Ltd.	GIO Optoelectronics Corp.	Taiwan	Holdings, R&D, manufacturing and distribution company	858	858	77,235	—	770	(6,736)	(10)	
Yuan Chi Investment Co., Ltd.	InnVasLinx Inc.	Taiwan	E-Paper Module/Assembly	6,829	6,829	599,799	45	4,982	(3,355)	(1,510)	
InnoJoy Investment Corporation	Inno Capital Corporation	Taiwan	Investment company	15,000	15,000	1,500,000	100	17,715	1,080	1,080	
InnoJoy Investment Corporation	CDIB-Innolux Limited Partnership	Taiwan	Investment company	188,556	122,561	—	16	220,014	139,029	22,906	
Inno Capital Corporation	CDIB-Innolux Limited Partnership	Taiwan	Investment company	11,444	7,439	—	1	13,354	139,029	1,390	
InnoCare Optoelectronics Corporation	InnoCare Optoelectronics Japan Co., Ltd.	Japan	Distribution company	87,149	87,149	30,010	100	112,055	13,845	13,845	
InnoCare Optoelectronics Corporation	InnoCare Optoelectronics USA, INC.	USA	Distribution company	27,963	27,963	900,000	100	39,650	5,570	5,570	
InnoCare Optoelectronics Corporation	Innocare Optoelectronics Europe B.V.	Netherlands	After-sales service company	1,662	1,662	500	100	2,865	109	109	
GIO Optoelectronics Corp.	Double Star Inc.	Mauritius	Investment holdings	298,113	298,113	10,000,000	100	103,450	(379)	(379)	

Innolux Corporation and Subsidiaries

Information on investments in Mainland China

For the three-month period ended March 31, 2023

Table 8

Expressed in thousands of NTD

(Except as otherwise indicated)

Investee in Mainland China	Main business activities	Paid-in capital (Note A)	Investment method (Note C)	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2023	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the three-month period ended March 31, 2023		Accumulated amount of remittance from Taiwan to Mainland China as of March 31, 2023	Net income of investee for the three-month period ended March 31, 2023	Ownership held by the Company (direct or indirect)	Investment income (loss) recognized by the Company for the three-month period ended March 31, 2023 (Note B)	Book value of investments in Mainland China as of March 31, 2023	Accumulated amount of investment income remitted back to Taiwan as of March 31, 2023	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
Innocom Technology (Shenzhen) Co., Ltd.	Manufacturing and selling of LCD backend module and related components	$ 4,993,800	2	$ 3,864,462	$ —	$ —	$ 3,864,462	$ 40,555	100	$ 40,555	$ 12,306,112	$ 1,129,338	2.1
Ningbo Innolux Optoelectronics Ltd.	Manufacturing and selling of LCD backend module and related components	9,439,500	2	224,266	—	—	224,266	908,551	100	908,551	26,644,940	5,256,734	2.2
Foshan Innolux Optoelectronics Ltd.	Manufacturing and selling of LCD backend module and related components	11,662,350	2	11,662,350	—	—	11,662,350	197,706	100	198,291	23,438,377	—	2.2
Ningbo Innolux Display Ltd.	Manufacturing and selling of LCD backend module and related components	4,872,000	2	4,872,000	—	—	4,872,000	108,883	100	108,883	6,629,701	—	2.2
Nanjing Innolux Technology Ltd.	Purchases and sales of monitor-related components company	63,945	2	63,945	—	—	63,945	3,176	100	3,176	652,974	—	2.3
Nanjing Innolux Optoelectronics Ltd.	Manufacturing and selling of LCD backend module and related components	4,750,200	2	4,385,884	—	—	4,385,884	(134,745)	100	(134,745)	5,877,980	—	2.3
Shanghai Innolux Optoelectronics Ltd.	Manufacturing and selling of LCD backend module and related components	639,450	2	—	—	—	—	(42,810)	100	(42,810)	2,215,111	—	2.4
Foshan Innolux Logistics Ltd.	Warehousing services	45,675	2	45,675	—	—	45,675	1,803	100	1,803	105,239	—	2.5
GIO (Maanshan) Optoelectronics Co., Ltd.	Manufacturing	304,500	2	304,500	—	—	304,500	(379)	77	(290)	79,206	—	2.6
Ningbo CarUX Technology Ltd.	Manufacturing and selling of LCD backend module and related components	1,240,736	3	—	—	—	—	10,896	100	11,015	1,059,596	—	
Ningbo Innolux Electronics Ltd.	Manufacturing and selling of medical equipment	68,107	1	96,587	—	—	96,587	10,202	51	5,232	61,902	—	

Ceiling on investments in Mainland China:

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of March 31, 2023	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)	Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA
Innolux Corporation	$ 24,794,678	$ 30,326,718	(Note D)

Note A: The relevant figures were listed in NT$. Where foreign currencies were involved, the figures were converted to NT$ using exchange rate.

Note B: Profit or loss recognized for the three-month period ended March 31, 2023 was reviewed by independent auditors.

Note C: The investment methods are as follows:

1. Directly investing in Mainland China.
2. Through investing in companies in the third area, which then invested in the investee in Mainland China.
   - 2.1. Through investing in Stanford Developments Limited in the third area, which then invested in the investee in Mainland China.
   - 2.2. Through investing in Landmark International Ltd. in the third area, which then invested in the investee in Mainland China.
   - 2.3. Through investing in Toppoly Optoelectronics (Cayman) Ltd. in the third area, which then invested in the investee in Mainland China.
   - 2.4. Through investing in Innolux Optoelectronics Hong Kong Holding Limited in the third area, which then invested in the investee in Mainland China.
   - 2.5. Through investing in Keyway Investment Management Limited in the third area, which then invested in the investee in Mainland China.
   - 2.6. Through investing in Double Star Inc. in the third area, which then invested in the investee in Mainland China.
3. Others.

   The company invested via the company investment entities in Mainland China to invest in Ningbo CarUX Technology Ltd. Except for the investment via the holding companies in Mainland China, other investments shall not be approved by Investment Commission of the Ministry of Economic Affairs.

Note D: In accordance with "Rules Governing Applications for Investment or Technical Cooperation in Mainland China", the Company has obtained the certificate of being qualified for operating headquarters, issued by the Industrial Development Bureau of the Ministry of Economic Affairs, the ceiling amount of the investment in Mainland China is not applicable to the Company.