

**ASSOCIATED INDUSTRIES CHINA, INC.  
AND SUBSIDIARIES**

**CONSOLIDATED FINANCIAL STATEMENTS**

**With Independent Auditors' Review Report  
for the Three Months Ended March 31, 2022 and 2021**

Address: 5F-1, No. 3-1, Park Street, Nangang District, Taipei, 11503  
Telephone: (02)2655-8080

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

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安侯建業聯合會計師事務所  
KPMG

台北市110615信義路5段7號68樓(台北101大樓)  
68F., TAIPEI 101 TOWER, No. 7, Sec. 5,  
Xinyi Road, Taipei City 110615, Taiwan (R.O.C.)

電話 Tel + 886 2 8101 6666  
傳真 Fax + 886 2 8101 6667  
網址 Web home.kpmg/tw

## Independent Auditors' Review Report

To the Board of Directors of Associated Industries China, Inc.:

### Introduction

We have reviewed the accompanying consolidated balance sheets of Associated Industries China, Inc. and its subsidiaries (“the Group”) as of March 31, 2022 and 2021, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the three months ended March 31, 2022 and 2021, and notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

### Scope of Review

Except as explained in the Basis for Qualified Conclusion paragraph, we conducted our reviews in accordance with Statement of Auditing Standard 65, “Review of Financial Information Performed by the Independent Auditor of the Entity”. A review of the consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the generally accepted auditing standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Basis for Qualified Conclusion

As stated in Note 4(b), the consolidated financial statements included the financial statements of certain non-significant subsidiaries, which were not reviewed by independent auditors. These financial statements reflect the total assets amounting to \$28,292 thousand and \$19,747 thousand, constituting 3.69% and 2.84% of consolidated total assets; and the total liabilities amounting to \$35,752 thousand and \$31,164 thousand, constituting 10.36% and 10.74% of consolidated total liabilities as of March 31, 2022 and 2021, respectively, and the total comprehensive income (loss) amounting to \$(1,138) thousand and \$(1,107) thousand, constituting 130% and 8.82% of the absolute value of consolidated total comprehensive income (loss) for the three months ended March 31, 2022 and 2021, respectively.

Furthermore, as stated in Note 6(f), the other equity accounted investments of the Group in its investee companies of \$15,379 thousand and \$18,999 thousand as of March 31, 2022 and 2021, respectively, and its equity in net earnings on the investee companies amounting to \$(3,557) thousand and \$(5,882) thousand for the three months ended March 31, 2022 and 2021, respectively, were recognized solely on the financial statements prepared by the investee companies, but not reviewed by independent auditors.

### **Qualified Conclusion**

Except for the adjustments, if any, as might have been determined to be necessary had the financial statements of certain consolidated subsidiaries and equity accounted investee companies described in the Basis for Qualified Conclusion paragraph above been reviewed by independent auditors, based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as of March 31, 2022 and 2021, and of its consolidated financial performance for the three months ended March 31, 2022 and 2021, as well as its consolidated cash flows for the three months ended March 31, 2022 and 2021 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34, “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

The engagement partners on the reviews resulting in this independent auditors’ review report are Yiu-Kwan Au and Kuan-Ying Kuo.

KPMG

Taipei, Taiwan (Republic of China)

May 11, 2022

### **Notes to Readers**

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

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

(English Translation of Consolidated Financial Statements Originally Issued in Chinese.)  
**Reviewed only, not audited in accordance with generally accepted auditing standards as of March 31, 2022 and 2021**

**ASSOCIATED INDUSTRIES CHINA, INC. AND SUBSIDIARIES**

**Consolidated Balance Sheets**

**March 31, 2022, December 31, 2021, and March 31, 2021**

(Expressed in Thousands of New Taiwan Dollars)

Assets		March 31, 2022		December 31, 2021		March 31, 2021		Liabilities		March 31, 2022		December 31, 2021		March 31, 2021	
		Amount	%	Amount	%	Amount	%			Amount	%	Amount	%	Amount	%
<b>Current assets:</b>								<b>Current liabilities:</b>							
1100	Cash and cash equivalents (note 6(a))	\$ 81,522	11	91,366	12	118,733	17	2100	Short-term borrowings (note 6(k))	\$ 240,717	32	201,031	26	153,535	22
1110	Current financial assets at fair value through profit or loss (note 6(b))	101	-	-	-	1,093	-	2130	Current contract liabilities (note 6(t))	731	-	260	-	409	-
1170	Notes and accounts receivable, net (note 6(d))	64,680	8	63,476	8	50,317	7	2170	Notes and accounts payable	42,185	5	74,832	10	61,877	9
1200	Other receivables	1,009	-	927	-	746	-	2200	Other payables	42,031	5	45,628	6	51,064	8
1300	Inventories, net (note 6(e))	258,864	34	249,078	33	175,307	25	2250	Current provisions (note 6(l))	2,560	-	2,986	-	3,347	-
1410	Prepayments	39,647	5	35,160	5	21,656	3	2280	Current lease liabilities (note 6(m))	6,891	1	6,721	1	6,450	1
1470	Other current assets (note 8)	1,668	-	1,789	-	1,934	1	2300	Other current liabilities	2,707	-	3,131	-	1,426	-
		<u>447,491</u>	<u>58</u>	<u>441,796</u>	<u>58</u>	<u>369,786</u>	<u>53</u>			<u>337,822</u>	<u>43</u>	<u>334,589</u>	<u>43</u>	<u>278,108</u>	<u>40</u>
<b>Non-current assets:</b>								<b>Non-current liabilities:</b>							
1510	Non-current financial assets at fair value through profit or loss (notes 6(c) and 7)	7,113	1	7,113	1	6,441	1	2580	Non-current lease liabilities (note 6(m))	6,463	1	8,017	1	11,076	2
1550	Investments accounted for using the equity method (note 6(f))	15,379	2	18,936	2	18,999	3	2600	Other non-current liabilities	891	-	891	-	891	-
1600	Property, plant and equipment (notes 6(g) and 8)	117,177	15	117,440	15	117,995	17			<u>7,354</u>	<u>1</u>	<u>8,908</u>	<u>1</u>	<u>11,967</u>	<u>2</u>
1755	Right-of-use assets (note 6(h))	12,848	2	14,237	3	17,018	3			<u>345,176</u>	<u>44</u>	<u>343,497</u>	<u>44</u>	<u>290,075</u>	<u>42</u>
1760	Investment property, net (notes 6(i) and 8)	160,988	21	161,284	21	162,171	23	<b>Total liabilities</b>							
1780	Intangible assets (note 6(j))	1,300	-	850	-	1,408	-	<b>Equity attributable to owners of parent: (notes 6(q) and (r))</b>							
1900	Other non-current assets (note 8)	5,034	1	2,426	-	1,730	-	3110	Common stock	545,326	71	546,246	71	546,246	79
		<u>319,839</u>	<u>42</u>	<u>322,286</u>	<u>42</u>	<u>325,762</u>	<u>47</u>	3200	Capital surplus	29,328	4	29,249	4	29,061	4
									Retained earnings:						
								3310	Legal reserve	52,704	7	52,704	7	52,704	8
								3320	Special reserve	79,510	11	79,510	11	79,510	11
								3350	Accumulated deficits	(135,967)	(18)	(132,801)	(17)	(154,922)	(22)
										<u>(3,753)</u>	<u>-</u>	<u>(587)</u>	<u>1</u>	<u>(22,708)</u>	<u>(3)</u>
								3400	Other equity interest	(123,916)	(16)	(129,492)	(17)	(122,295)	(18)
								3500	Treasury shares	(24,831)	(3)	(24,831)	(3)	(24,831)	(4)
									<b>Total equity</b>	<u>422,154</u>	<u>56</u>	<u>420,585</u>	<u>56</u>	<u>405,473</u>	<u>58</u>
<b>Total assets</b>		<u>\$ 767,330</u>	<u>100</u>	<u>764,082</u>	<u>100</u>	<u>695,548</u>	<u>100</u>	<b>Total liabilities and equity</b>		<u>\$ 767,330</u>	<u>100</u>	<u>764,082</u>	<u>100</u>	<u>695,548</u>	<u>100</u>

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

**ASSOCIATED INDUSTRIES CHINA, INC. AND SUBSIDIARIES**

**Consolidated Statements of Comprehensive Income**

**For the three months ended March 31, 2022 and 2021**

(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Common Share)

		For the three months ended March 31			
		2022		2021	
		Amount	%	Amount	%
4000	<b>Operating revenues, net (note 6(t)):</b>				
4110	Sales revenue	\$ 145,247	99	129,842	99
4310	Rental income (note 6(n))	<u>1,341</u>	<u>1</u>	<u>1,275</u>	<u>1</u>
		146,588	100	131,117	100
5000	<b>Operating costs (notes 6(e) and 12)</b>	<u>97,596</u>	<u>67</u>	<u>80,295</u>	<u>61</u>
5950	<b>Gross profit from operations</b>	<u>48,992</u>	<u>33</u>	<u>50,822</u>	<u>39</u>
	<b>Operating expenses (notes 6(o) and 12):</b>				
6100	Selling expenses (note 6(m))	30,083	21	29,569	23
6200	Administrative expenses (notes 6(m) and (r))	16,211	11	15,133	12
6300	Research and development expenses	<u>3,318</u>	<u>2</u>	<u>2,866</u>	<u>2</u>
		<u>49,612</u>	<u>34</u>	<u>47,568</u>	<u>37</u>
	<b>Net operating gain (loss)</b>	<u>(620)</u>	<u>(1)</u>	<u>3,254</u>	<u>2</u>
	<b>Non-operating income and expenses:</b>				
7100	Interest income	222	-	207	-
7190	Other income	185	-	99	-
7230	Foreign exchange gains (losses), net (note 6(v))	554	-	(1,707)	(1)
7235	Gains on financial assets at fair value through profit or loss	1,503	1	1,689	1
7510	Interest expense (note 6(m))	(841)	(1)	(681)	(1)
7770	Share of loss of associates and joint ventures accounted for using the equity method (note 6(f))	<u>(3,557)</u>	<u>(2)</u>	<u>(5,882)</u>	<u>(4)</u>
		<u>(1,934)</u>	<u>(2)</u>	<u>(6,275)</u>	<u>(5)</u>
7900	<b>Loss before tax</b>	(2,554)	(3)	(3,021)	(3)
7950	<b>Less: Income tax expenses (note 6(p))</b>	<u>612</u>	<u>-</u>	<u>859</u>	<u>1</u>
	<b>Loss</b>	<u>(3,166)</u>	<u>(3)</u>	<u>(3,880)</u>	<u>(4)</u>
8300	<b>Other comprehensive income (loss):</b>				
8360	<b>Items that may be reclassified subsequently to profit or loss:</b>				
8361	Exchange differences on translation of foreign financial statements	<u>4,041</u>	<u>3</u>	<u>(8,673)</u>	<u>(7)</u>
8300	<b>Other comprehensive income (loss), net</b>	<u>4,041</u>	<u>3</u>	<u>(8,673)</u>	<u>(7)</u>
8500	<b>Total comprehensive income (loss)</b>	<u>\$ 875</u>	<u>-</u>	<u>(12,553)</u>	<u>(11)</u>
	<b>Earnings (losses) per share (note 6(s))</b>				
9750	<b>Basic earnings (losses) per share (NT dollars)</b>	<u>\$ (0.06)</u>		<u>(0.08)</u>	

See accompanying notes to consolidated financial statements.

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ASSOCIATED INDUSTRIES CHINA, INC. AND SUBSIDIARIES

Consolidated Statements of Changes in Equity  
For the three months ended March 31, 2022 and 2021  
(Expressed in Thousands of New Taiwan Dollars)

	Common stock	Capital surplus	Retained earnings			Exchange differences on translation of foreign financial statements	Other equity interest		Treasury shares	Total equity	
			Legal reserve	Special reserve	Accumulated deficits		Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Unearned employee benefit			Total other equity interest
<b>Balance at January 1, 2021</b>	\$ 538,066	29,322	52,704	79,510	(151,042)	(66,770)	(33,710)	(3,674)	(104,154)	(24,831)	419,575
Loss for the three months ended March 31, 2021	-	-	-	-	(3,880)	-	-	-	-	-	(3,880)
Other comprehensive income for the three months ended March 31, 2021	-	-	-	-	-	(8,673)	-	-	(8,673)	-	(8,673)
Total comprehensive income for the three months ended March 31, 2021	-	-	-	-	(3,880)	(8,673)	-	-	(8,673)	-	(12,553)
Share-based payment transactions	8,180	(261)	-	-	-	-	-	(9,468)	(9,468)	-	(1,549)
<b>Balance at March 31, 2021</b>	<b>\$ 546,246</b>	<b>29,061</b>	<b>52,704</b>	<b>79,510</b>	<b>(154,922)</b>	<b>(75,443)</b>	<b>(33,710)</b>	<b>(13,142)</b>	<b>(122,295)</b>	<b>(24,831)</b>	<b>405,473</b>
<b>Balance at January 1, 2022</b>	\$ 546,246	29,249	52,704	79,510	(132,801)	(88,885)	(33,710)	(6,897)	(129,492)	(24,831)	420,585
Loss for the three months ended March 31, 2022	-	-	-	-	(3,166)	-	-	-	-	-	(3,166)
Other comprehensive income for the three months ended March 31, 2022	-	-	-	-	-	4,041	-	-	4,041	-	4,041
Total comprehensive income for the three months ended March 31, 2022	-	-	-	-	(3,166)	4,041	-	-	4,041	-	875
Share-based payment transactions	(920)	79	-	-	-	-	-	1,535	1,535	-	694
<b>Balance at March 31, 2022</b>	<b>\$ 545,326</b>	<b>29,328</b>	<b>52,704</b>	<b>79,510</b>	<b>(135,967)</b>	<b>(84,844)</b>	<b>(33,710)</b>	<b>(5,362)</b>	<b>(123,916)</b>	<b>(24,831)</b>	<b>422,154</b>

See accompanying notes to consolidated financial statements.

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**ASSOCIATED INDUSTRIES CHINA, INC. AND SUBSIDIARIES**

**Consolidated Statements of Cash Flows**

**For the three months ended March 31, 2022 and 2021**

(Expressed in Thousands of New Taiwan Dollars)

	For the three months ended March 31,	
	2022	2021
<b>Cash flows from (used in) operating activities:</b>		
Loss before tax	\$ (2,554)	(3,021)
<b>Adjustments:</b>		
<b>Adjustments to reconcile profit (loss):</b>		
Depreciation expense	2,359	3,064
Amortization expense	251	211
Expected credit loss (reversal gain)	26	(16)
Net gain on financial assets or liabilities at fair value through profit or loss	(1,503)	(1,689)
Interest expense	841	681
Interest income	(222)	(207)
Share-based payments transactions cost	694	(1,549)
Share of loss of associates and joint ventures accounted for using the equity method	3,557	5,882
<b>Total adjustments to reconcile profit (loss)</b>	<b>6,003</b>	<b>6,377</b>
<b>Changes in operating assets and liabilities:</b>		
Increase (decrease) in current financial assets at fair value through profit or loss	1,404	573
Decrease (increase) in notes and accounts receivable	(1,231)	4,750
Decrease in other receivables	136	149
Increase in inventories	(9,786)	(2,939)
Increase in prepayments	(3,266)	(5,721)
Decrease (increase) in other current assets	121	(1,446)
Increase in contract liabilities	471	255
Increase (decrease) in notes and accounts payable	(32,647)	14,327
Decrease in other payables	(4,442)	(4,929)
Decrease in provisions	(438)	(95)
Decrease in other current liabilities	(424)	(218)
<b>Total changes in operating assets and liabilities</b>	<b>(50,102)</b>	<b>4,706</b>
<b>Total adjustments</b>	<b>(44,099)</b>	<b>11,083</b>
Cash inflows (outflows) generated from operations	(46,653)	8,062
Interest received	6	8
Interest paid	(804)	(698)
Income taxes paid	(1,093)	(878)
<b>Net cash flows from (used in) operating activities</b>	<b>(48,544)</b>	<b>6,494</b>
<b>Cash flows from (used in) investing activities:</b>		
Acquisition of property, plant and equipment	(113)	(21)
Increase in refundable deposits	(2,608)	(293)
Acquisition of intangible assets	(701)	-
<b>Net cash flows used in investing activities</b>	<b>(3,422)</b>	<b>(314)</b>
<b>Cash flows from (used in) financing activities:</b>		
Increase in short-term borrowings	39,686	8,055
Payment of lease liabilities	(1,683)	(2,194)
<b>Net cash flows from financing activities</b>	<b>38,003</b>	<b>5,861</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>4,119</b>	<b>(8,495)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(9,844)</b>	<b>3,546</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>91,366</b>	<b>115,187</b>
<b>Cash and cash equivalents at end of period</b>	<b>\$ 81,522</b>	<b>118,733</b>

See accompanying notes to consolidated financial statements.



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**Reviewed only, not audited in accordance with generally accepted auditing standards**

**ASSOCIATED INDUSTRIES CHINA, INC. AND SUBSIDIARIES**

**Notes to the Consolidated Financial Statements**

**March 31, 2022 and 2021**

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

**(1) Company history**

Associated Industries China, Inc. (the “Company”) was incorporated in May 18, 1978 as a company limited by shares, and registered under the Ministry of Economic Affairs, in the Republic of China. The major business activities of the Company and its subsidiaries (together referred to as the “Group”) are the research, development and sale of LCD monitors, and related components, sale of medical equipment, and real estate rental business.

**(2) Approval date and procedures of the consolidated financial statements**

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

**(3) New standards, amendments and interpretations adopted:**

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

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

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

(Continued)

**ASSOCIATED INDUSTRIES CHINA, INC. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

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

The following new and amended standards, which may be relevant to the Group, have been issued by the International Accounting Standards Board (IASB), but have yet to be endorsed by the FSC:

<b>Standards or Interpretations</b>	<b>Content of amendment</b>	<b>Effective date per IASB</b>
Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”	The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of balance sheet, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current. The amendments include clarifying the classification requirements for debt a company might settle by converting it into equity.	January 1, 2023

The Group is evaluating the impact of its initial adoption of the abovementioned standards or interpretations on its consolidated financial position and consolidated financial performance. The results thereof will be disclosed when the Group completes its evaluation.

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

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 17 “Insurance Contracts” and amendments to IFRS 17 “Insurance Contracts”
- Amendments to IAS 1 “Disclosure of Accounting Policies”
- Amendments to IAS 8 “Definition of Accounting Estimates”
- Amendments to IAS 12 “Deferred Tax related to Assets and Liabilities arising from a Single Transaction”

**(4) Summary of significant accounting policies**

- (a) Statement of compliance

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

(Continued)

**ASSOCIATED INDUSTRIES CHINA, INC. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

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

(b) Basis of consolidation

List of subsidiaries in the consolidated financial statements:

Name of investor	Name of subsidiary	Principal activity	Shareholding			Note
			March 31, 2022	December 31, 2021	March 31, 2021	
The Company	AG Neovo International Ltd. (AG Neovo International, formerly named as GMF)	Investment	100 %	100 %	100 %	(Note 1)
The Company	AG Neovo Technology BV. (AG Neovo B.V)	Sale of LCD monitors	100 %	100 %	100 %	
The Company	AG Neovo Investment Co., Ltd. (AG Neovo Investment)	Investment	100 %	100 %	100 %	(Note 1)
AG Neovo Investment	AG Neovo Technology (Shanghai) Co., Ltd. (AG Neovo Shanghai)	Sale of LCD monitors	100 %	100 %	100 %	"
AG Neovo International (formerly named as GMF)	AG Neovo Technology Corp. (AG Neovo USA)	Sale of LCD monitors and medical equipment	100 %	100 %	100 %	"

Note 1: A non-significant subsidiary, wherein its financial statements have not been reviewed.

(c) Income taxes

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

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

(Continued)

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

**(5) Significant accounting assumptions and judgments, and major sources of estimation uncertainty**

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

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

**(6) Explanation of significant accounts**

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

(a) Cash and cash equivalents

	<u>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>
Petty cash, checking accounts and demand deposits	\$ 78,622	88,466	115,833
Time deposits	<u>2,900</u>	<u>2,900</u>	<u>2,900</u>
	<u>\$ 81,522</u>	<u>91,366</u>	<u>118,733</u>

Please refer to note 6(v) for the exchange rate risk, the interest rate risk and the sensitivity analysis of the financial assets and liabilities of the Group.

(b) Financial assets at fair value through profit or loss-current

	<u>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>
<b>Mandatorily financial assets designated at fair value through profit or loss</b>			
Derivative instruments not used for hedging:			
Forward exchange contracts	\$ <u>101</u>	<u>-</u>	<u>1,093</u>

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The Group holds derivative financial instruments to hedge certain foreign exchange risk the Group is exposed to, arising from its operating activities. The following derivative instruments, without the application of hedge accounting, were classified as mandatorily designated at fair value through profit or loss:

		<b>March 31, 2022</b>		
		<u>Amount (in thousands)</u>	<u>Currency</u>	<u>Maturity dates</u>
<b>Financial assets:</b>				
Forward exchange sold	EUR	<u>1,185</u>	EUR to USD	2022.04.07~2022.05.17
		<b>March 31, 2021</b>		
		<u>Amount (in thousands)</u>	<u>Currency</u>	<u>Maturity dates</u>
<b>Financial assets:</b>				
Forward exchange sold	EUR	<u>1,136</u>	EUR to USD	2021.04.07~2021.05.17

(c) Financial assets at fair value through profit or loss-non-current

		<u>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>
<b>Mandatorily designated at fair value through profit or loss</b>				
Convertible bond—tBPC		<u>\$ 7,113</u>	<u>7,113</u>	<u>6,441</u>

There were no significant additions, disposal, or recognition and reversal of impairment losses of financial assets at fair value through profit or loss non-current for the three months ended March 31, 2022 and 2021. Please refer to note 6(b) of the 2021 annual consolidated financial statements for other related information.

As of March 31, 2022, December 31 and March 31, 2021, the Group did not provide any of the aforementioned financial assets as collaterals for its loans.

(d) Notes and accounts receivable

		<u>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>
Notes receivable from operating activities	\$	27	62	216
Accounts receivable-measured as amortized cost		<u>64,739</u>	<u>63,474</u>	<u>50,134</u>
		64,766	63,536	50,350
Less: Loss allowance		<u>(86)</u>	<u>(60)</u>	<u>(33)</u>
		<u>\$ 64,680</u>	<u>63,476</u>	<u>50,317</u>

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

	<b>March 31, 2022</b>		
	<b>Gross carrying amount</b>	<b>Weighted- average loss rate</b>	<b>Loss allowance provision</b>
Current	\$ 53,979	0%	-
Less than 30 days past due	9,834	0.55%	54
31 to 90 days past due	953	3.36%	32
	<b>\$ 64,766</b>		<b>86</b>
	<b>December 31, 2021</b>		
	<b>Gross carrying amount</b>	<b>Weighted- average loss rate</b>	<b>Loss allowance provision</b>
Current	\$ 53,131	0%	-
Less than 30 days past due	10,354	0.57%	59
31 to 90 days past due	51	1.96%	1
	<b>\$ 63,536</b>		<b>60</b>
	<b>March 31, 2021</b>		
	<b>Gross carrying amount</b>	<b>Weighted- average loss rate</b>	<b>Loss allowance provision</b>
Current	\$ 41,452	0%	-
Less than 30 days past due	7,339	0.25%	18
31 to 90 days past due	1,556	0.90%	14
More than 91 days past due	3	33.33%	1
	<b>\$ 50,350</b>		<b>33</b>

The movement in the allowance for notes and accounts receivable was as follows:

	<b>For the three months ended March 31,</b>	
	<b>2022</b>	<b>2021</b>
Balance at January 1	\$ 60	49
Impairment losses recognized	26	-
Impairment losses reversed	-	(16)
Balance at March 31	<b>\$ 86</b>	<b>33</b>

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As of March 31, 2022, December 31 and March 31, 2021, the Group did not provide any of the aforementioned notes and accounts receivable as collaterals for its loans.

(e) Inventories

	March 31, 2022	December 31, 2021	March 31, 2021
Merchandise inventories	<u>\$ 258,864</u>	<u>249,078</u>	<u>175,307</u>

The details of cost of sales for the three months ended March 31, 2022 and 2021, were as follows:

	For the three months ended March 31,	
	2022	2021
Cost of goods sold and expenses	\$ 96,972	80,394
Inventory valuation loss and obsolescence (reversed)	<u>231</u>	<u>(496)</u>
	<u>\$ 97,203</u>	<u>79,898</u>

For the three months ended March 31, 2022, the write-down of inventories to net realizable value amounted to \$231. For the three months ended March 31, 2021, the Group reversed allowance for inventory valuation loss and obsolescence due to sale of obsolete stock amounting to \$496.

As of March 31, 2022, December 31 and March 31, 2021, the Group did not provide any inventories as collaterals for its loans.

(f) Investments accounted for using the equity method

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

	March 31, 2022	December 31, 2021	March 31, 2021
Associate	<u>\$ 15,379</u>	<u>18,936</u>	<u>18,999</u>

(i) Associate

The details of the material associate are as follows:

Name of Associate	Nature of the relationship with the Group	Main operating location/ Registered Country of the Company	Proportion of shareholding and voting rights		
			March 31, 2022	December 31, 2021	March 31, 2021
tBPC	Shareholder with significant influence	Taiwan	34.72 %	34.72 %	34.72 %

The following aggregated financial information of the significant affiliate has been adjusted according to individually prepared IFRS financial statement to reflect the fair value adjustments made at the time of acquisition.

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1) Summarized financial information of tBPC

	<b>March 31, 2022</b>	<b>December 31, 2021</b>	<b>March 31, 2021</b>
Current assets	\$ 24,056	34,577	32,267
Non-current assets	53,413	54,605	58,141
Current liabilities	(25,608)	(27,076)	(25,751)
Non-current liabilities	<u>(7,567)</u>	<u>(7,567)</u>	<u>(9,937)</u>
Net assets	<u>\$ 44,294</u>	<u>54,539</u>	<u>54,720</u>
Net assets attributable to owners of the associate	<u>\$ 44,294</u>	<u>54,539</u>	<u>54,720</u>
		<b>For the three months ended March 31,</b>	
		<b>2022</b>	<b>2021</b>
Operating revenue		<u>\$ 743</u>	<u>2,209</u>
Loss from continuing operations (equal to comprehensive loss)		<u>\$ (10,245)</u>	<u>(16,941)</u>
Total comprehensive loss attributable to owners of the associate		<u>\$ (10,245)</u>	<u>(16,941)</u>
		<b>March 31, 2022</b>	<b>December 31, 2021</b>
Share of net assets of the associate owned by the Group at period began	\$ 18,936	24,881	24,881
Comprehensive loss attributable to the Group	<u>(3,557)</u>	<u>(5,945)</u>	<u>(5,882)</u>
Share of net assets of the associate to the Group at the period ended	<u>\$ 15,379</u>	<u>18,936</u>	<u>18,999</u>

(ii) The Group has acquired substantial control over tBPC since April 2022, tBPC become a subsidiary and list in the consolidated financial statements, please refer to note 11.

(iii) Pledges

As of March 31, 2022, December 31 and March 31, 2021, the Group did not provide any investment accounted for using the equity method as collaterals for its loans.

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(g) Property, plant and equipment

	<u>Land</u>	<u>Buildings and building improvement</u>	<u>Machinery and R&amp;D equipment</u>	<u>Molding equipment and other equipment</u>	<u>Total</u>
<b>Carrying amounts:</b>					
Balance at January 1, 2022	\$ 95,104	21,192	186	958	117,440
Balance at March 31, 2022	\$ 95,104	20,938	162	973	117,177
Balance at January 1, 2021	\$ 95,104	22,206	308	950	118,568
Balance at March 31, 2021	\$ 95,104	21,952	215	724	117,995

There were no significant additions, disposals, or recognitions and reversals of impairment losses of property, plant and equipment for the three months ended March 31, 2022 and 2021. Information about depreciation for the periods is disclosed in note 12(a). Please refer to note 6(f) of the 2021 annual consolidated financial statements for other related information.

As of March 31, 2022, December 31 and March 31, 2021, the investment property has been pledged as collateral for short-term borrowings and credits. Please refer to note 8.

(h) Right-of-use assets

The Group leases many assets including buildings and transportation. Information about leases for which the Group as a lessee is presented below:

	<u>Buildings</u>	<u>Transportation</u>	<u>Total</u>
<b>Cost:</b>			
Balance at January 1, 2022	\$ 24,028	14,667	38,695
Effect of change in foreign exchange rates	605	288	893
Balance at March 31, 2022	\$ 24,633	14,955	39,588
Balance at January 1, 2021	\$ 22,353	12,271	34,624
Additions	-	3,987	3,987
Effect of change in foreign exchange rates	(696)	(597)	(1,293)
Balance at March 31, 2021	\$ 21,657	15,661	37,318
<b>Depreciation:</b>			
Balance at January 1, 2022	\$ 15,619	8,839	24,458
Depreciation for the period	1,108	569	1,677
Effect of change in foreign exchange rates	419	186	605
Balance at March 31, 2022	\$ 17,146	9,594	26,740
Balance at January 1, 2021	\$ 11,517	7,176	18,693
Depreciation for the period	1,548	655	2,203
Effect of change in foreign exchange rates	(283)	(313)	(596)
Balance at March 31, 2021	\$ 12,782	7,518	20,300

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	<u>Buildings</u>	<u>Transportation</u>	<u>Total</u>
<b>Carrying amounts:</b>			
Balance at January 1, 2022	\$ <u>8,409</u>	<u>5,828</u>	<u>14,237</u>
Balance at March 31, 2022	\$ <u>7,487</u>	<u>5,361</u>	<u>12,848</u>
Balance at January 1, 2021	\$ <u>10,836</u>	<u>5,095</u>	<u>15,931</u>
Balance at March 31, 2021	\$ <u>8,875</u>	<u>8,143</u>	<u>17,018</u>

## (i) Investment property

Details of the investment property is summarized as follows:

	<u>Land</u>	<u>Buildings</u>	<u>Total</u>
<b>Carrying amounts:</b>			
Balance at January 1, 2022	\$ <u>111,400</u>	<u>49,884</u>	<u>161,284</u>
Balance at March 31, 2022	\$ <u>111,400</u>	<u>49,588</u>	<u>160,988</u>
Balance at January 1, 2021	\$ <u>111,400</u>	<u>51,067</u>	<u>162,467</u>
Balance at March 31, 2021	\$ <u>111,400</u>	<u>50,771</u>	<u>162,171</u>

There were no significant additions, disposals, or recognitions and reversals of impairment losses of investment property for the three months ended March 31, 2022 and 2021. Information on depreciation for the periods is disclosed in note 12(a). Please refer to note 6(h) of the 2021 annual consolidated financial statements for other related information.

The fair value of the investment property was not significantly different from that disclosed in note 6(h) of the consolidated financial statements for the year ended December 31, 2021.

As of March 31, 2022, December 31 and March 31, 2021, the investment property has been pledged as collateral for short-term borrowings and credits. Please refer to note 8.

## (j) Intangible Assets

	<u>Computer software and others</u>
<b>Carrying amounts:</b>	
Balance at January 1, 2022	\$ <u>850</u>
Balance at March 31, 2022	\$ <u>1,300</u>
Balance at January 1, 2021	\$ <u>1,619</u>
Balance at March 31, 2021	\$ <u>1,408</u>

There were no significant additions, disposals, or recognitions and reversals of impairment losses of intangible assets for the three months ended March 31, 2022 and 2021. Information on amortization for the periods is disclosed in note 12(a). Please refer to note 6(i) of the 2021 annual consolidated financial statements for other related information.

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As of March 31, 2022, December 31 and March 31, 2021, the Group did not provide any intangible assets as collaterals for its loans.

(k) Short-term borrowings

The details of short-term borrowings were as follows:

	<u>March 31,</u> <u>2022</u>	<u>December 31,</u> <u>2021</u>	<u>March 31,</u> <u>2021</u>
Unsecured bank loans	\$ 119,717	127,031	78,535
Secured bank loans	121,000	74,000	75,000
Total	<u>\$ 240,717</u>	<u>201,031</u>	<u>153,535</u>
Unused credit lines for short-term borrowings	<u>\$ 190,149</u>	<u>245,153</u>	<u>295,465</u>
Range of interest rates	<u>1.06%~2.42%</u>	<u>1.06%~1.78%</u>	<u>1.26%~1.78%</u>

Please refer to note 6(v) for the interest risk, foreign currency exchange rate risk, and liquidity risk information of the Group.

The Group provided property, plant and equipment and investment property as collaterals for its bank loans. Please refer to note 8.

(l) Provisions — warranties

There were no significant changes in provisions for the three months ended March 31, 2022 and 2021. Please refer to note 6(k) of the 2021 annual consolidated financial statements for the related information.

Provisions related to sale of products are assessed based on historical information.

(m) Lease liabilities

The details of lease liabilities were as follows:

	<u>March 31,</u> <u>2022</u>	<u>December 31,</u> <u>2021</u>	<u>March 31,</u> <u>2021</u>
Current	\$ 6,891	6,721	6,450
Non-current	<u>\$ 6,463</u>	<u>8,017</u>	<u>11,076</u>

For the maturity analysis, please refer to note 6(v).

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**ASSOCIATED INDUSTRIES CHINA, INC. AND SUBSIDIARIES**  
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The amounts recognized in profit or loss were as follows:

	<b>For the three months ended March 31,</b>	
	<b>2022</b>	<b>2021</b>
Interest on lease liabilities	\$ <u>59</u>	<u>76</u>
Variable lease payments not included in the measurement of lease liabilities	\$ <u>1,278</u>	<u>861</u>
Expenses relating to short-term leases	\$ <u>220</u>	<u>365</u>

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

	<b>For the three months ended March 31,</b>	
	<b>2022</b>	<b>2021</b>
Total cash outflow from leases	\$ <u>3,240</u>	<u>3,496</u>

(i) Real estate lease

The Group leases buildings for its office space. The leases of office space typically run for three to seven years.

(ii) Other leases

The Group leases vehicle, with lease terms of two to five years.

The Group also leases office equipment with contract terms of less than one year. These leases are short-term leases of low-value items. The Group has elected not to recognize right-of-use assets and lease liabilities for these leases.

(n) Operating lease

The Group leases out its investment property and some machinery. The Group has classified these leases as operating leases, because it does not transfer substantially all of the risks and rewards incidental to the ownership of the assets. Please refer to note 6(i) sets out information about the operating leases of investment property.

A maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date was as follows:

	<b>March 31, 2022</b>	<b>December 31, 2021</b>	<b>March 31, 2021</b>
Less than one year	\$ 5,143	5,143	3,818
One to two years	<u>3,857</u>	<u>5,143</u>	<u>-</u>
Total undiscounted lease payments	\$ <u>9,000</u>	<u>10,286</u>	<u>3,818</u>

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(o) Employee benefits

The Company allocates no less than 6% of each employee's monthly wages to the labor pension personal account at Bureau of Labor Insurance in accordance with the provisions of the Labor Pension Act. Under this defined contribution plan, the Company allocates a fixed amount to the Bureau of Labor Insurance without additional legal or constructive obligations.

Overseas subsidiaries recognized the pension expenses and made the periodical payments under the defined contribution method by local laws.

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

	<b>For the three months ended March 31,</b>	
	<b>2022</b>	<b>2021</b>
Selling expenses	\$ 543	506
Administrative expenses	401	435
Research and development expenses	171	141
Total	<b>\$ 1,115</b>	<b>1,082</b>

(p) Income taxes

(i) Income tax expenses

The amount of income tax was as follows:

	<b>For the three months ended March 31,</b>	
	<b>2022</b>	<b>2021</b>
Current income tax expenses	<b>\$ 612</b>	<b>859</b>

(ii) The Company's income tax returns for the years through 2020 have been examined by the tax authorities.

(q) Capital and other equities

Except for the following disclosures, there were no significant changes in capital and other equity for the three months ended March 31, 2022 and 2021. Please refer to note 6(p) of the 2021 annual consolidated financial statements for the related information.

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(i) Capital surplus

The balances of capital surplus were as follows:

	<u>March 31,</u> <u>2022</u>	<u>December 31,</u> <u>2021</u>	<u>March 31,</u> <u>2021</u>
Additional paid-in capital	\$ 20,986	20,986	20,986
Restricted employee shares	(1,785)	(1,864)	(1,864)
Employee stock options-expired	5,343	5,343	5,343
Donation from shareholders	1,615	1,615	1,427
Changes in equity of associates	<u>3,169</u>	<u>3,169</u>	<u>3,169</u>
	<u>\$ 29,328</u>	<u>29,249</u>	<u>29,061</u>

According to the R.O.C. Company Act, capital surplus can only be used to offset a deficit, and only the realized capital surplus can be used to increase the common stock or be distributed as cash dividends. The aforementioned realized capital surplus includes capital surplus resulting from premium on issuance of capital stock and earnings from donated assets received. According to the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, capital increases by transferring capital surplus in excess of par value should not exceed 10% of the total common stock outstanding.

(ii) Retained Earnings

The Company's Articles of Incorporation stipulate that Company's net earnings should first be used to offset the prior years' deficits, if any, before paying any income taxes. Of the remaining balance, 10% is to be appropriated as legal reserve, and the others are supposed to be set aside or reversed as the special reserve in accordance with laws and regulations. And then any remaining profit together with any undistributed retained earnings shall be distributed according to the distribution plan proposed by the Board of Directors and submitted to the stockholders' meeting for approval.

The Company adopts the residual dividend policy. In consideration of the expansion of operations and the need of cash flows in the future, when the Company plans to distribute its dividends, the distributable amounts cannot be less than 50% of the cumulative distributable surplus. Moreover, at least 10% of the dividends should be distributed in cash.

Based on the resolutions made during the annual Board of Directors held on March 16, 2022 and stockholder's meeting held on July 21, 2021, respectively, there are no earnings could be distributed in 2021 and 2020, respectively.

(r) Share-based payment

Except for the following disclosures, there were no significant changes in share-based payment for the three months ended March 31, 2022 and 2021. Please refer to note 6(q) of the 2021 annual consolidated financial statements for the related information.

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**ASSOCIATED INDUSTRIES CHINA, INC. AND SUBSIDIARIES**  
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On June 17, 2020, the Company's shareholders decided to award 1,200 thousand shares of employee restricted shares to the Company's full-time employees who meet certain requirements. The restricted shares have been registered with and approved by the Securities and Futures Bureau of FSC. On November 4, 2020, the Board of Directors decided to issue all the restricted shares. The effective date was January 11, 2021.

The information of the Company's restricted stock was as follows:

	Unit: in thousand shares	
	<b>For the three months ended March 31,</b>	
	<b>2022</b>	<b>2021</b>
Outstanding units on January 1	2,154	1,336
Granted during the year	-	1,200
Forfeited during the year	(92)	(382)
Outstanding units on March 31	<b>2,062</b>	<b>2,154</b>

As of March 31, 2022 and 2021, the unearned employee compensation balances were \$5,363 and \$13,142, respectively. A total of 92 and 382 thousand employee restricted shares were retrieved and cancelled due to failure or loss of qualifications to meet the vesting requirements for the three months ended March 31, 2022 and 2021. The effective date of capital reduction was March 16, 2022 and March 17, 2021, and the related registration procedures have been completed.

The expenses incurred by the Company for employee restricted shares were \$694 and \$(1,549) for the three months ended March 31, 2022 and 2021, respectively.

(s) Losses per share

The Group's basic earnings (losses) per share was computed as follows:

	<b>For the three months ended March 31,</b>	
	<b>2022</b>	<b>2021</b>
<b>Basic losses per share</b>		
Net loss	\$ <u>(3,166)</u>	<u>(3,880)</u>
Weighted-average number of outstanding shares (in thousands)	<u>49,735</u>	<u>49,711</u>
Basic losses per share (dollars)	\$ <u>(0.06)</u>	<u>(0.08)</u>

For the three months ended March 31, 2022 and 2021, the employee stock options have an anti-dilutive effect; hence, they were not included in the computation of the weighted-average number of shares (diluted).

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## (t) Revenue from contracts with customers

## (i) Disaggregation of revenue

	<b>For the three months ended March 31,</b>	
	<b>2022</b>	<b>2021</b>
Primary geographical markets:		
Netherlands	\$ 26,490	21,231
Germany	35,510	42,977
Switzerland	14,584	13,649
United States	19,380	10,085
Other	50,624	43,175
	<b>\$ 146,588</b>	<b>131,117</b>
Major products / services lines:		
LED monitors	\$ 141,897	126,723
Medical equipment	719	546
Other accessories	2,631	2,573
Rental revenues	1,341	1,275
	<b>\$ 146,588</b>	<b>131,117</b>

## (ii) Contract balances

- 1) For details on notes and accounts receivable and allowance for impairment, please refer to note 6(d).
- 2) Contract liabilities

	<b>March 31, 2022</b>	<b>December 31, 2021</b>	<b>March 31, 2021</b>
Contract liabilities (Receipt in advance)	<b>\$ 731</b>	<b>260</b>	<b>409</b>

The major change in the balance of contract liabilities is the difference between the time frame in the performance obligation to be satisfied and the payment to be received.

## (u) Employees' compensation and directors' and supervisors' remuneration

According to the Company's Articles of Incorporation require that earning shall first be offset against any deficit, then, a minimum of 10% will be distributed as employees' remuneration and a maximum of 2% will be allocated as directors' remuneration. Employees who are entitled to receive the above-mentioned employee remuneration, in share or cash, include the employees of the subsidiaries of the Company who meet certain specific requirement.

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**ASSOCIATED INDUSTRIES CHINA, INC. AND SUBSIDIARIES**  
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Due to loss before tax for the three months ended March 31, 2022 and 2021, no employees' compensation and directors' and supervisors' remuneration was recognized.

(v) Financial Instruments

Except for the contention mentioned below, there were no significant changes in the fair value of the Group's financial instruments and degree of exposure to credit risk, liquidity risk and market risk arising from financial instruments. Please refer to note 6(v) of the 2021 annual consolidated financial statements for other related information.

(i) Credit risk of Receivables and debt securities

For credit risk exposure of note and accounts receivables, please refer to note 6(d).

Other financial assets at amortized cost includes cash and cash equivalents, other receivables, and guaranteed deposits, are considered to have low risk, and thus, the impairment provision recognized during the period is limited to 12 months expected losses.

(ii) Liquidity Risk

The following table shows the contractual maturities of financial liabilities, including estimated interest payments:

	<u>Carrying amount</u>	<u>Contractual cash flows</u>	<u>Within a year</u>	<u>Over 1 years</u>
<b>March 31, 2022</b>				
Non-derivative financial liabilities:				
Short-term borrowings	\$ 240,717	(241,400)	(241,400)	-
Notes and accounts payable	42,185	(42,185)	(42,185)	-
Lease liabilities (including current and non-current)	13,354	(14,592)	(7,060)	(7,532)
Other payables	42,031	(42,031)	(42,031)	-
Guarantee deposits	891	(891)	-	(891)
	<u>\$ 339,178</u>	<u>(341,099)</u>	<u>(332,676)</u>	<u>(8,423)</u>
<b>December 31, 2021</b>				
Non-derivative financial liabilities:				
Short-term borrowings	\$ 201,031	(201,491)	(201,491)	-
Notes and accounts payable	74,832	(74,832)	(74,832)	-
Lease liabilities (including current and non-current)	14,738	(15,018)	(6,915)	(8,103)
Other payables	45,628	(45,628)	(45,628)	-
Guarantee deposits	891	(891)	-	(891)
	<u>\$ 337,120</u>	<u>(337,860)</u>	<u>(328,866)</u>	<u>(8,994)</u>

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**ASSOCIATED INDUSTRIES CHINA, INC. AND SUBSIDIARIES**  
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	<u>Carrying amount</u>	<u>Contractual cash flows</u>	<u>Within a year</u>	<u>Over 1 years</u>
<b>March 31, 2021</b>				
Non-derivative financial liabilities:				
Short-term borrowings	\$ 153,535	(153,967)	(153,967)	-
Notes and accounts payable	61,877	(16,877)	(16,877)	-
Lease liabilities (including current and non-current)	17,526	(17,951)	(6,692)	(11,259)
Other payables	51,064	(51,064)	(51,064)	-
Guarantee deposits	891	(891)	-	(891)
	<u>\$ 284,893</u>	<u>(240,750)</u>	<u>(228,600)</u>	<u>(12,150)</u>

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

(iii) Market risk

1) Currency risk (expressed in thousands for foreign currencies)

The Group's significant exposure to foreign currency risk was as follows:

	<u>March 31, 2022</u>			<u>December 31, 2021</u>			<u>March 31, 2021</u>		
	<u>Foreign currency</u>	<u>Exchange rate</u>	<u>NTD</u>	<u>Foreign currency</u>	<u>Exchange rate</u>	<u>NTD</u>	<u>Foreign currency</u>	<u>Exchange rate</u>	<u>NTD</u>
Financial assets									
Monetary items									
USD	\$	298 USD/NTD	8,530	2,176 USD/NTD		60,232	326 USD/NTD		9,310
		=28.625		=27.68			=28.535		
USD		75 USD/EUR	84	155 USD/EUR		175	134 USD/EUR		3,832
		=1.1151		=1.1315			=1.1733		
Financial liabilities									
Monetary items									
USD		1,361 USD/NTD	38,959	2,153 USD/NTD		59,595	1,627 USD/NTD		46,413
		=28.625		=27.68			=28.535		
USD		38 USD/EUR	42	301 USD/EUR		341	188 USD/EUR		5,374
		=1.1151		=1.1315			=1.1733		

2) Sensitivity analysis

The Group's exposure to foreign currency risk arises from the translation of foreign currency exchange gains and losses on cash and cash equivalents, notes and accounts receivable, other receivables, short-term borrowings, notes and accounts payable, and other payables that are denominated in foreign currency.

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**ASSOCIATED INDUSTRIES CHINA, INC. AND SUBSIDIARIES**  
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A weakening (strengthening) 5% of each foreign currency against the functional currency, under other conditions remain the same, profit before tax for the three months ended March 31, 2022 and 2021 would have been affected as follows:

	<u>March 31, 2022</u>	<u>March 31, 2021</u>
USD (against NTD)		
Appreciate 5%	\$ (1,521)	(1,855)
Depreciate 5%	1,521	1,855
USD (against EUR)		
Appreciate 5%	2	(77)
Depreciate 5%	(2)	77

The analysis is performed on the same basis for both periods.

3) Foreign exchange gains and losses on monetary items

As the Group deals in diverse foreign currencies, gains and losses on foreign exchange were summarized as a single amount for disclosure. For the three months ended March 31, 2022 and 2021, the foreign exchange gains (losses), including realized and unrealized ones, amounted to \$554 and \$(1,707), respectively.

(iv) Interest rate analysis

Please refer to liquidity risk for the details of financial assets and liabilities exposed to interest rate risk.

	<u>Carrying amount</u>		
	<u>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>
Variable rate instruments:			
Financial assets	\$ 34,732	77,135	102,661
Financial liabilities	(240,717)	(201,031)	(153,535)

The following sensitivity analysis is based on the risk exposure to interest rate on the derivative and non-derivative financial instruments on the reporting date. The rate of change is expressed as the interest rate increases or decreases by 0.25% when reporting to management internally, which also represents management of the Group's assessment on the reasonably possible interval of interest rate change.

If the interest rate had increased or decreased by 0.25%, the loss before tax would have increased or decreased by \$129 and \$32 for the three months ended March 31, 2022 and 2021, which would mainly result from the bank savings and short-term borrowings with variable interest rates at the reporting date.

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**ASSOCIATED INDUSTRIES CHINA, INC. AND SUBSIDIARIES**  
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(v) Fair value of financial instruments

1) Fair value hierarchy

The fair value of financial assets and liabilities at fair value through profit or loss, financial instruments used for hedging and of financial assets at fair value through other comprehensive income are measured on a recurring basis.

Different levels of the fair value hierarchy to be used in determining the fair value of financial instruments are as follows:

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

The carrying amount and fair value of the Group's financial assets and liabilities, including the information on fair value hierarchy were as follows; however, except as described in the following paragraphs, for financial instruments not measured at fair value whose carrying amount is reasonably close to the fair value, and for equity investments that has no quoted prices in the active markets and lease liabilities, disclosure of fair value information is not required :

	<b>March 31, 2022</b>				
	<b>Book value</b>	<b>Fair Value</b>			<b>Total</b>
		<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	
<b>Financial assets at fair value through profit or loss:</b>					
Derivative financial assets	\$ 101	-	101	-	101
Mandatorily designated at fair value through profit or loss	<u>7,113</u>	-	-	7,113	7,113
<b>Financial assets measured at amortized cost:</b>					
Cash and cash equivalents	81,522	-	-	-	-
Notes and accounts receivable	64,680	-	-	-	-
Other receivables	1,009	-	-	-	-
Restricted deposits (recognized as other non-current assets)	2,444	-	-	-	-
Guaranteed deposits (recognized as other non-current assets)	<u>2,591</u>	-	-	-	-
	<u>152,246</u>				
	<b><u>\$ 159,460</u></b>				

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	<b>March 31, 2022</b>				
	<u>Book value</u>	<u>Fair Value</u>			<u>Total</u>
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	
<b>Financial liabilities measured at amortized cost:</b>					
Short-term borrowing	\$ 240,717	-	-	-	-
Notes and accounts payable	42,185	-	-	-	-
Lease liabilities (current and non-current)	13,354				
Other payables	42,031	-	-	-	-
Guaranteed deposits	891				
	<u>\$ 339,178</u>				
	<b>December 31, 2021</b>				
	<u>Book value</u>	<u>Fair Value</u>			<u>Total</u>
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	
<b>Financial assets at fair value through profit or loss:</b>					
Mandatorily designated at fair value through profit or loss	\$ 7,113	-	-	7,113	7,113
<b>Financial assets measured at amortized cost:</b>					
Cash and cash equivalents	91,366	-	-	-	-
Notes and accounts receivable	63,476	-	-	-	-
Other receivables	927	-	-	-	-
Restricted bank deposits (recognized as other non-current assets)	129	-	-	-	-
Guaranteed deposits (recognized as other non-current assets)	2,297	-	-	-	-
	<u>158,195</u>				
	<u>\$ 165,308</u>				
<b>Financial liabilities measured at amortized cost:</b>					
Short-term borrowings	\$ 201,031	-	-	-	-
Notes and accounts payable	74,832	-	-	-	-
Lease liabilities (current and non-current)	14,738	-	-	-	-
Other payables	45,628	-	-	-	-
Guaranteed deposits	891	-	-	-	-
	<u>\$ 337,120</u>				

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**ASSOCIATED INDUSTRIES CHINA, INC. AND SUBSIDIARIES**  
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	March 31, 2021				
	Book value	Fair Value			Total
		Level 1	Level 2	Level 3	
<b>Financial assets at fair value through profit or loss:</b>					
Derivative financial assets	\$ 1,093	-	1,093	-	1,093
Mandatorily designated at fair value through profit or loss	<u>6,441</u>	-	-	6,441	6,441
	<u>7,534</u>				
<b>Financial assets measured at amortized cost:</b>					
Cash and cash equivalents	118,733	-	-	-	-
Notes and accounts receivable	50,317	-	-	-	-
Other receivables	746	-	-	-	-
Restricted deposits (recognized as other non-current assets)	326	-	-	-	-
Guaranteed deposits (recognized as other non-current assets)	<u>1,404</u>	-	-	-	-
	<u>171,526</u>				
	<u>\$ 179,060</u>				
<b>Financial liabilities measured at amortized cost:</b>					
Short-term borrowing	\$ 153,535	-	-	-	-
Notes and accounts payable	61,877	-	-	-	-
Lease liabilities (current and non-current)	17,526	-	-	-	-
Other payables	51,064	-	-	-	-
Guaranteed deposits	<u>891</u>	-	-	-	-
	<u>\$ 284,893</u>				

2) Fair value valuation technique for financial instruments not measured at fair value

The book value of financial assets and liabilities at amortized cost in the consolidated report is approximately its fair value.

3) Fair value valuation technique for financial instruments measured at fair value

a) Non-derivative financial instruments

A financial instrument will use the public quoted price from active market as the fair value if it has the public quoted price from active market.

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Measurements of fair value of financial instruments without an active market are based on a valuation technique or quoted price from a competitor. Fair value measured by using a valuation technique can be extrapolated from similar financial instruments, the discounted cash flow method, or other valuation technique including a model using observable market data at the reporting date.

b) Derivative financial instruments

Measurement of fair value of derivative instruments is based on the valuation techniques that are generally accepted by the market participants such as the discounted cash flow or option pricing models. Fair value of forward currency exchange is usually determined by using the forward currency rate.

4) There was no transfer among fair value hierarchies for the three months ended March 31, 2022 and 2021.

5) Reconciliation of level 3 financial assets

	<b>Non derivative mandatorily measured at fair value through profit or loss</b>
Balance on January 1, 2022 (same as Balance on March 31, 2022)	\$ <b>7,113</b>
Balance on January 1, 2021 (same as Balance on March 31, 2021)	\$ <b>6,441</b>

6) Quantified information on significant unobservable inputs (Level 3) used in fair value measurement

The Group's financial instruments that use Level 3 inputs to measure the fair value include "financial assets measured at fair value through profit or loss – convertible bonds".

Quantified information of significant unobservable inputs was as follows:

<b>Item</b>	<b>Valuation technique</b>	<b>Significant unobservable inputs</b>	<b>Inter-relationship between significant unobservable inputs and fair value measurement</b>
Financial assets measured at fair value through profit or loss – convertible bonds	Option Pricing Model-Formula Method	Discounted rate in lack of marketability as of March 31, 2022 and December 31, 2021 were 27.87% and March 31, 2021 was 29.29%	The higher the lack of marketability discount rate is, the lower the fair value will be.

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**ASSOCIATED INDUSTRIES CHINA, INC. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(w) Financial risk management

There were no significant changes in the Group's financial risk management and policies as disclosed in note 6(w) of the 2021 annual consolidated financial statements.

(x) Capital management

Management believes that the objectives, policies and processes of capital management of the Group has been applied consistently with those described in the consolidated financial statements for the year ended December 31, 2021. Also, management believes that there were no significant changes in the Group's capital management information as disclosed in the consolidated financial statements for the year ended December 31, 2021. Please refer to note 6(x) of the 2021 annual consolidated financial statements for other related information.

(y) Investing and financing activities not affecting current cash flow

(i) The Group's investing and financing activity which did not affect the current cash flow for the three months ended March 31, 2022 and 2021 were as follows: The acquisition of right-of-use assets by lease, please refer to note 6(h).

(ii) Reconciliations of liabilities arising from financing activities were as follows:

	January 1, 2022	Cash flows	Non-cash changes		March 31, 2022
			Additions	Foreign exchange movement	
Short-term borrowings	\$ 201,031	39,686	-	-	240,717
Guaranteed deposits	891	-	-	-	891
Lease liabilities	14,738	(1,683)	-	299	13,354
Total liabilities from financing activities	<u>\$ 216,660</u>	<u>38,003</u>	<u>-</u>	<u>299</u>	<u>254,962</u>
			Non-cash changes		
	January 1, 2021	Cash flows	Additions	Foreign exchange movement	March 31, 2021
Short-term borrowings	\$ 145,480	8,055	-	-	153,535
Guaranteed deposits	891	-	-	-	891
Lease liabilities	16,451	(2,194)	3,987	(718)	17,526
Total liabilities from financing activities	<u>\$ 162,822</u>	<u>5,861</u>	<u>3,987</u>	<u>(718)</u>	<u>171,952</u>

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**ASSOCIATED INDUSTRIES CHINA, INC. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

**(7) Related-party transactions:**

(a) Names and relationship with related parties

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

<u>Name of related party</u>	<u>Relationship with the Group</u>
Taiwan Biophotonic Corporation (tBPC)	An associate

(b) Significant transactions with related parties

(i) Acquisitions of financial assets

The 108 and 100 units of convertible bonds issued by tBPC and acquired by the Group each amounted to \$10,800 and \$10,000 in June 2021 and 2020, respectively, which were classified as financial assets measured at fair value through profit or loss. Please refer to note 6(c).

(ii) Convertible bonds expired

tBPC redeemed 100 units of guaranteed convertible bonds in June 2021, with a total of \$10,800 in interest, and Group has fully recovered the amount.

(c) Key management personnel transactions

Key management personnel compensation comprised :

	<b>For the three months ended</b>	
	<b>March 31,</b>	
	<u>2022</u>	<u>2021</u>
Short-term employee benefits	\$ 5,371	4,602
Post-employment benefits	129	170
	<u>\$ 5,500</u>	<u>4,772</u>

**(8) Pledged assets:**

The carrying amounts of pledged assets were as follows:

<u>Pledged assets</u>	<u>Object</u>	<u>March 31,</u> <u>2022</u>	<u>December 31,</u> <u>2021</u>	<u>March 31,</u> <u>2021</u>
Land and buildings	Guarantee for short-term loans and credit line	\$ 116,042	116,296	117,056
Investment property	"	160,988	161,284	162,171
Restricted deposits	Warranty guarantee	2,533	129	326
		<u>\$ 279,563</u>	<u>277,709</u>	<u>279,553</u>

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**(9) Significant commitments and contingencies:**

As of March 31, 2022, December 31 and March 31, 2021, the unused balance of the Group's letters of credit amounted to \$18,134, \$2,816 and \$0 respectively.

**(10) Losses due to major disasters: None.**

**(11) Subsequent events:**

In April 2022, the Group invested \$8,000 in the secured convertible bonds of tBPC, an investee company evaluated by the equity method, and the cumulative amount of investment in the convertible bonds of tBPC was \$18,800. After considering the comprehensive shareholding ratio of potentially ordinary shares and intention to dominate tBPC's operations and financial activities, the Group assessed to have substantial control over tBPC and tBPC was included in the consolidated financial statements since April 2022.

**(12) Other:**

(a) A summary of employee benefits, depreciation, and amortization, by function, is as follows:

By function	For the three months ended March 31,					
	2022			2021		
	Cost of sales	Operating expenses	Total	Cost of sales	Operating expenses	Total
<b>By item</b>						
Employee benefits						
Salary	-	24,094	24,094	-	22,236	22,236
Labor and health insurance	-	2,853	2,853	-	2,967	2,967
Pension	-	1,115	1,115	-	1,082	1,082
Others	-	770	770	-	829	829
Depreciation	308	2,051	2,359	296	2,768	3,064
Amortization	58	193	251	-	211	211

Note: The depreciation for the three months ended March 31, 2022 and 2021 included the depreciation of investment property amounted to \$308 and \$296, respectively.

(b) Seasonality of operations

The Group's operations were not significantly affected by seasonality or cyclicity factors.

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**(13) Other disclosures items:**

(a) Information on significant transactions

The followings are the information on significant transactions required by the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” of the Group for the three months ended March 31, 2022:

- (i) Loans to other parties: None.
- (ii) Guarantees and endorsements for other parties:

(In Thousands of New Taiwan Dollars and foreign currencies)

No.	Name of guarantor	Counter-party of guarantee and endorsement		Limitation on amount of guarantees and endorsements for a specific enterprise	Highest balance of guarantees and endorsements during the period	Balance of guarantees and endorsements as of reporting date	Actual usage amount during the period	Amount of property pledged for guarantees and endorsements	Ratio of accumulated amounts of guarantees and endorsements to net worth of the latest financial statements	Maximum amount of guarantees and endorsements	Parent company endorsements/ guarantees to third parties on behalf of subsidiary	Subsidiary endorsements/ guarantees to third parties on behalf of parent company	Endorsements/ guarantees to third parties on behalf of companies in Mainland China
		Name	Relationship with the Company										
0	The Company	AG Neovo B.V	100% owned subsidiary	422,154	150,000	150,000	44,436	-	35.53 %	422,154	Yes	No	No
0	"	AG Neovo USA	"	422,154	40,000	40,000	28,625	-	9.48 %	422,154	Yes	No	No

Note : According to the Company's Procedures for Endorsement and Guarantee, the total amount of endorsements and guarantees, which the Company or the Group is permitted to provide, shall not exceed 100% of the Company's net worth.

- (iii) Information regarding securities held at the reporting date (excluding subsidiaries, associates and joint ventures):

(In Thousands of New Taiwan Dollars and shares (units))

Company holding securities	Security type and name	Relationship with the Company	Account	March 31, 2022				Remark
				Shares/Units	Carrying value	Percentage of ownership	Fair value	
The Company	IRONYUN INCORPORATED	-	Financial assets measured at fair value through other comprehensive income – non-current	6,025	-	6.79 %	-	Note
"	Convertible bonds (tBPC)	-	Financial assets measured at fair value through profit or loss-non-current	108	7,113	- %	7,113	

Note: Stocks are comprised of 5,512 thousand preferred shares and 513 thousand common shares at the reporting date.

- (iv) Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT\$300 million or 20% of the capital stock: None.
- (v) Acquisition of individual real estate with amount exceeding the lower of NT\$300 million or 20% of the capital stock: None.
- (vi) Disposal of individual real estate with amount exceeding the lower of NT\$300 million or 20% of the capital stock: None.

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**ASSOCIATED INDUSTRIES CHINA, INC. AND SUBSIDIARIES**  
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- (vii) Related-party purchases and sales with amounts exceeding the lower of NT\$100 million or 20% of the capital stock:

(In Thousands of New Taiwan Dollars)

Company name	Related party	Nature of relationship	Transaction details				Transactions with terms different from others		Notes/Accounts receivable (payable)		Remark
			Purchase/(Sale)	Amount	Percentage of total purchases (sales)	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/accounts receivable (payable)	
The Company	AG Neovo B.V	100% owned subsidiary	(Sale)	(102,290)	(90) %	90 days net from date of invoice	The price is not comparable with that of the general customers.	90 days net from date of invoice; actual payments would depend on the capital demand.	Note 1	-%	Note 2

Note 1 : As of March 31, 2022, the amount of receipt in advance was \$95,335.

Note 2 : The left transactions have been eliminated in the preparation of consolidated financial statements.

- (viii) Receivables from related parties with amounts exceeding the lower of NT\$100 million or 20% of the capital stock: None.
- (ix) Trading in derivative instruments: Please refer to note 6(b).
- (x) Significant transactions and business relationship between the parent company and its subsidiaries:

(In Thousands of New Taiwan Dollars)

No. (Note 1)	Company name	Counter party	Relationship (Note 2)	Intercompany transactions			Percentage of the consolidated net revenue or total assets
				Accounts	Amount	Terms	
0	The Company	AG Neovo B.V	1	Operating revenues	102,290	The price is marked up based on the cost; and the payment terms depends on the capital demand.	69.78 %
0	"	"	1	Receipt in advance	95,335	"	12.42 %

Note 1: The numbers filled in as follows:

- 1.0 represents the Company.
2. Subsidiaries are sorted in a numerical order starting from 1.

Note 2: Relationship with the transactions labeled as follows:

- 1 represents the transactions from the parent company to its subsidiaries.
- 2 represents the transactions between the subsidiaries and the parent company.
- 3 represents the transactions between subsidiaries.

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(b) Information on investees:

The following is the information on investees for the three months ended March 31, 2022 (excluding information on investees in Mainland China):

(In Thousands of New Taiwan Dollars/ foreign currencies and thousand units)

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Ending Balance as of March 31, 2022			Net income (loss) of the Investee (Note2)	Investment income (loss) recognized by the investor (Note2)	Remark
				March 31, 2022 (Note 1)	December 31, 2021 (Note 1)	Shares	Percentage of ownership	Carrying value (Note 1)			
The Company	AG Neovo International (formerly named as GMF)	British Virgin Islands	Investment	313,522	313,522	0.7	100 %	2,257	(542)	(542)	Note 3
"	AG Neovo B.V	Netherlands	Sales of LCD monitors	187,013	187,013	4.8	100 %	201,007	238	238	"
"	AG Neovo Investment	British Virgin Islands	Investment	14,796	14,796	0.5	100 %	4,870	(494)	(494)	"
"	Taiwan Biophotonic Corporation	Taiwan	Manufacturing and sale of medical equipment	92,327	92,327	2,524	35 %	15,379	(3,557)	(3,557)	
AG Neovo International (formerly named as GMF)	AG Neovo USA	U.S.A.	Sales of LCD monitors and medical equipment	57,250 (US\$2,000)	57,250 (US\$2,000)	701	100 %	502 (US\$18)	(963) (US\$34)	Recognized by shareholding percentage by AG Neovo International	Note 3

Note1: The amounts in New Taiwan Dollars were translated at the exchange rates of USD28.625 at reporting date.

Note2: The amounts in New Taiwan Dollars were translated at the exchange rates of USD28.0147 based on the average exchange rate at reporting date.

Note3: The left transactions have been eliminated in the preparation of the consolidated financial statements.

(c) Information on investment in mainland China:

(i) The related information on investees in Mainland China:

(In Thousands of New Taiwan Dollars/foreign currencies and thousand units)

Name of investee	Main businesses and products	Total amount of paid-in capital (Note 2)	Method of investment	Accumulated outflow of investment from Taiwan as of January 1, 2022 (Note 2)	Investment		Accumulated outflow of investment from Taiwan as of March 31, 2022 (Note 2)	Net income (loss) of the investee company (Note 3)	Percentage of ownership	Investment income (loss) recognized (Notes 3 and 5)	Carrying value as of March 31, 2022 (Note 2)	Accumulated remittance of earnings as of March 31, 2022
					Outflow	Inflow						
AG Neovo (Shanghai)	Sales of LCD monitors	14,313 (US\$500)	Note 1	14,313 (US\$500)	-	-	14,313 (US\$500)	(439) (US\$16)	100%	(439) (US\$16)	5,266 (US\$184)	-

(ii) Upper limit on investment in Mainland China:

(In Thousands of New Taiwan Dollars and foreign currencies)

Accumulated Investment in Mainland China as of March 31, 2022 (Notes 2 and 4)	Investment Amounts Authorized by Investment Commission, MOEA (Notes 2 and 4)	Upper Limit on Investment
115,531 (US\$4,036)	115,531 (US\$4,036)	253,292

Note 1 : Indirect investment in Mainland China through companies registered in the third region.

Note 2 : The amounts in New Taiwan Dollars were translated at the exchange rates of USD28.625 at reporting date.

Note 3 : The amounts in New Taiwan Dollars were translated at the exchange rates of USD28.0147 based on the average exchange rate at reporting date.

Note 4 : Including the withdrawn amount of investment from the Shanghai CIMC Baowell Industries Co., Ltd.

Note 5 : It was recognized on the financial statement prepared by the investee company, but not reviewed by independent auditors.

(iii) Significant transactions: None.

(Continued)

**ASSOCIATED INDUSTRIES CHINA, INC. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(d) Major shareholders:

Shareholder's Name	Shareholding	Shares	Percentage
CTBC in custody for Top Group Holdings, Ltd.		8,086,294	14.80 %
David Pi		3,502,541	6.41 %
Associated Industries China, Inc. (Treasury shares, etc.)		2,852,000	5.22 %

**(14) Segment information:**

The Group's operating segment information and reconciliation are as follows:

	For the three months ended March 31, 2022					
	Europe	America	Taiwan	Others	Adjustment & Elimination	Total
<b>Revenue</b>						
Revenue from external customers	\$ 121,386	19,373	4,903	926	-	146,588
Revenue from segments	<u>3,213</u>	<u>-</u>	<u>108,835</u>	<u>-</u>	<u>(112,048)</u>	<u>-</u>
	<u>\$ 124,599</u>	<u>19,373</u>	<u>113,738</u>	<u>926</u>	<u>(112,048)</u>	<u>146,588</u>
<b>Reportable segment profit (loss)</b>	<u>\$ 850</u>	<u>(542)</u>	<u>(3,166)</u>	<u>(494)</u>	<u>798</u>	<u>(2,554)</u>
	For the three months ended March 31, 2021					
	Europe	America	Taiwan	Others	Adjustment & Elimination	Total
<b>Revenue</b>						
Revenue from external customers	\$ 116,431	11,187	2,304	1,195	-	131,117
Revenue from segments	<u>174</u>	<u>-</u>	<u>72,984</u>	<u>-</u>	<u>(73,158)</u>	<u>-</u>
	<u>\$ 116,605</u>	<u>11,187</u>	<u>75,288</u>	<u>1,195</u>	<u>(73,158)</u>	<u>131,117</u>
<b>Reportable segment profit (loss)</b>	<u>\$ 1,451</u>	<u>275</u>	<u>(3,880)</u>	<u>(871)</u>	<u>4</u>	<u>(3,021)</u>