

**WT MICROELECTRONICS CO., LTD. AND  
SUBSIDIARIES  
CONSOLIDATED FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITORS' REVIEW REPORT  
SEPTEMBER 30, 2023 AND 2022**

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

## INDEPENDENT AUDITORS' REVIEW REPORT

To the Board of Directors and Shareholders of WT Microelectronics Co., Ltd.

### ***Introduction***

We have reviewed the accompanying consolidated balance sheets of WT Microelectronics Co., Ltd. and subsidiaries (the “Group”) as at September 30, 2023 and 2022, and the related consolidated statements of comprehensive income for the three months and nine months then ended, as well as the consolidated statements of changes in equity and of cash flows for the nine months 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 Standard on Review Engagements 2410, “Review of Financial Information Performed by the Independent Auditor of the Entity” of 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.

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***Conclusion***

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 at September 30, 2023 and 2022, and of its consolidated financial performance for the three months and nine months then ended and its consolidated cash flows for the nine months 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.

*Chieh-Ju Hsu*

*Hsu, Yung-Chien*

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Chieh-Ju, Hsu

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Hsu, Yung-Chien

For and on Behalf of PricewaterhouseCoopers, Taiwan

November 2, 2023

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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 independent auditors’ report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

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

Assets	Notes	September 30, 2023		December 31, 2022		September 30, 2022		
		AMOUNT	%	AMOUNT	%	AMOUNT	%	
<b>Current assets</b>								
1100	Cash and cash equivalents	6(1)	\$ 6,718,911	3	\$ 5,383,254	3	\$ 7,982,353	4
1110	Financial assets at fair value	6(2)						
	through profit or loss - current		42,077	-	12,870	-	36,896	-
1170	Accounts receivable, net	6(4) and 7	102,016,005	45	84,568,116	42	98,342,747	43
1200	Other receivables	6(4)(5)	1,816,267	1	2,237,030	1	2,201,967	1
130X	Inventories	6(6)	93,598,675	41	90,547,237	45	101,858,340	45
1410	Prepayments		2,703,534	1	838,630	1	875,713	-
1470	Other current assets	6(1) and 8	599,873	-	62,447	-	20,557	-
11XX	<b>Total current assets</b>		<u>207,495,342</u>	<u>91</u>	<u>183,649,584</u>	<u>92</u>	<u>211,318,573</u>	<u>93</u>
<b>Non-current assets</b>								
1510	Financial assets at fair value	6(2)						
	through profit or loss - non-current		377,919	-	291,474	-	300,430	-
1517	Financial assets at fair value	6(3)						
	through other comprehensive income - non-current		13,943,773	6	9,139,705	5	7,578,457	3
1550	Investments accounted for	6(7)						
	using equity method		50,731	-	62,955	-	73,210	-
1600	Property, plant and equipment	6(8)	1,286,990	1	974,071	-	989,834	1
1755	Right-of-use assets	6(9)	1,034,130	-	830,030	-	891,216	1
1760	Investment property - net	6(10)	191,160	-	193,686	-	194,528	-
1780	Intangible assets	6(11)	3,484,008	2	3,371,512	2	3,725,904	2
1840	Deferred income tax assets		729,894	-	1,078,254	1	802,043	-
1900	Other non-current assets		420,967	-	610,899	-	553,464	-
15XX	<b>Total non-current assets</b>		<u>21,519,572</u>	<u>9</u>	<u>16,552,586</u>	<u>8</u>	<u>15,109,086</u>	<u>7</u>
1XXX	<b>Total assets</b>		<u>\$ 229,014,914</u>	<u>100</u>	<u>\$ 200,202,170</u>	<u>100</u>	<u>\$ 226,427,659</u>	<u>100</u>

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**WT MICROELECTRONICS CO., LTD. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
**SEPTEMBER 30, 2023, DECEMBER 31, 2022 AND SEPTEMBER 30, 2022**  
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity	Notes	September 30, 2023		December 31, 2022		September 30, 2022		
		AMOUNT	%	AMOUNT	%	AMOUNT	%	
<b>Current liabilities</b>								
2100	Short-term borrowings	6(12)	\$ 25,045,904	11	\$ 38,340,556	19	\$ 46,680,000	21
2110	Short-term notes and bills payable	6(13)	349,789	-	1,049,386	1	1,449,330	1
2120	Financial liabilities at fair value through profit or loss - current	6(2)	4,224	-	11,372	-	3,450	-
2130	Contract liabilities - current	6(23)	832,684	-	904,038	1	1,167,105	-
2170	Accounts payable	7	126,867,964	55	77,996,735	39	93,820,633	41
2200	Other payables	6(14)	4,060,387	2	3,789,378	2	3,768,644	2
2230	Current income tax liabilities		359,145	-	1,627,567	1	973,742	-
2280	Lease liabilities - current		250,892	-	248,213	-	280,320	-
2320	Long-term liabilities, current portion	6(15)	748	-	-	-	-	-
2365	Refund liabilities - current	6(23)	1,080,457	1	778,605	-	1,209,146	1
2399	Other current liabilities		60,194	-	70,347	-	61,679	-
21XX	<b>Total current liabilities</b>		<u>158,912,388</u>	<u>69</u>	<u>124,816,197</u>	<u>63</u>	<u>149,414,049</u>	<u>66</u>
<b>Non-current liabilities</b>								
2540	Long-term loans	6(15)	5,012,038	2	17,786,449	9	18,342,345	8
2570	Deferred income tax liabilities		1,133,144	1	856,757	-	1,152,526	1
2580	Lease liabilities - non-current		460,387	-	335,919	-	359,070	-
2600	Other non-current liabilities		1,378,228	1	1,432,527	1	160,183	-
25XX	<b>Total non-current liabilities</b>		<u>7,983,797</u>	<u>4</u>	<u>20,411,652</u>	<u>10</u>	<u>20,014,124</u>	<u>9</u>
2XXX	<b>Total liabilities</b>		<u>166,896,185</u>	<u>73</u>	<u>145,227,849</u>	<u>73</u>	<u>169,428,173</u>	<u>75</u>
<b>Equity attributable to owners of parent</b>								
Share capital								
3110	Common stock	6(18)	8,867,972	4	8,835,297	4	8,835,792	4
3120	Preferred share		1,350,000	1	1,350,000	1	1,350,000	1
3130	Certificates of entitlement to new shares from convertible bonds		5,650	-	-	-	-	-
Capital surplus								
3200	Capital surplus	6(19)	25,495,390	11	25,294,109	13	25,266,778	11
Retained earnings								
3310	Legal reserve	6(20)	4,311,098	2	3,542,791	2	3,542,791	2
3320	Special reserve		1,564,387	1	-	-	-	-
3350	Unappropriated retained earnings		13,205,771	6	16,647,535	8	15,503,936	7
Other equity interest								
3400	Other equity interest	6(21)	6,367,902	2	(1,564,387)	(1)	1,375,446	-
31XX	<b>Equity attributable to owners of the parent</b>		<u>61,168,170</u>	<u>27</u>	<u>54,105,345</u>	<u>27</u>	<u>55,874,743</u>	<u>25</u>
36XX	Non-controlling interest	6(22)	950,559	-	868,976	-	1,124,743	-
3XXX	<b>Total equity</b>		<u>62,118,729</u>	<u>27</u>	<u>54,974,321</u>	<u>27</u>	<u>56,999,486</u>	<u>25</u>
Commitments and contingent liabilities								
Significant subsequent events								
3X2X	<b>Total liabilities and equity</b>		<u>\$ 229,014,914</u>	<u>100</u>	<u>\$ 200,202,170</u>	<u>100</u>	<u>\$ 226,427,659</u>	<u>100</u>

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

**WT MICROELECTRONICS CO., LTD. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
**NINE MONTHS ENDED SEPTEMBER 30, 2023 AND 2022**  
(Expressed in thousands of New Taiwan dollars, except for earnings per share)

Items	Notes	Three months ended September 30				Nine months ended September 30				
		2023		2022		2023		2022		
		AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%	
4000	Operating revenue	6(23) and 7	\$ 167,259,801	100	\$ 155,668,796	100	\$ 404,822,806	100	\$ 413,732,579	100
5000	Operating costs	6(6) and 7	( 162,198,530)	( 97)	( 150,709,426)	( 97)	( 391,412,752)	( 96)	( 398,889,307)	( 97)
5900	Gross profit		5,061,271	3	4,959,370	3	13,410,054	4	14,843,272	3
	Operating expenses	6(28)								
6100	Selling expenses		( 1,642,589)	( 1)	( 1,417,379)	( 1)	( 4,616,625)	( 1)	( 3,881,570)	( 1)
6200	General and administrative expenses		( 983,752)	( 1)	( 460,284)	-	( 1,986,027)	( 1)	( 1,333,103)	-
6300	Research and development expenses		( 190,250)	-	( 155,492)	-	( 521,125)	-	( 466,815)	-
6450	Impairment loss determined in accordance with IFRS 9	12(2)	14,332	-	( 5,438)	-	( 2,914)	-	( 6,313)	-
6000	Total operating expenses		( 2,802,259)	( 2)	( 2,038,593)	( 1)	( 7,126,691)	( 2)	( 5,687,801)	( 1)
6900	Operating profit		2,259,012	1	2,920,777	2	6,283,363	2	9,155,471	2
	Non-operating income and expenses									
7100	Interest income	6(24)	30,113	-	10,952	-	84,402	-	16,664	-
7010	Other income	6(25)	256,546	-	324,129	-	570,817	-	399,142	-
7020	Other gains and losses	6(26)	2,162	-	71,895	-	124,488	-	120,545	-
7050	Finance costs	6(27)	( 915,749)	-	( 740,532)	( 1)	( 3,113,306)	( 1)	( 1,339,829)	-
7060	Share of loss of associates and joint ventures accounted for using equity method	6(7)	( 9,582)	-	( 30,627)	-	( 14,437)	-	( 7,846)	-
7000	Total non-operating income and expenses		( 636,510)	-	( 364,183)	( 1)	( 2,348,036)	( 1)	( 811,324)	-
7900	<b>Profit before income tax</b>		1,622,502	1	2,556,594	1	3,935,327	1	8,344,147	2
7950	Income tax expense	6(30)	( 349,783)	-	( 498,029)	-	( 923,140)	-	( 1,897,324)	( 1)
8200	<b>Profit for the period</b>		\$ 1,272,719	1	\$ 2,058,565	1	\$ 3,012,187	1	\$ 6,446,823	1

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**WT MICROELECTRONICS CO., LTD. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
**NINE MONTHS ENDED SEPTEMBER 30, 2023 AND 2022**  
(Expressed in thousands of New Taiwan dollars, except for earnings per share)

Items	Notes	Three months ended September 30				Nine months ended September 30				
		2023		2022		2023		2022		
		AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%	
<b>Other comprehensive income (loss)</b>										
<b>Components of other comprehensive income (loss) that will not be reclassified to profit or loss</b>										
8316	Unrealised gain (loss) on valuation of equity investment instruments measured at fair value through other comprehensive income (loss)	6(21)(22)	\$ 959,095	1	(\$ 4,218,266)	( 2)	\$ 4,904,563	1	(\$ 11,654,132)	( 3)
8320	Share of other comprehensive loss of associates and joint ventures accounted for using equity method	6(21)	-	-	( 232)	-	-	-	( 12,278)	-
8310	Other comprehensive income (loss) that will not be reclassified to profit or loss		959,095	1	( 4,218,498)	( 2)	4,904,563	1	( 11,666,410)	( 3)
<b>Components of other comprehensive income (loss) that will be reclassified to profit or loss</b>										
8361	Financial statements translation differences of foreign operations	6(21)(22)	2,412,177	1	3,528,993	2	2,963,911	1	6,341,401	2
8370	Share of other comprehensive loss of associates and joint ventures accounted for using equity method	6(21)	( 66)	-	( 1,408)	-	( 342)	-	( 2,498)	-
8360	Other comprehensive income that will be reclassified to profit or loss		2,412,111	1	3,527,585	2	2,963,569	1	6,338,903	2
8300	<b>Total other comprehensive income (loss) for the period</b>		\$ 3,371,206	2	(\$ 690,913)	-	\$ 7,868,132	2	(\$ 5,327,507)	( 1)
8500	<b>Total comprehensive income for the period</b>		\$ 4,643,925	3	\$ 1,367,652	1	\$ 10,880,319	3	\$ 1,119,316	-
Profit (loss) attributable to:										
8610	Owners of the parent		\$ 1,280,086	1	\$ 2,058,075	1	\$ 2,968,494	1	\$ 6,482,723	1
8620	Non-controlling interest		( 7,367)	-	490	-	43,693	-	( 35,900)	-
			\$ 1,272,719	1	\$ 2,058,565	1	\$ 3,012,187	1	\$ 6,446,823	1
Comprehensive income attributable to:										
8710	Owners of the parent		\$ 4,619,446	3	\$ 1,322,649	1	\$ 10,798,271	3	\$ 1,105,135	-
8720	Non-controlling interest		24,479	-	45,003	-	82,048	-	14,181	-
			\$ 4,643,925	3	\$ 1,367,652	1	\$ 10,880,319	3	\$ 1,119,316	-
Earnings per share (in dollars)										
9750	Basic earnings per share	6(31)	\$ 1.45		\$ 2.34		\$ 3.06		\$ 7.33	
9850	Diluted earnings per share		\$ 1.43		\$ 2.33		\$ 3.02		\$ 7.28	

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

**WT MICROELECTRONICS CO., LTD. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
**NINE MONTHS ENDED SEPTEMBER 30, 2023 AND 2022**  
(Expressed in thousands of New Taiwan dollars)

Notes	Equity attributable to owners of the parent												
	Capital			Retained Earnings								Non-controlling interest	Total equity
	Share capital - common stock	Preferred share	Certificates of bond-to-stock conversion	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Other equity interest	Total				
<b>Nine months ended September 30, 2022</b>													
	\$ 7,977,068	\$ 1,350,000	\$ 51,498	\$ 20,444,778	\$ 2,677,275	\$ -	\$ 14,531,008	\$ 6,736,238	\$ 53,767,865	\$ 92,443	\$ 53,860,308		
	-	-	-	-	-	-	6,482,723	-	6,482,723	( 35,900 )	6,446,823		
6(21)(22)	-	-	-	-	-	-	-	( 5,377,588 )	( 5,377,588 )	50,081	( 5,327,507 )		
	-	-	-	-	-	-	6,482,723	( 5,377,588 )	1,105,135	14,181	1,119,316		
<b>Appropriations of 2021 earnings:</b>													
6(20)	-	-	-	-	865,516	-	( 865,516 )	-	-	-	-		
	-	-	-	-	-	-	( 4,431,032 )	-	( 4,431,032 )	-	( 4,431,032 )		
	-	-	-	-	-	-	( 270,000 )	-	( 270,000 )	-	( 270,000 )		
6(18)(19)	780,000	-	-	4,675,260	-	-	-	-	5,455,260	-	5,455,260		
6(18)(19)	80,374	-	( 51,498 )	47,760	-	-	-	-	76,636	-	76,636		
6(18)(19)	( 1,650 )	-	-	1,650	-	-	-	-	-	-	-		
6(19)(21)	-	-	-	( 3,320 )	-	-	-	3,320	-	-	-		
	-	-	-	-	-	-	( 512 )	-	( 512 )	-	( 512 )		
6(17)	-	-	-	100,650	-	-	102	70,639	171,391	-	171,391		
6(22)	-	-	-	-	-	-	-	-	-	1,018,119	1,018,119		
6(21)	-	-	-	-	-	-	57,163	( 57,163 )	-	-	-		
	\$ 8,835,792	\$ 1,350,000	\$ -	\$ 25,266,778	\$ 3,542,791	\$ -	\$ 15,503,936	\$ 1,375,446	\$ 55,874,743	\$ 1,124,743	\$ 56,999,486		
<b>Nine months ended September 30, 2023</b>													
	\$ 8,835,297	\$ 1,350,000	\$ -	\$ 25,294,109	\$ 3,542,791	\$ -	\$ 16,647,535	(\$ 1,564,387)	\$ 54,105,345	\$ 868,976	\$ 54,974,321		
	-	-	-	-	-	-	2,968,494	-	2,968,494	43,693	3,012,187		
6(21)(22)	-	-	-	-	-	-	-	7,829,777	7,829,777	38,355	7,868,132		
	-	-	-	-	-	-	2,968,494	7,829,777	10,798,271	82,048	10,880,319		
<b>Appropriations of 2022 earnings:</b>													
6(20)	-	-	-	-	768,307	-	( 768,307 )	-	-	-	-		
	-	-	-	-	-	1,564,387	( 1,564,387 )	-	-	-	-		
	-	-	-	-	-	-	( 3,812,065 )	-	( 3,812,065 )	-	( 3,812,065 )		
	-	-	-	-	-	-	( 270,000 )	-	( 270,000 )	-	( 270,000 )		
6(18)(19)	33,310	-	5,650	119,866	-	-	-	-	158,826	-	158,826		
6(18)(19)	( 635 )	-	-	635	-	-	-	-	-	-	-		
6(19)(21)	-	-	-	( 3,531 )	-	-	-	3,531	-	-	-		
4(3)	-	-	-	-	-	-	( 1,064 )	-	( 1,064 )	-	( 1,064 )		
6(17)	-	-	-	84,311	-	-	-	37,414	121,725	-	121,725		
6(22)	-	-	-	-	-	-	-	-	-	( 465 )	( 465 )		
6(21)	-	-	-	-	-	-	5,565	( 5,565 )	-	-	-		
6(21)	-	-	-	-	-	-	-	67,132	67,132	-	67,132		
	\$ 8,867,972	\$ 1,350,000	\$ 5,650	\$ 25,495,390	\$ 4,311,098	\$ 1,564,387	\$ 13,205,771	\$ 6,367,902	\$ 61,168,170	\$ 950,559	\$ 62,118,729		

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



WT MICROELECTRONICS CO., LTD. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
NINE MONTHS ENDED SEPTEMBER 30, 2023 AND 2022  
(Expressed in thousands of New Taiwan dollars)

	Notes	Nine months ended September 30	
		2023	2022
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>			
Profit before tax		\$ 3,935,327	\$ 8,344,147
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6(28)	332,064	269,314
Amortisation	6(28)	78,954	32,787
Impairment loss determined in accordance with IFRS 9	12(2)	2,914	6,312
Net gain on financial assets and liabilities at fair value through profit or loss	6(26)	( 450,012 )	( 929,485 )
Share-based payments	6(17)	121,725	171,391
Share of profit or loss of associates and joint ventures accounted for using equity method	6(7)	14,437	7,846
Gain on disposal of property, plant and equipment, net		( 218 )	( 4 )
Loss on disposal of investments accounted for using equity method	6(7)	-	2,009
Impairment loss	6(11)	-	7,836
Interest expense	6(27)	1,865,329	788,949
Interest income	6(24)	( 84,402 )	( 16,664 )
Other loss	6(33)	-	1,996
Dividend income	6(25)	( 436,075 )	( 337,460 )
Changes in operating assets and liabilities			
Changes in operating assets			
Accounts receivable		( 11,317,516 )	( 9,990,528 )
Other receivables		805,618	( 31,103 )
Inventories		( 2,337,740 )	( 15,936,654 )
Prepayments		( 1,833,577 )	45,592
Other current assets (including contract assets)		3,383	17,814
Changes in operating liabilities			
Financial assets and liabilities at fair value through profit or loss		415,962	943,556
Contract liabilities		( 103,447 )	344,828
Accounts payable		44,949,695	2,564,044
Other payables		( 139,435 )	152,587
Other current liabilities (including refund liabilities)		286,466	548,801
Net defined benefit liability		-	( 1,525 )
Cash inflow (outflow) generated from operations		36,109,452	( 12,993,614 )
Interest received		84,402	16,664
Dividends received		436,075	329,366
Interest paid		( 1,939,703 )	( 727,979 )
Income taxes paid		( 1,434,388 )	( 2,375,623 )
Net cash flows from (used in) operating activities		<u>33,255,838</u>	<u>( 15,751,186 )</u>

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WT MICROELECTRONICS CO., LTD. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
NINE MONTHS ENDED SEPTEMBER 30, 2023 AND 2022  
(Expressed in thousands of New Taiwan dollars)

	Notes	Nine months ended September 30	
		2023	2022
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Acquisition of financial assets at fair value through profit or loss		(\$ 80,687 )	(\$ 7,200 )
Proceeds from disposal of financial assets at fair value through profit or loss		-	1,306
Acquisition of financial assets at fair value through other comprehensive income		( 30,201 )	( 191,310 )
Proceeds from disposal of financial assets at fair value through other comprehensive income	6(3)	138,157	99,295
Increase in other financial assets		( 516,079 )	-
Acquisition of property, plant and equipment	6(33)	( 193,296 )	( 225,838 )
Proceeds from disposal of property, plant and equipment		531	83
Acquisition of intangible assets	6(11)	( 24,066 )	( 10,449 )
Increase in guarantee deposits		( 13,484 )	( 190,528 )
Decrease in guarantee deposits		7,008	6,912
Net cash payments for business combination	6(33)	( 199,306 )	( 3,041,132 )
Decrease in other non-current assets		9,580	151,335
Proceeds from disposal of investments accounted for using equity method		-	31,346
Net cash flows used in investing activities		( 901,843 )	( 3,376,180 )
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Increase in short-term borrowings	6(34)	613,129,424	567,077,724
Decrease in short-term borrowings	6(34)	( 626,718,018 )	( 556,870,667 )
Decrease in short-term notes and bills payable	6(34)	( 715,446 )	( 606,250 )
Proceeds from long-term borrowings	6(34)	40,553,604	14,631,500
Repayments of long-term loans	6(34)	( 53,237,421 )	( 6,145,230 )
Payment of lease liabilities	6(34)	( 220,583 )	( 168,611 )
Increase in other non-current liabilities		11,598	6,599
Issuance of shares - Global depository receipts	6(18)	-	5,455,260
Cash dividends paid	6(20)	( 4,082,065 )	( 4,701,032 )
Cash dividends paid to non-controlling interest	6(22)	-	( 588 )
Increase in non-controlling interest	6(33)	( 1,786 )	-
Employee stock options exercised		158,826	-
Net cash flows (used in) from financing activities		( 31,121,867 )	18,678,705
Effect of exchange rate changes on cash and cash equivalents		103,529	3,751,438
Net increase in cash and cash equivalents		1,335,657	3,302,777
Cash and cash equivalents at beginning of period		5,383,254	4,679,576
Cash and cash equivalents at end of period		\$ 6,718,911	\$ 7,982,353

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

WT MICROELECTRONICS CO., LTD. AND SUBSIDIARIES  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
NINE MONTHS ENDED SEPTEMBER 30, 2023 AND 2022

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

1. HISTORY AND ORGANISATION

WT Microelectronics Co., Ltd. (the "Company") was incorporated as a company limited by shares under the provisions of the Company Act of the Republic of China (R.O.C.). The Company and its subsidiaries (collectively referred herein as the "Group") are primarily engaged in the development and sales of electronic and communication components.

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

These consolidated financial statements were reported to the Board of Directors on November 2, 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:

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
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
Amendments to IAS 12, 'International tax reform - pillar two model rules'	May 23, 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

New standards, interpretations and amendments endorsed by the FSC and will become effective from 2024 are as follows:

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
Amendments to IFRS 16, 'Lease liability in a sale and leaseback'	January 1, 2024
Amendments to IAS 1, 'Classification of liabilities as current or noncurrent	January 1, 2024
Amendments to IAS 1, 'Non-current liabilities with covenants'	January 1, 2024
Amendments to IAS 7 and IFRS 7, 'Supplier finance arrangements'	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.

(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 endorsed by the FSC are as follows:

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
Amendments to IFRS 10 and IAS 28, 'Sale or contribution of assets between an investor and its associate or joint venture'	To be determined by International Accounting Standards Board
IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IFRS 17, 'Insurance contracts'	January 1, 2023
Amendment to IFRS 17, 'Initial application of IFRS 17 and IFRS 9 – comparative information'	January 1, 2023
Amendments to IAS 21, 'Lack of exchangeability'	January 1, 2025

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 significant 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

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

(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 (liabilities) recognised based on the net amount of pension fund assets less present value of defined benefit obligation.
- 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 judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Basis of consolidation

- A. Basis for preparation of consolidated financial statements:
- (a) All subsidiaries are included in the Group’s consolidated financial statements. Subsidiaries are all entities (including structured entities) controlled by the Group. The Group controls an entity when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Consolidation of subsidiaries begins from the date the Group obtains control of the subsidiaries and ceases when the Group loses control of the subsidiaries.
  - (b) Inter-company transactions, balances and unrealised gains or losses on transactions between companies within the Group are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.
  - (c) Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.
  - (d) Changes in a parent’s ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary (transactions with non-controlling interests) are accounted for as equity transactions, i.e. transactions with owners in their capacity as owners. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity.
  - (e) When the Group loses control of a subsidiary, the Group remeasures any investment retained in the former subsidiary at its fair value. That fair value is regarded as the fair value on initial recognition of a financial asset or the cost on initial recognition of the associate or joint

venture. Any difference between fair value and carrying amount is recognised in profit or loss. All amounts previously recognised in other comprehensive income in relation to the subsidiary are reclassified to profit or loss on the same basis as would be required if the related assets or liabilities were disposed of. That is, when the Group loses control of a subsidiary, all gains or losses previously recognised in other comprehensive income in relation to the subsidiary should be reclassified from equity to profit or loss, if such gains or losses would be reclassified to profit or loss when the related assets or liabilities are disposed of.

B. Subsidiaries included in the consolidated financial statements:

Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)			Note
			September 30, 2023	December 31, 2022	September 30, 2022	
WT Microelectronics Co., Ltd.	Wintech Microelectronics Holding Limited	Investment Company	99.65	99.65	99.65	
WT Microelectronics Co., Ltd.	Morrihan International Corp.	Trading Company	100	100	100	
WT Microelectronics Co., Ltd.	BSI Semiconductor Pte. Ltd.	Investment Company	100	100	100	
WT Microelectronics Co., Ltd.	Nuvision Technology Inc.	Trading Company	100	99.91	99.91	(e)
WT Microelectronics Co., Ltd.	Milestone Investment Co., Ltd.	Investment Company	100	100	100	
WT Microelectronics Co., Ltd.	SinYie Investment Co., Ltd.	Investment Company	100	100	100	
WT Microelectronics Co., Ltd.	Techmosa International Inc.	Trading Company	100	100	100	
WT Microelectronics Co., Ltd.	MSD Holdings Pte. Ltd.	Trading Company	100	100	100	
WT Microelectronics Co., Ltd.	Maxtek Technology Co., Ltd.	Trading Company	100	100	100	
WT Microelectronics Co., Ltd.	Analog World Co., Ltd.	Trading Company	100	100	100	
WT Microelectronics Co., Ltd.	WT Semiconductor Holdings Pte. Ltd.	Investment Company	80	80	80	
WT Microelectronics Co., Ltd.	WT Solomon QCE Ltd.	Trading Company	100	100	-	(b)
WT Microelectronics Co., Ltd.	WT Microelectronics (Hong Kong) Limited	Trading Company	100	100	-	(b)
WT Microelectronics Co., Ltd.	WT Technology (H.K.) Limited	Trading Company	100	100	100	
WT Microelectronics Co., Ltd.	WT Microelectronics Singapore Pte. Ltd.	Trading Company	100	100	-	(b)
WT Microelectronics Co., Ltd.	WT Technology Pte. Ltd.	Trading Company	100	100	-	(b)
Wintech Microelectronics Holding Limited	WT Microelectronics (Shanghai) Co., Ltd.	Trading Company	100	100	100	

Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)			Note
			September 30, 2023	December 31, 2022	September 30, 2022	
Wintech Microelectronics Holding Limited	Promising Investment Limited	Investment Company	100	100	100	
Wintech Microelectronics Holding Limited	Wintech Microelectronics Ltd.	Trading Company	100	100	100	
Wintech Microelectronics Holding Limited	Wintech Microelectronics Limited	Investment Company	100	100	100	
Wintech Microelectronics Holding Limited	WT Technology Pte. Ltd.	Trading Company	-	-	100	(b)
Wintech Microelectronics Holding Limited	Wintech Investment Co., Ltd.	Investment Company	100	100	100	
Wintech Microelectronics Holding Limited	Brillnics Inc.	Investment Company	61.46	61.65	61.78	(a)
BSI Semiconductor Pte. Ltd.	Wonchang Semiconductor Co., Ltd.	Trading Company	100	100	100	
BSI Semiconductor Pte. Ltd.	WT Technology Korea Co., Ltd.	Trading Company	4.53	4.53	4.53	
Morrihan International Corp.	Asia Latest Technology Limited	Investment Company	100	100	100	
Promising Investment Limited	WT Solomon QCE Ltd.	Trading Company	-	-	100	(b)
Promising Investment Limited	WT Microelectronics (Hong Kong) Limited	Trading Company	-	-	100	(b)
Promising Investment Limited	Nino Capital Co., Ltd.	Investment Company	100	100	100	
Promising Investment Limited	Rich Web Ltd.	Investment Company	100	100	100	
Wintech Investment Co., Ltd.	WT Microelectronics Singapore Pte. Ltd.	Trading Company	-	-	100	(b)
Wintech Investment Co., Ltd.	WT Microelectronics (Malaysia) Sdn. Bhd.	Trading Company	100	100	100	
Wintech Investment Co., Ltd.	WT Technology Korea Co., Ltd.	Trading Company	95.47	95.47	95.47	
Nino Capital Co., Ltd.	Shanghai WT Microelectronics Co., Ltd.	Trading Company	100	100	100	
Rich Web Ltd.	WT Microelectronics (Shenzhen) Co., Ltd.	Trading Company	100	100	100	
WT Microelectronics Singapore Pte. Ltd.	WT Microelectronics (Thailand) Co., Limited.	Trading Company	100	100	100	

Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)			Note
			September 30, 2023	December 31, 2022	September 30, 2022	
WT Microelectronics Singapore Pte. Ltd.	WT Microelectronics India Private Limited	Trading Company	100	100	100	
SinYie Investment Co., Ltd.	Wintech Microelectronics Holding Limited	Investment Company	0.35	0.35	0.35	
Asia Latest Technology Limited	WT Microelectronics (Shanghai) Technology Co., Ltd.	Selling and Technology Servicing	100	100	100	(d)
Techmosa International Inc.	Morrihan Singapore Pte. Ltd.	Trading Company	100	100	100	
Maxtek Technology Co., Ltd.	HongTech Electronics Co., Ltd.	Trading Company	100	100	100	
Maxtek Technology Co., Ltd.	Lacewood International Corp.	Trading Company	100	100	100	
Brillnics Inc.	Brillnics (HK) Limited	Selling and Technology Servicing	100	100	100	
Brillnics Inc.	Brillnics Singapore Pte. Ltd.	Trading Company	100	100	100	
Brillnics (HK) Limited	Brillnics Japan Inc.	Research and Development Company	100	100	100	
Brillnics (HK) Limited	Brillnics (Taiwan) Inc.	Research and Development Company	100	100	100	
WT Semiconductor Holdings Pte. Ltd.	Excelpoint Technology Pte. Ltd.	Investment Company	100	100	100	
Excelpoint Technology Pte. Ltd.	Excelpoint Systems (Pte) Ltd.	Trading Company	100	100	100	
Excelpoint Technology Pte. Ltd.	Excelpoint Systems (H.K.) Limited	Trading Company	100	100	100	
Excelpoint Technology Pte. Ltd.	Planetspark Pte. Ltd.	R&D and Investment Company	100	100	100	
Excelpoint Systems (Pte) Ltd.	Excelpoint Systems Sdn. Bhd.	Trading Company	100	100	100	
Excelpoint Systems (Pte) Ltd.	Excelpoint Systems (India) Private Limited	Selling and Technology Servicing	100	100	100	
Excelpoint Systems (Pte) Ltd.	Excelpoint Systems (USA) Inc.	Selling and Technology Servicing	100	100	100	
Excelpoint Systems (Pte) Ltd.	Excelpoint Systems Vietnam Company Limited	Trading Company	100	100	-	(c)
Excelpoint Systems (H.K.) Limited	Excelpoint International Trading (Shanghai) Co., Ltd.	Trading Company	100	100	100	
Excelpoint Systems (H.K.) Limited	Synergy Electronics (H.K.) Limited	Trading Company	100	100	100	
Excelpoint Systems (H.K.) Limited	Synergy Electronics (Shenzhen) Co., Ltd.	Trading Company	100	100	100	
Analog Word Co., Ltd.	Leader's Technology Co., Ltd.	Selling and Technology Servicing	100	-	-	(f)



- (a) Employees of Brillnics Inc. exercised employee stock options in installments for the nine months ended September 30, 2023 and 2022 and accordingly, the shareholder ratio decreased to 61.46% and 61.78%, respectively.
- (b) In 2022, the Company directly held all the equity interest in WT Technology (H.K.) Limited, WT Solomon QCE Ltd., WT Technology Pte. Ltd., WT Microelectronics Singapore Pte. Ltd. and WT Microelectronics (Hong Kong) Limited in response to the adjustment of the Group's organisational structure.
- (c) The Company's subsidiary, Excelpoint Systems (PTE) Ltd., established Excelpoint Systems Vietnam Company Limited in November 2022.
- (d) In December 2022, Morrihan International Trading (Shanghai) Co., Ltd. was renamed as WT Microelectronics (Shanghai) Technology Co., Ltd.
- (e) As of March 31, 2023, the Group acquired the non-controlling interest in its 99.91% owned subsidiary, Nuvision Technology Inc., for a consideration of \$1,786 in cash, thereby increasing the Group's equity interest to 100%. Consequently, retained earnings decreased by \$532 and non-controlling interest decreased by \$1,192.
- (f) In May 2023, the Group used cash to acquire all the equity interest in Leader's Technology Co., Ltd., which became a wholly-owned subsidiary of the Group and has been included in the consolidated financial statements since the date of acquisition.

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

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

E. Significant restrictions: None.

F. Subsidiaries that have non-controlling interests that are material to the Group:

Name of Subsidiary	Principal place of business	Non-controlling interest					
		September 30, 2023		December 31, 2022		September 30, 2023	
		Amount	Ownership (%)	Amount	Ownership (%)	Amount	Ownership (%)
WT Semiconductor Holdings Pte. Ltd.	Singapore	\$ 831,921	20%	\$ 805,586	20%	\$ 1,054,246	20%

Summarised financial information of WT Semiconductor Holdings Pte. Ltd.:

Balance Sheet

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Current assets	\$ 15,807,369	\$ 17,820,321	\$ 16,489,041
Non-current assets	2,060,129	1,731,241	2,071,700
Current liabilities	( 12,358,624)	( 14,398,953)	( 13,026,511)
Non-current liabilities	( 193,181)	( 241,240)	( 263,697)
Total net assets	<u>\$ 5,315,693</u>	<u>\$ 4,911,369</u>	<u>\$ 5,270,533</u>

Statement of comprehensive income

	Three months ended <u>September 30, 2023</u>	From September 6 (effective date) to <u>September 30, 2022</u>
Revenue	\$ 10,840,851	\$ 3,596,531
Loss for the period from continuing operations	( 36,514)	( 7,430)
Other comprehensive loss, net of tax	( 4,810)	( 154)
Total comprehensive loss for the period	<u>(\$ 41,324)</u>	<u>(\$ 7,584)</u>
Comprehensive income (loss) attributable to non-controlling interest	<u>\$ 20,556</u>	<u>(\$ 1,607)</u>
Dividends paid to non-controlling interest	<u>\$ -</u>	<u>\$ -</u>
	Nine months ended <u>September 30, 2023</u>	From September 6 (effective date) to <u>September 30, 2022</u>
Revenue	\$ 28,814,277	\$ 3,596,531
Loss for the period from continuing operations	( 62,238)	( 7,430)
Other comprehensive loss, net of tax	( 11,475)	( 154)
Total comprehensive loss for the period	<u>(\$ 73,713)</u>	<u>(\$ 7,584)</u>
Comprehensive income (loss) attributable to non-controlling interest	<u>\$ 26,331</u>	<u>(\$ 1,607)</u>
Dividends paid to non-controlling interest	<u>\$ -</u>	<u>\$ -</u>

## Statement of cash flows

	Nine months ended September 30, 2023	From September 6 (effective date) to September 30, 2022
Net cash flows from operating activities	\$ 843,630	\$ 2,047,162
Net cash flows used in investing activities	( 52,751)	( 4,850,493)
Net cash flows (used in) from financing activities	( 430,142)	2,588,802
Effect of exchange rate changes on cash and cash equivalents	54,947	38,351
Net increase (decrease) in cash and cash equivalents	415,684	( 176,178)
Cash and cash equivalents at beginning of period	765,907	1,226,169
Cash and cash equivalents at end of period	<u>\$ 1,181,591</u>	<u>\$ 1,049,991</u>

The summarised financial information of the subsidiaries stated above were based on each subgroup's consolidated balance sheets, consolidated statements of comprehensive income and consolidated statements of cash flows in their respective presentation currencies and translated into New Taiwan Dollars at the closing exchange rate at the corresponding balance sheet date and average exchange rate for the current period, respectively.

### (4) Foreign currency translation

A. Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in New Taiwan dollars, which is the Company's functional and the Group's presentation currency.

#### B. Foreign currency transactions and balances

- (a) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in profit or loss in the period in which they arise.
- (b) Monetary assets and liabilities denominated in foreign currencies at the period end are re-translated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognised in profit or loss.
- (c) Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through other comprehensive income are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in other comprehensive income. However, non-monetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.

- (d) All other foreign exchange gains and losses based on the nature of those transactions are presented in the statement of comprehensive income within 'other gains and losses.'

#### C. Translation of foreign operations

- (a) The operating results and financial position of all the group entities, associates and joint arrangements that have a functional currency different from the presentation currency are translated into the presentation currency as follows:
  - i. Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet;
  - ii. Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and
  - iii. All resulting exchange differences are recognised in other comprehensive income.
- (b) When the foreign operation partially disposed of or sold is an associate or joint arrangement, exchange differences that were recorded in other comprehensive income are proportionately reclassified to profit or loss as part of the gain or loss on sale. In addition, if the Group retains partial interest in the former foreign associate or joint arrangement after losing significant influence over the former foreign associate, or losing joint control of the former joint arrangement, such transactions should be accounted for as disposal of all interest in these foreign operations.
- (c) When the foreign operation partially disposed of or sold is a subsidiary, cumulative exchange differences that were recorded in other comprehensive income are proportionately transferred to the non-controlling interest in this foreign operation. In addition, even when the Group retains partial interest in the former foreign subsidiary after losing control of the former foreign subsidiary, such transactions should be accounted for as disposal of all interest in the foreign operation.
- (d) Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing exchange rates at the balance sheet date.

#### (5) Classification of current and non-current items

- A. Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:
  - (a) Assets arising from operating activities that are expected to be realised, or are intended to be sold or consumed within the normal operating cycle;
  - (b) Assets held mainly for trading purposes;
  - (c) Assets that are expected to be realised within twelve months from the balance sheet date;
  - (d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to settle liabilities more than twelve months after the balance sheet date.

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

- (a) Liabilities that are expected to be settled within the normal operating cycle;
- (b) Liabilities arising mainly from trading activities;
- (c) Liabilities that are to be settled within twelve months from the balance sheet date;
- (d) Liabilities for which the repayment date cannot be extended unconditionally to more than twelve months after the balance sheet date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

(6) Cash equivalents

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

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

- A. These are financial assets that are not measured at amortised cost or at fair value through other comprehensive income and are held for trading if acquired principally for the purpose of repurchasing in the short term. Derivatives are also categorised as financial liabilities held for trading unless they are designated as hedges.
- B. On a regular way purchase or sale basis, financial assets and liabilities at fair value through profit or loss are recognised and derecognised using trade date accounting.
- C. At initial recognition, the Group measures the financial liabilities at fair value. All related transaction costs are recognised in profit or loss. The Group subsequently measures these financial liabilities at fair value with any gain or loss recognised in profit or loss.
- D. The Group recognises the dividend income when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

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

- A. Financial assets at fair value through other comprehensive income comprise equity securities which are not held for trading, and for which the Group has made an irrevocable election at initial recognition to recognise changes in fair value in other comprehensive income.
- B. On a regular way purchase or sale basis, financial assets at fair value through other comprehensive income are recognised and derecognised using trade date accounting.
- C. At initial recognition, the Group measures the financial assets at fair value plus transaction costs. The Group subsequently measures the financial assets at fair value. The changes in fair value of equity investments that were recognised in other comprehensive income are reclassified to retained earnings and are not reclassified to profit or loss following the derecognition relating to

the investment. Dividends are recognised as revenue when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

(9) Accounts and notes receivable

- A. Accounts and notes receivable entitle the Group a legal right to receive consideration in exchange for transferred goods or rendered services.
- B. The short-term accounts and notes receivable without bearing interest are initially recognised and subsequently measured at initial invoice amount as the effect of discounting is immaterial.
- C. The Group's operating pattern of accounts receivable that are expected to be factored is for the purpose of receiving contract cash flow and selling, and the accounts receivable are subsequently measured at fair value, with any changes in fair value recognised in other comprehensive income.

(10) Impairment of financial assets

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

(11) Derecognition of financial assets

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

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

(12) Leasing arrangements (lessor) - operating leases

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

(13) Inventories

- A. The cost of inventories includes the purchase price, import duties and other costs directly attributable to the acquisition of goods. The discount, allowance and others alike should be deducted from the cost.
- B. Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted-average method. The item by item approach is used in applying the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

(14) Investments accounted for using equity method / associates

- A. Associates are all entities over which the Group has significant influence but not control. In general, it is presumed that the investor has significant influence, if an investor holds, directly or indirectly 20 percent or more of the voting power of the investee. Investments in associates are accounted for using the equity method and are initially recognised at cost.
- B. The Group's share of its associates' post-acquisition profits or losses is recognised in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.
- C. When changes in an associate's equity do not arise from profit or loss or other comprehensive income of the associate and such changes do not affect the Group's ownership percentage of the associate, the Group recognises change in ownership interests in the associate in 'capital surplus' in proportion to its ownership.
- D. Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been adjusted where necessary to ensure consistency with the policies adopted by the Group.
- E. In the case that an associate issues new shares and the Group does not subscribe or acquire new shares proportionately, which results in a change in the Group's ownership percentage of the associate but maintains significant influence on the associate, then 'capital surplus' and 'investments accounted for using equity method' shall be adjusted for the increase or decrease of its share of equity interest. If the above condition causes a decrease in the Group's ownership percentage of the associate, in addition to the above adjustment, the amounts previously recognised in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately on the same basis as would be required if the relevant assets or liabilities were disposed of.
- F. When the Group disposes its investment in an associate and loses significant influence over this associate, the amounts previously recognised in other comprehensive income in relation to the associate, are reclassified to profit or loss. If it retains significant influence over this associate, the amounts previously recognised in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately in accordance with the aforementioned approach.
- G. When the Group disposes its investment in an associate and loses significant influence over this associate, the amounts previously recognised as capital surplus in relation to the associate are transferred to profit or loss. If it retains significant influence over this associate, the amounts previously recognised as capital surplus in relation to the associate are transferred to profit or

loss proportionately.

(15) Property, plant and equipment

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

Buildings	27 ~ 56 years
Office equipment	2 ~ 9 years
Other assets	2 ~ 12 years

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

- A. Leases are recognised as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Group. For short-term leases or leases of low-value assets, lease payments are recognised as an expense on a straight-line basis over the lease term.
- B. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the Group's incremental borrowing interest rate. Lease payments are comprised of the following:
  - (a) Fixed payments, less any lease incentives receivable; and
  - (b) Variable lease payments that depend on an index or a rate.

The Group subsequently measures the lease liability at amortised cost using the interest method and recognises interest expense over the lease term. The lease liability is remeasured and the amount of remeasurement is recognised as an adjustment to the right-of-use asset when there are changes in the lease term or lease payments and such changes do not arise from contract modifications.



- C. At the commencement date, the right-of-use asset is stated at cost comprising the following:
- (a) The amount of the initial measurement of lease liability;
  - (b) Any lease payments made at or before the commencement date; and
  - (c) Any initial direct costs incurred by the lessee.

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

- D. For lease modifications that decrease the scope of the lease, the lessee shall decrease the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease, and recognise the difference between remeasured lease liability in profit or loss.

(17) Investment property

An investment property is stated initially at its cost and measured subsequently using the cost model. Except for land, investment property is depreciated on a straight-line basis over its estimated useful life of 27 ~ 56 years.

(18) Intangible assets

- A. Goodwill arises in a business combination accounted for by applying the acquisition method.
- B. Computer software is stated at cost and amortised on a straight-line basis over its estimated useful life of 2 ~ 5 years.
- C. Other intangible assets, mainly customer relationship, are recorded at cost and amortised on a straight-line basis over the estimated useful life of 5 ~ 8 years.

(19) Impairment of non-financial assets

- A. The Group assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. Except for goodwill, when the circumstances or reasons for recognising impairment loss for an asset in prior years no longer exist or diminish, the impairment loss is reversed. The increased carrying amount due to reversal should not be more than what the depreciated or amortised historical cost would have been if the impairment had not been recognised.
- B. The recoverable amount of goodwill shall be evaluated periodically. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Impairment loss of goodwill previously recognised in profit or loss shall not be reversed in the following years.
- C. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units, or groups of cash-generating units, that is/are expected to benefit from the synergies of the business combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is

monitored for internal management purposes. Goodwill is monitored at the operating segment level.

(20) Notes and accounts payable

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

(21) Borrowings

- A. Borrowings comprise long-term and short-term bank borrowings. Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.
- B. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the drawdown occurs.

(22) Convertible bonds payable

Convertible corporate bonds issued by the Group contain conversion options (that is, the bondholders have the right to convert the bonds into the Company's common stock by exchanging a fixed amount of cash for a fixed number of common stock). The Group classifies the bonds payable and derivative features embedded in convertible corporate bonds on initial recognition as a financial liability or an equity instrument ('capital surplus—stock options') in accordance with the substance of the contractual arrangement and the definitions of a financial asset, a financial liability and an equity instrument. Convertible corporate bonds are accounted for as follows:

- A. The host contracts of bonds are initially recognised at fair value. Any difference between the initial recognition and the redemption value is accounted for as the premium or discount on bonds payable and subsequently is amortised in profit or loss as an adjustment to 'finance costs' over the period of circulation using the effective interest method.
- B. The embedded conversion options which meet the definition of an equity instrument are initially recognised in 'capital surplus—stock options' at the residual amount of total issue price less the amount of bonds payable as stated above. Conversion options are not subsequently remeasured.
- C. Any transaction costs directly attributable to the issuance are allocated to each liability or equity component in proportion to the initial carrying amount of each abovementioned item.
- D. When bondholders exercise conversion options, the liability component of the bonds (including 'bonds payable') shall be remeasured on the conversion date. The book value of common stock issued due to the conversion shall be based on the adjusted book value of the abovementioned liability component plus the book value of capital surplus – stock options.

(23) Employee benefits

A. Short-term employee benefits

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

B. Pensions

(a) Defined contribution plans

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

(b) Defined benefit plans

- i. Net obligation under a defined benefit plan is defined as the present value of an amount of pension benefits that employees will receive on retirement for their services with the Group in current period or prior periods. The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The net defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The rate used to discount is determined by using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability.
- ii. Remeasurements arising on defined benefit plans are recognised in other comprehensive income in the period in which they arise and are recorded as retained earnings.
- iii. 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.

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

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

(24) Employee share-based payment

- A. For the equity-settled share-based payment arrangements, the employee services received are measured at the fair value of the equity instruments granted at the grant date and are recognised

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

- B. The grant date of cash capital increase reserved for employee preemption is the date at which the entity and the employee agree to a share-based payment arrangement, being when the entity and the counterparty have a shared understanding of the terms and conditions of the arrangement.
- C. Restricted stocks:
  - (a) Restricted stocks issued to employees are measured at the fair value of the equity instruments granted at the grant date and are recognised as compensation cost over the vesting period.
  - (b) For restricted stocks where those stocks do not restrict distribution of dividends to employees and employees are not required to return the dividends received if they resign during the vesting period, the Group recognises the fair value of the dividends received by the employees who are expected to resign during the vesting period as compensation cost at the date of dividends declared.
  - (c) For restricted stocks where employees do not need to pay to acquire those stocks, if the employees resign during the vesting period, the restricted stocks will be redeemed and retired by the Group without further consideration and recognised as deduction of share capital and additional paid-in capital, in accordance with the terms of restricted stocks.

(25) Income tax

- A. The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or items recognised directly in equity, in which cases the tax is recognised in other comprehensive income or equity.
- B. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the shareholders resolve to retain the earnings.
- C. Deferred tax is recognised, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated balance sheet. However, the deferred tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business

combination that at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss). Deferred tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

- D. Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. At each balance sheet date, unrecognised and recognised deferred tax assets are reassessed.
- E. Current income tax assets and liabilities are offset, and the net amount is reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. Deferred tax assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset current tax assets against current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realise the asset and settle the liability simultaneously.
- F. A deferred tax asset shall be recognised for the carryforward of unused tax credits resulting from research and development expenditures to the extent that it is possible that future taxable profit will be available against which the unused tax credits can be utilised.
- G. The interim period income tax expense is recognised based on the estimated average annual effective income tax rate expected for the full financial year applied to the pretax income of the interim period, and the related information is disclosed accordingly.
- H. If a change in tax rate is enacted or substantively enacted in an interim period, the Group recognises the effect of the change immediately in the interim period in which the change occurs. The effect of the change on items recognised outside profit or loss is recognised in other comprehensive income or equity while the effect of the change on items recognised in profit or loss is recognised in profit or loss.

(26) Share capital

- A. Common stock is classified as equity. The classification of preferred shares is determined according to the special rights attached to the preferred shares based on the substance of the contract and the definition of financial liabilities and equity instruments. Preferred shares are classified as liabilities when they have the fundamental characteristic of financial liabilities; otherwise, they are classified as equity. Incremental costs directly attributable to the issue of new shares or stock options are shown in equity as a deduction, net of tax, from the proceeds.
- B. Where the Company repurchases the Company's equity share capital that has been issued, the consideration paid, including any directly attributable incremental costs (net of income taxes) is

deducted from equity attributable to the Company's equity holders. Where such shares are subsequently reissued, the difference between their book value and any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's equity holders.

(27) Dividends

Dividends are recorded in the Company's financial statements in the period in which they are approved by the Company's shareholders or Board of Directors. Cash dividends are recorded as liabilities.

(28) Revenue recognition

A. Sales of goods

- (a) The Group sells electronic components. Sales are recognised when the control of the products has been transferred, being when the products are delivered to the customer, and there is no unfulfilled obligation that could affect the customer acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, or the Group has objective evidence that all criteria for acceptance have been satisfied.
- (b) The goods are often sold with discounts based on aggregate sales. Revenue from these sales is recognised based on the price specified in the contract, net of the estimated sales discounts and allowances. Accumulated experience is used to estimate and provide for the sales discounts and allowances, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. The estimation is subject to an assessment at each reporting date. A refund liability is recognised for expected discounts payable to customers in relation to sales made until the end of the reporting period. As the time interval between the transfer of committed goods or service and the payment of customer does not exceed one year, the Group does not adjust the transaction price to reflect the time value of money.
- (c) A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due. The customer pays at the time specified in the payment schedule. If the payments exceed the merchandise provided, a contract liability is recognised.

B. Services

- (a) The Group provides semiconductor development services. Revenue from providing services is recognised in the accounting period in which the services are rendered. For fixed-price contracts, revenue is recognised based on the actual service provided at the end of the reporting period in a proportion to the total services to be provided. This is determined based on the contract costs incurred for services performed to the estimated total cost for the service contract. The customer pays at the time specified in the payment schedule. If the services

rendered exceed the payment, a contract asset is recognised. If the payments exceed the services rendered, a contract liability is recognised.

- (b) The Group's estimate about revenue, costs and progress towards complete satisfaction of a performance obligation is subject to a revision whenever there is a change in circumstances. Any increase or decrease in revenue or costs due to an estimate revision is reflected in profit or loss during the period when the management become aware of the changes in circumstances.

(29) Business combinations

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

(30) Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments.

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

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

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

#### Revenue recognition on a net/gross basis

The Group determines whether the nature of its performance obligation is to provide the specified goods or services itself (i.e. the Group is a principal) or to arrange for the other party to provide those goods or services (i.e. the Group is an agent) based on the transaction model and its economic substance. The Group is a principal if it controls a promised good or service before it transfers the good or service to a customer. The Group recognises revenue at gross amount of consideration to which it expects to be entitled in exchange for those goods or services transferred. The Group is an agent if its performance obligation is to arrange for the provision of goods or services by another party. The Group recognises revenue at the amount of any fee or commission to which it expects to be entitled in exchange for arranging for the other party to provide its goods or services.

Indicators that the Group controls the goods or services before it is provided to a customer include the following:

- A. The Group is primarily responsible for the provision of goods or services.
- B. The Group assumes the inventory risk before transferring the specified goods or services to the customer or after transferring control of the goods or services to the customer.
- C. The Group has discretion in establishing prices for the goods or services.

### (2) Critical accounting estimates and assumptions

#### A. Impairment assessment of goodwill

The impairment assessment of goodwill relies on the Group's subjective judgement, including identifying cash-generating units, allocating assets and liabilities as well as goodwill to related cash-generating units, and determining the recoverable amounts of related cash-generating units. Refer to Note 6(11) for the information on goodwill impairment as of September 30, 2023.

#### B. Evaluation of inventories

As inventories are stated at the lower of cost and net realisable value, the Group must determine the net realisable value of inventories on balance sheet date using judgements and estimates. Due to the rapid technology innovation, the Group evaluates the amounts of normal inventory consumption, obsolete inventories or inventories without market selling value on balance sheet date and writes down the cost of inventories to the net realisable value. Such an evaluation of inventories is principally based on the estimated selling price in the ordinary course of business



within the specified period before the balance sheet date. Therefore, there might be material changes to the evaluation. Refer to Note 6(6) for the carrying amount of inventory as of September 30, 2023.

## 6. DETAILSS OF SIGNIFICANT ACCOUNTS

### (1) Cash and cash equivalents

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Cash on hand and revolving funds	\$ 2,299	\$ 2,532	\$ 1,752
Checking accounts and demand deposits	6,493,893	5,291,663	7,856,274
Time deposits	<u>222,719</u>	<u>89,059</u>	<u>124,327</u>
	<u>\$ 6,718,911</u>	<u>\$ 5,383,254</u>	<u>\$ 7,982,353</u>

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

B. The Group's deposits with banks that have been pledged as collateral were classified as 'other current assets.' Refer to Note 8 for detailss. As of September 30, 2023, December 31, 2022 and September 30, 2022, the time deposits with maturity date over 3 months of \$596,743, \$56,108 and \$16,884, respectively, are recorded as 'other current assets.'

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

<u>Assets</u>	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Current items:			
Beneficiary certificates	\$ 10,189	\$ 8,369	\$ 7,836
Equity instruments	5,195	4,501	4,546
Derivatives	877	-	24,514
Hybrid instrument	<u>25,816</u>	<u>-</u>	<u>-</u>
	<u>\$ 42,077</u>	<u>\$ 12,870</u>	<u>\$ 36,896</u>
Non-current items:			
Beneficiary certificates	\$ 288,840	\$ 218,573	\$ 224,836
Debt instruments	72,944	72,901	75,594
Hybrid instrument	<u>16,135</u>	<u>-</u>	<u>-</u>
	<u>\$ 377,919</u>	<u>\$ 291,474</u>	<u>\$ 300,430</u>
<u>Liabilities</u>	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Current items:			
Derivatives	<u>\$ 4,224</u>	<u>\$ 11,372</u>	<u>\$ 3,450</u>

A. Amounts recognised in profit or loss in relation to financial assets and liabilities measured at fair value through profit or loss are as follows:

	Three months ended September 30,	
	2023	2022
Derivatives	\$ 90,493	\$ 634,136
Beneficiary certificates	( 1,981)	( 3,854)
Equity instruments	( 694)	( 1,370)
Debt instruments	( 2,982)	( 23)
	<u>\$ 84,836</u>	<u>\$ 628,889</u>

  

	Nine months ended September 30,	
	2023	2022
Derivatives	\$ 423,968	\$ 979,088
Beneficiary certificates	28,858	( 45,560)
Equity instruments	694	( 3,954)
Debt instruments	( 3,508)	( 89)
	<u>\$ 450,012</u>	<u>\$ 929,485</u>

B. The non-hedging derivative financial assets and liabilities and contract information are as follows:

	September 30, 2023		
	Contract amount (Notional principal) (In thousands)		Contract period
<u>Derivative financial assets</u>			
Current items:			
Forward foreign exchange contracts	USD (BUY)	65,000	2023.9.26~2023.11.30
<u>Derivative financial liabilities</u>			
Current items:			
Forward foreign exchange contracts	USD (BUY)	175,000	2023.9.26~2023.11.30
<u>December 31, 2022</u>			
	Contract amount (Notional principal) (In thousands)		Contract period
	<u>Derivative financial liabilities</u>		
Current items:			
Forward foreign exchange contracts	USD (BUY)	245,000	2022.12.28~2023.2.24

	September 30, 2022		
	Contract amount (Notional principal)		Contract period
Derivative financial assets	(In thousands)		
Current items:			
Forward foreign exchange contracts	USD (BUY)	242,000	2022.9.29~2022.12.30
Derivative financial liabilities			
Current items:			
Forward foreign exchange contracts	USD (BUY)	32,000	2022.9.29~2022.10.31

The Group entered into forward foreign exchange contracts to buy USD to hedge exchange rate risk of foreign currency. However, these forward foreign exchange contracts are not accounted for under hedge accounting.

C. For the derivative transactions, the Group deals with a variety of financial institutions all with high credit quality, so it expects that the probability of counterparty default is remote.

D. The Group has no financial assets measured at fair value through profit or loss pledged to others.

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

Items	September 30, 2023	December 31, 2022	September 30, 2022
Non-current items:			
Equity instruments	<u>\$ 13,943,773</u>	<u>\$ 9,139,705</u>	<u>\$ 7,578,457</u>

A. The Group has elected to classify certain strategic investments in the aforementioned equity instruments, including publicly listed and privately held companies, as financial assets measured at fair value through other comprehensive income.

B. The Group sold \$138,157 and \$99,295 of listed shares at fair value to satisfy its operating capital need which resulted in a cumulative gain on disposal of \$5,565 and \$57,163 (accounted under unappropriated retained earnings) during the nine months ended September 30, 2023 and 2022, respectively.

C. Refer to Note 6(21) for information on changes in fair value recognised in other comprehensive income for the nine months ended September 30, 2023 and 2022.

D. The Group has no financial assets measured at fair value through other comprehensive income pledged to others as of September 30, 2023, December 31, 2022 and September 30, 2022.

(4) Notes and accounts receivable

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Notes receivable	\$ 4,054,628	\$ 4,864,044	\$ 4,114,477
Accounts receivable	98,131,115	79,870,916	94,403,482
Less: Allowance for uncollectible accounts	( 169,738)	( 166,844)	( 175,212)
Notes and accounts receivable, net	<u>102,016,005</u>	<u>84,568,116</u>	<u>98,342,747</u>
Overdue receivables	575,269	558,035	569,129
Less: Allowance for uncollectible accounts	( 575,269)	( 558,035)	( 569,129)
Overdue receivables, net (shown as 'other non-current assets')	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 102,016,005</u>	<u>\$ 84,568,116</u>	<u>\$ 98,342,747</u>

A. As of September 30, 2023, December 31, 2022 and September 30, 2022, accounts receivable and notes receivable were all from contracts with customers. As of January 1, 2022, the balance of accounts receivable and notes receivable amounted to \$76,162,982.

B. Transferred financial assets that are derecognised in their entirety

(a) As of September 30, 2023, December 31, 2022 and September 30, 2022, the Group had outstanding discounted notes receivable amounting to \$2,388,670, \$3,469,692 and \$3,199,232, respectively. However, as the notes receivable are bank's acceptance bills and are discounted without right of recourse, those discounted notes receivable were deducted directly from notes receivable.

(b) The Group entered into factoring agreements with domestic financial institutions to sell its accounts receivable. Under the agreement, the Group is not obligated to bear the default risk of the transferred accounts receivable but is liable for the losses incurred on any business dispute. The Group does not have any continuing involvement in the transferred accounts receivable. Thus, the Group derecognised the transferred accounts receivable, and the related information is as follows:

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Accounts receivable transferred			
(Amount derecognised)	<u>\$ 33,212,833</u>	<u>\$ 45,250,313</u>	<u>\$ 48,079,679</u>
Amount advanced	<u>\$ 32,318,873</u>	<u>\$ 44,041,088</u>	<u>\$ 46,976,043</u>
Amount retained (shown as 'other receivables')	<u>\$ 893,960</u>	<u>\$ 1,209,225</u>	<u>\$ 1,103,636</u>

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

- C. Transferred financial assets that are not derecognised in their entirety
- (a) The Group entered into factoring agreements with domestic financial institutions to sell its accounts receivable. Under the agreement, the Group can transfer non-L/C accounts receivable financing to financial institutions, and the banks have the right of recourse to the transferred accounts receivable. For accounts receivable that will not be recovered in the specific period, the Group will retain risk and returns of such accounts receivable. Accordingly, the Group did not derecognise the accounts receivable where the banks have the right of recourse, and related advance payments were listed in ‘short-term borrowings.’
  - (b) On September 30, 2023, December 31, 2022, and September 30, 2022, the Group has no accounts receivable for sales and advance payments.
- D. As of September 30, 2023, December 31, 2022 and September 30, 2022, the interest rates for amounts advanced ranged between 1.57%~6.734%, 0.98%~6.184% and 0.47%~4.63%, respectively.
- E. As of September 30, 2023, December 31, 2022 and September 30, 2022, the total limits of the accounts receivable factoring were \$119,036,144, \$109,611,520 and \$112,002,557, respectively.
- F. As of September 30, 2023, December 31, 2022 and September 30, 2022, the Group has issued a promissory note of \$193,906,368, \$196,404,956 and \$203,514,335, respectively, as performance guarantee against any business dispute.
- G. Refer to Note 6(27) for information on financing charges on accounts receivable factoring for the three months and nine months ended September 30, 2023 and 2022.
- H. As of September 30, 2023, December 31, 2022 and September 30, 2022, the Group’s accounts receivable that are expected to be factored were classified as financial assets at fair value through other comprehensive income in the amounts of \$49,567,809, \$29,602,714 and \$32,454,964, respectively, and recorded as ‘accounts receivable.’
- I. The Group took out a credit insurance on the accounts receivable from certain main customers, whereby 75%~90% of the receivable amount can be covered when the receivables are uncollectible. As at September 30, 2023, December 31, 2022 and September 30, 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 Group’s notes and accounts receivable was the carrying amount of the notes and accounts receivable.
- J. Refer to Note 8 for details of accounts receivable pledged as security.
- K. Information relating to credit risk of accounts receivable and notes receivable is provided in Note 12(2).

(5) Other receivables

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Amounts retained for accounts receivable factoring	\$ 893,960	\$ 1,209,225	\$ 1,103,636
VAT refund receivable	331,645	356,761	405,646
Input tax	328,062	331,571	539,398
Others	<u>262,600</u>	<u>339,473</u>	<u>153,287</u>
	<u>\$ 1,816,267</u>	<u>\$ 2,237,030</u>	<u>\$ 2,201,967</u>

(6) Inventories

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Merchandise inventory	\$ 95,077,057	\$ 91,966,231	\$ 103,168,608
Less: Allowance for inventory obsolescence and market value decline	( 1,478,382)	( 1,418,994)	( 1,310,268)
	<u>\$ 93,598,675</u>	<u>\$ 90,547,237</u>	<u>\$ 101,858,340</u>

The cost recognised as expense for the period:

	<u>Three months ended September 30,</u>	
	<u>2023</u>	<u>2022</u>
Cost of inventories sold	\$ 162,039,575	\$ 150,533,472
Services cost	139,949	156,657
Loss on decline in market value	18,994	16,337
Loss on disposal of inventory	<u>12</u>	<u>2,960</u>
	<u>\$ 162,198,530</u>	<u>\$ 150,709,426</u>
	<u>Nine months ended September 30,</u>	
	<u>2023</u>	<u>2022</u>
Cost of inventories sold	\$ 391,101,369	\$ 39,835,010
Services cost	299,024	323,312
Loss on decline in market value	11,928	58,954
Loss on disposal of inventory	<u>431</u>	<u>157,031</u>
	<u>\$ 391,412,752</u>	<u>\$ 40,374,307</u>

(7) Investments accounted for using equity method

	<u>2023</u>	<u>2022</u>
At January 1	\$ 62,955	\$ 118,457
Disposal of investments accounted for using equity method	-	( 33,355)
Share of loss of investments accounted for using equity method	( 14,437)	( 7,846)
Changes in other equity items	<u>2,213</u>	<u>( 4,046)</u>
At September 30	<u>\$ 50,731</u>	<u>\$ 73,210</u>

A. In August 2022, the Company sold its equity interest in Qwave Technology Co., Ltd. for a consideration of \$31,346 resulting to a disposal loss of \$2,009.

B. The carrying amount of the Group's interests in all individually immaterial associates and the Group's share of the operating results are summarised below:

	<u>Three months ended September 30,</u>	
	<u>2023</u>	<u>2022</u>
Loss for the period from continuing operations	(\$ 9,582)	(\$ 30,627)
Other comprehensive loss, net of tax	( 66)	( 1,640)
Total comprehensive loss	<u>(\$ 9,648)</u>	<u>(\$ 32,267)</u>
	<u>Nine months ended September 30,</u>	
	<u>2023</u>	<u>2022</u>
Loss for the period from continuing operations	(\$ 14,437)	(\$ 7,846)
Other comprehensive loss, net of tax	( 342)	( 14,776)
Total comprehensive loss	<u>(\$ 14,779)</u>	<u>(\$ 22,622)</u>

(8) Property, plant and equipment

	<u>Land</u>	<u>Buildings</u>	<u>Office equipment</u>	<u>Others</u>	<u>Total</u>
<u>At January 1, 2023</u>					
Cost	\$ 163,048	\$ 588,709	\$ 685,819	\$ 743,025	\$ 2,180,601
Accumulated depreciation and impairment	<u>-</u>	<u>( 119,154)</u>	<u>( 561,409)</u>	<u>( 525,967)</u>	<u>( 1,206,530)</u>
	<u>\$ 163,048</u>	<u>\$ 469,555</u>	<u>\$ 124,410</u>	<u>\$ 217,058</u>	<u>\$ 974,071</u>
<u>2023</u>					
Opening net book amount	\$ 163,048	\$ 469,555	\$ 124,410	\$ 217,058	\$ 974,071
Acquired from business combinations	-	-	1,431	5,160	6,591
Additions	-	285,946	103,519	27,723	417,188
Disposals	-	-	( 256)	( 57)	( 313)
Reclassifications	-	-	17,595	( 17,595)	-
Depreciation charge	-	( 11,624)	( 44,617)	( 54,471)	( 110,712)
Net exchange differences	<u>-</u>	<u>( 20,347)</u>	<u>13,318</u>	<u>7,194</u>	<u>165</u>
Closing net book amount	<u>\$ 163,048</u>	<u>\$ 723,530</u>	<u>\$ 215,400</u>	<u>\$ 185,012</u>	<u>\$ 1,286,990</u>
<u>At September 30, 2023</u>					
Cost	\$ 163,048	\$ 854,323	\$ 825,289	\$ 776,459	\$ 2,619,119
Accumulated depreciation and impairment	<u>-</u>	<u>( 130,793)</u>	<u>( 609,889)</u>	<u>( 591,447)</u>	<u>( 1,332,129)</u>
	<u>\$ 163,048</u>	<u>\$ 723,530</u>	<u>\$ 215,400</u>	<u>\$ 185,012</u>	<u>\$ 1,286,990</u>



	<u>Land</u>	<u>Buildings</u>	<u>Office equipment</u>	<u>Others</u>	<u>Total</u>
<u>At January 1, 2022</u>					
Cost	\$ 225,459	\$ 650,916	\$ 453,117	\$ 526,007	\$ 1,855,499
Accumulated depreciation and impairment	-	( 142,715)	( 342,981)	( 365,588)	( 851,284)
	<u>\$ 225,459</u>	<u>\$ 508,201</u>	<u>\$ 110,136</u>	<u>\$ 160,419</u>	<u>\$ 1,004,215</u>
<u>2022</u>					
Opening net book amount	\$ 225,459	\$ 508,201	\$ 110,136	\$ 160,419	\$ 1,004,215
Acquired from business combinations	-	-	23,089	68,472	91,561
Additions	-	-	32,499	42,028	74,527
Disposals	-	-	( 79)	-	( 79)
Reclassifications	( 62,411)	( 31,079)	2,541	( 2,541)	( 93,490)
Depreciation charge	-	( 10,643)	( 40,506)	( 46,198)	( 97,347)
Net exchange differences	-	6,639	741	3,067	10,447
Closing net book amount	<u>\$ 163,048</u>	<u>\$ 473,118</u>	<u>\$ 128,421</u>	<u>\$ 225,247</u>	<u>\$ 989,834</u>
<u>At September 30, 2022</u>					
Cost	\$ 163,048	\$ 589,129	\$ 697,038	\$ 738,060	\$ 2,187,275
Accumulated depreciation and impairment	-	( 116,011)	( 568,617)	( 512,813)	( 1,197,441)
	<u>\$ 163,048</u>	<u>\$ 473,118</u>	<u>\$ 128,421</u>	<u>\$ 225,247</u>	<u>\$ 989,834</u>

A. Office and other equipment at September 30, 2023 and 2022 were for the Group's own use and not for lease.

B. Refer to Note 6(32) for the details of acquisition of the property, plant and equipment due to business combinations for the nine months ended September 30, 2023.

(9) Leasing arrangements - lessee

A. The Group leases various assets including land, office and warehouse. Except for right-of-use of land for periods of 20 to 50 years, the rental contracts are typically made for periods of 1 to 10 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 twelve months or less comprise certain offices, business vehicles, parking space and printers.

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

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
	<u>Carrying amount</u>	<u>Carrying amount</u>	<u>Carrying amount</u>
Land	\$ 361,283	\$ 280,462	\$ 282,252
Buildings and structures	672,847	549,568	608,964
	<u>\$ 1,034,130</u>	<u>\$ 830,030</u>	<u>\$ 891,216</u>

	<u>Three months ended September 30,</u>	
	<u>2023</u>	<u>2022</u>
	<u>Depreciation charge</u>	<u>Depreciation charge</u>
Land	\$ 1,926	\$ 1,529
Buildings and structures	71,170	62,282
	<u>\$ 73,096</u>	<u>\$ 63,811</u>

	<u>Nine months ended September 30,</u>	
	<u>2023</u>	<u>2022</u>
	<u>Depreciation charge</u>	<u>Depreciation charge</u>
Land	\$ 5,165	\$ 4,586
Buildings and structures	213,661	165,919
	<u>\$ 218,826</u>	<u>\$ 170,505</u>

D. For the three months and nine months ended September 30, 2023 and 2022, the additions to right-of-use assets were \$108,411, \$244,161, \$339,702 and \$339,743, respectively. Refer to Note 6(32) for the details of the acquisition of right-of-use assets due to business combination for the nine months ended September 30, 2022.

E. The information on income or expense accounts relating to lease contracts is as follows:

	<u>Three months ended September 30,</u>	
	<u>2023</u>	<u>2022</u>
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 8,049	\$ 4,504
Expense on short-term lease contracts	40,979	25,152
	<u>\$ 49,028</u>	<u>\$ 29,656</u>
	<u>Nine months ended September 30,</u>	
	<u>2023</u>	<u>2022</u>
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 20,952	\$ 11,033
Expense on short-term lease contracts	106,938	76,594
	<u>\$ 127,890</u>	<u>\$ 87,627</u>

F. For the three months and nine months ended September 30, 2023 and 2022, the Group's total cash outflow for leases were \$119,213, \$95,476, \$348,473 and \$256,238, respectively.

(10) Investment property

	<u>Land</u>	<u>Buildings</u>	<u>Total</u>
<u>At January 1, 2023</u>			
Cost	\$ 147,148	\$ 106,068	\$ 253,216
Accumulated depreciation and impairment	( 1,897)	( 57,633)	( 59,530)
	<u>\$ 145,251</u>	<u>\$ 48,435</u>	<u>\$ 193,686</u>
<u>2023</u>			
Opening net book amount	\$ 145,251	\$ 48,435	\$ 193,686
Depreciation charge	-	( 2,526)	( 2,526)
Closing net book amount	<u>\$ 145,251</u>	<u>\$ 45,909</u>	<u>\$ 191,160</u>
<u>At September 30, 2023</u>			
Cost	\$ 147,148	\$ 106,068	\$ 253,216
Accumulated depreciation and impairment	( 1,897)	( 60,159)	( 62,056)
	<u>\$ 145,251</u>	<u>\$ 45,909</u>	<u>\$ 191,160</u>
	<u>Land</u>	<u>Buildings</u>	<u>Total</u>
<u>At January 1, 2022</u>			
Cost	\$ 84,736	\$ 37,099	\$ 121,835
Accumulated depreciation and impairment	( 1,897)	( 17,438)	( 19,335)
	<u>\$ 82,839</u>	<u>\$ 19,661</u>	<u>\$ 102,500</u>
<u>2022</u>			
Opening net book amount	\$ 82,839	\$ 19,661	\$ 102,500
Reclassifications	62,412	31,078	93,490
Depreciation charge	-	( 1,462)	( 1,462)
Closing net book amount	<u>\$ 145,251</u>	<u>\$ 49,277</u>	<u>\$ 194,528</u>
<u>At September 30, 2022</u>			
Cost	\$ 147,148	\$ 106,067	\$ 253,215
Accumulated depreciation and impairment	( 1,897)	( 56,790)	( 58,687)
	<u>\$ 145,251</u>	<u>\$ 49,277</u>	<u>\$ 194,528</u>

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

	Three months ended September 30,	
	2023	2022
Rental income from the lease of the investment property	\$ <u>6,751</u>	\$ <u>5,587</u>
Direct operating expenses arising from the investment property that generated rental income during the period	\$ <u>842</u>	\$ <u>1,055</u>
	Nine months ended September 30,	
	2023	2022
Rental income from the lease of the investment property	\$ <u>19,871</u>	\$ <u>6,862</u>
Direct operating expenses arising from the investment property that generated rental income during the period	\$ <u>2,526</u>	\$ <u>1,462</u>

B. The fair values of the investment property held by the Group as at September 30, 2023, December 31, 2022 and September 30, 2022 were \$755,363, \$722,953 and \$736,742, respectively, which were based on the valuation of market prices estimated using comparison approach and is categorised within Level 3 in the fair value hierarchy.

(11) Intangible assets

	<u>Goodwill</u>	<u>Software</u>	<u>Customer relationship</u>	<u>Total</u>
<u>At January 1, 2023</u>				
Cost	\$ 3,008,857	\$ 151,583	\$ 640,149	\$ 3,800,589
Accumulated amortisation and impairment	( 227,968)	( 130,443)	( 70,666)	( 429,077)
	<u>\$ 2,780,889</u>	<u>\$ 21,140</u>	<u>\$ 569,483</u>	<u>\$ 3,371,512</u>
<u>2023</u>				
Opening net book amount	\$ 2,780,889	\$ 21,140	\$ 569,483	\$ 3,371,512
Additions	-	24,066	-	24,066
Acquired from business combinations	-	-	50,868	50,868
Amortisation charge (shown as 'general and administrative expenses')	-	( 10,780)	( 68,174)	( 78,954)
Net exchange differences	<u>92,922</u>	<u>202</u>	<u>23,392</u>	<u>116,516</u>
Closing net book amount	<u>\$ 2,873,811</u>	<u>\$ 34,628</u>	<u>\$ 575,569</u>	<u>\$ 3,484,008</u>
<u>At September 30, 2023</u>				
Cost	\$ 3,102,077	\$ 176,786	\$ 717,375	\$ 3,996,238
Accumulated amortisation and impairment	( 228,266)	( 142,158)	( 141,806)	( 512,230)
	<u>\$ 2,873,811</u>	<u>\$ 34,628</u>	<u>\$ 575,569</u>	<u>\$ 3,484,008</u>

	<u>Goodwill</u>	<u>Software</u>	<u>Customer relationship</u>	<u>Total</u>
<u>At January 1, 2022</u>				
Cost	\$ 2,033,017	\$ 111,896	\$ 167,485	\$ 2,312,398
Accumulated amortisation and impairment	( 220,132)	( 96,311)	( 23,178)	( 339,621)
	<u>\$ 1,812,885</u>	<u>\$ 15,585</u>	<u>\$ 144,307</u>	<u>\$ 1,972,777</u>
<u>2022</u>				
Opening net book amount	\$ 1,812,885	\$ 15,585	\$ 144,307	\$ 1,972,777
Additions	-	10,449	-	10,449
Acquired from business combinations	1,093,975	20,182	468,846	1,583,003
Amortisation charge (shown as 'general and administrative expenses')	-	( 7,285)	( 25,502)	( 32,787)
Impairment loss	( 7,836)	-	-	( 7,836)
Net exchange differences	178,512	886	20,900	200,298
Closing net book amount	<u>\$ 3,077,536</u>	<u>\$ 39,817</u>	<u>\$ 608,551</u>	<u>\$ 3,725,904</u>
<u>At September 30, 2022</u>				
Cost	\$ 3,305,504	\$ 168,408	\$ 657,692	\$ 4,131,604
Accumulated amortisation and impairment	( 227,968)	( 128,591)	( 49,141)	( 405,700)
	<u>\$ 3,077,536</u>	<u>\$ 39,817</u>	<u>\$ 608,551</u>	<u>\$ 3,725,904</u>

A. Refer to Note 6(32) for the details of the acquisition of intangible assets due to business combinations for the nine months ended September 30, 2023.

B. Goodwill is allocated to the Group's cash-generating units identified according to operating segment as follows:

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Greater China Region	\$ 1,198,788	\$ 1,187,421	\$ 1,195,728
All other segments	1,675,023	1,593,468	1,881,808
	<u>\$ 2,873,811</u>	<u>\$ 2,780,889</u>	<u>\$ 3,077,536</u>

C. Goodwill is allocated to the Group's cash-generating units identified according to operating segment. The recoverable amount of all cash-generating units has been determined based on value-in-use calculations. These calculations use pre-tax cash flow projections based on financial budgets approved by the management covering a five-year period.

The future cash flows were estimated based on the annual revenue, gross profit and other operating expenses in the future. Management determined budgeted gross profit based on past performance and their expectations of market development. The Group's accrued average annual revenue growth rate for the nine months ended September 30, 2023 and 2022 was both 0%~5%; the assumption used for discount rate is the weighted average capital cost of the Group. As of

September 30, 2023, December 31, 2022 and September 30, 2022, the key valuations used for pre-tax discount rate to reflect risk of related cash-generating units were 7.01%~9.99%, 7.02%~10.02% and 5.59%~9.98%, respectively. Based on the aforementioned assessment, there was no impairment loss on goodwill recognised for the nine months ended September 30, 2023 and 2022. Based on the aforementioned assessment, impairment loss on goodwill of \$0 and \$7,836 was recognised for the nine months ended September 30, 2023 and 2022, respectively.

D. There were no intangible assets that were pledged to others.

(12) Short-term borrowings

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Credit loans	\$ 25,045,904	\$ 38,340,556	\$ 46,680,000
Interest rates per annum	<u>1.65%~6.43%</u>	<u>1.4917%~5.97%</u>	<u>1.1%~4.88%</u>

(13) Short-term notes and bills payable

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Commercial paper	\$ 350,000	\$ 1,050,000	\$ 1,450,000
Amortisation of discount	( 211)	( 614)	( 670)
	<u>\$ 349,789</u>	<u>\$ 1,049,386</u>	<u>\$ 1,449,330</u>
Coupon rate	<u>1.37%~1.66%</u>	<u>1.3%~1.84%</u>	<u>1.05%~1.26%</u>

The notes and bills were issued under securities and acceptance offered by the financial institutions to fund short-term capital. The issuance period is within 90 days.

(14) Other payables

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Salaries and bonuses payable	\$ 1,260,229	\$ 1,806,626	\$ 1,655,371
Accrued VAT payable	1,191,251	433,968	611,983
Services payable	483,855	97,051	90,977
Finance costs payable	215,881	297,358	210,072
Freight payable	144,250	179,947	216,501
Insurance expense payable	108,926	88,595	115,833
Technical service fees payable	98,012	93,583	130,534
Others	<u>557,983</u>	<u>792,250</u>	<u>737,373</u>
	<u>\$ 4,060,387</u>	<u>\$ 3,789,378</u>	<u>\$ 3,768,644</u>

(15) Long-term loans

		September 30, 2023		
Type of loans	Period	Credit line	Interest rate	Amount
Mid-term syndicated loans (note A)	2022.6.27 ~2027.6.27	\$ 24,000,000	2.0930%	\$ 4,500,000
Mid-term syndicated loans (Export-Import Bank of the Republic of China)	2023.4.24 ~2028.4.24	400,000	2.0216%	400,000
Mid-term borrowings (United Overseas Bank)	2020.4.28 ~2025.4.27	94,120	2%	14,195
Mid-term borrowings (United Overseas Bank)	2020.5.27 ~2025.5.26	117,650	2%	45,219
Mid-term borrowings (DBS Bank Ltd.)	2020.6.24 ~2025.6.23	23,530	2%	4,555
Mid-term borrowings (United Overseas Bank)	2021.4.5 ~2026.4.4	117,650	2%	47,683
Mid-term borrowings (Woori Bank)	2021.9.30 ~2024.9.20	2,144	3.88%	748
Mid-term borrowings (Woori Bank)	2022.1.12 ~2025.1.20	834	4.1%	386
				5,012,786
Less: Long-term borrowings, current portion				( 748)
				<u>\$ 5,012,038</u>
		December 31, 2022		
Type of loans	Period	Credit line	Interest rate	Amount
Mid-term syndicated loans (note A)	2021.7.29 ~2026.7.29	\$ 12,000,000	1.8317% ~1.9543%	\$ 6,400,000
Mid-term syndicated loans (note A)	2022.6.27 ~2027.6.27	24,000,000	1.8541% ~5.3594%	11,213,000
Mid-term borrowings (United Overseas Bank)	2020.4.28 ~2025.4.27	91,520	2%	31,525
Mid-term borrowings (United Overseas Bank)	2020.5.27 ~2025.5.26	114,400	2%	65,580
Mid-term borrowings (DBS Bank Ltd.)	2020.6.24 ~	22,880	2%	8,841
Mid-term borrowings (United Overseas Bank)	2021.4.5 ~2026.4.4	114,400	2%	67,503
				<u>\$ 17,786,449</u>



September 30, 2022				
Type of loans	Period	Credit line	Interest rate	Amount
Mid-term syndicated loans (note A)	2021.7.29 ~2026.7.29	\$ 12,000,000	4.0316% ~4.1388%	\$ 7,325,500
Mid-term syndicated loans (note A)	2022.6.27 ~2027.6.27	24,000,000	4.3235%	10,829,000
Mid-term borrowings (United Overseas Bank)	2020.4.28 ~2025.4.27	88,280	2%	35,771
Mid-term borrowings (United Overseas Bank)	2020.5.27 ~2025.5.26	110,350	2%	69,975
Mid-term borrowings (DBS Bank Ltd.)	2020.6.24 ~2025.6.23	22,070	2%	9,867
Mid-term borrowings (United Overseas Bank)	2021.4.5 ~2026.4.4	110,350	2%	72,232
				\$ 18,342,345

A. As stipulated in the syndicated loan agreement:

- (a) Credit period: 5 years after the date of first drawdown of any credit line.
- (b) Drawdown period: The day before 5 years after the date of first drawdown. However, maturity date of each borrowing shall not exceed the credit period. The borrower may apply for re-utilisation within the credit period 5 years after the date of first drawdown according to the capital situation. However, each drawdown must be fully repaid before the expiry of the credit period.
- (c) Financial commitment: The borrower's consolidated financial statements shall maintain the following financial ratios and regulations:
  - i. Liquidity ratio: Shall be at least 100%.
  - ii. Net debt ratio: Shall be no more than 250%.
  - iii. Interest coverage ratio shall be at least 200%.

The abovementioned financial ratios are reviewed semi-annually.

B. The Group's liquidity risk is provided in Note 12.

(16) Pensions

A. Defined benefit pension plan

- (a) The Company and its domestic subsidiaries have a defined benefit pension plan in accordance with the Labor Standards Act, covering all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Act. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company and its domestic

subsidiaries contribute monthly an amount equal to 2% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. Also, the Group would assess the balance in the aforementioned labor pension reserve account by December 31, every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method to the employees expected to qualify for retirement in the following year, the Group will make contributions for the deficit by next March.

- (b) For the aforementioned pension plan, the Group recognised pension costs of \$618, \$415, \$1,777 and \$1,213 for the three months and nine months ended September 30, 2023 and 2022, respectively.
- (c) Expected contributions to the defined benefit pension plan of the Group for the year ending December 31, 2024 amount to \$4,570.

#### B. Defined contribution pension plan

- (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. Under the New Plan, the Company and its domestic subsidiaries contribute monthly an amount based on 6% of the employees' monthly salaries and wages to the employees' individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.
- (b) The Company's subsidiaries in Mainland China have a defined contribution plan in accordance with the pension regulations in the People's Republic of China (PRC). These companies contribute monthly an amount based on 14%~16% of the employees' monthly salaries based on the employees' domiciles to their independent funds administered by the government. For the subsidiaries in Hong Kong, these companies and its employees each contribute monthly an amount equal to 5% of the employees' monthly salaries pursuant to the legislation in Hong Kong. Each fund is managed by the government. Except for the monthly contribution, these companies have no other obligation.
- (c) The pension costs under the defined contribution pension plans of the Group for the three months and nine months ended September 30, 2023 and 2022 were \$115,660, \$76,815, \$345,328 and \$208,142, respectively.

(17) Share-based payment

A. For the nine months ended September 30, 2023 and 2022, the Group's share-based payment arrangements are as follows:

Type of arrangement	Grant date	Quantity granted	Vesting conditions
Restricted stocks to employees	2021.1.13	2,992 thousand shares	(a) and (b)
Employee stock options	2021.3.18	12,000 thousand shares	(c)
Restricted stocks to employees	2021.7.28	2,788 thousand shares	(a) and (b)
Employee stock options	2022.1.6	18,854 thousand shares	(c)

- (a) The vesting percentage for the employee who has rendered service to the Company since the grant date and achieves the performance condition is 25% each year.
- (b) The issued employee restricted shares before meeting the vesting conditions are subject to certain restrictions as follows:
- Employee restricted shares cannot be sold, pledged, transferred, donated to others, set purposes or disposed in any other ways, except for inheritance.
  - The rights to attend, propose, speak and vote at the shareholders meeting are the same as the issued common stock of the Company and are implemented in accordance with the trust custody contract.
  - Other rights including but not limited to dividends, distribution rights of legal reserve and capital surplus and share options of cash capital increase, etc. are the same as the Company's issued common stock, do not need to be kept in trust and are not restricted by the vesting period. Employees are required to return the unvested stocks but not required to return the dividends received if they resign during the vesting period.
- (c) Employees can exercise 50%, 25% and 25% of their option after 2 years, 3 years and 4 years from the grant date of employee stock options, respectively.

B. The fair value of stock options granted on grant date is measured using the Black-Scholes option-pricing model. Relevant information is as follows:

Type of arrangement	Grant date	Stock price (in dollars)	Exercise price (in dollars)	Expected price volatility (%)	Expected option life (years)	Expected dividends	Risk-free interest rate (%)	Fair value per unit (in dollars)
Restricted stocks to employees	2021.1.13	\$ 42.05	\$ -	-	4	-	-	\$ 42.05
Employee stock options	2021.3.18	\$ 46.80	\$ 46.80	18.44~ 18.46	4~5	-	0.31~ 0.34	\$ 7.0985~ \$8.1307
Restricted stocks to employees	2021.7.28	\$ 61.20	\$ -	-	4	-	-	\$ 58.0011
Employee stock options	2022.1.6	\$ 75.40	\$ 75.40	21.06~ 22.66	3.5~4.5	-	0.55~ 0.62	\$ 13.2673~ \$14.2005

C. Details of the stock options for the nine months ended September 30, 2023 and 2022 are disclosed as follows:

	2023		
	No. of options (in thousands)	Weighted-average exercise price (in dollars)	Weighted-average remaining contractual period
Options outstanding at January 1	30,148	\$ 58.58	
Options exercised	( 3,896)	40.77	
Options forfeited	( 505)	62.22	
Options outstanding at September 30	<u>25,747</u>	57.30	3.33 years
Options exercisable at September 30	<u>1,949</u>		
	2022		
	No. of options (in thousands)	Weighted-average exercise price (in dollars)	Weighted-average remaining contractual period
Options outstanding at January 1	11,940	\$ 46.80	
Options granted	18,854	75.40	
Options forfeited	( 451)	65.70	
Options outstanding at September 30	<u>30,343</u>	58.58	4.34 years

- D. The weighted-average stock price of stock options was \$69.67 (in dollars) for the nine months ended September 30, 2023. As of September 30, 2022, the Group had no exercisable stock options at the end of the period.
- E. Details of the employee restricted shares for the nine months ended September 30, 2023 and 2022 are disclosed as follows:

	<u>2023</u>	<u>2022</u>
	No. of shares (in thousands)	No. of shares (in thousands)
Shares outstanding at January 1	4,090	5,728
Shares redeemed at beginning of period but not yet retired	29	-
Shares vested	( 1,342)	( 1,394)
Shares forfeited	( 64)	( 165)
Shares redeemed, not yet forfeited	( 61)	( 50)
Shares outstanding at September 30	<u>2,652</u>	<u>4,119</u>

- F. Compensation cost of share-based payment of \$37,570, \$55,220, \$121,725 and \$171,391 was recognised for the three months and nine months ended September 30, 2023 and 2022, respectively.

(18) Share capital

As of September 30, 2023, the Company's authorised capital was \$20,000,000, including partial preferred shares, consisting of 2 billion shares (including 300 million shares reserved for employee stock options), and the paid-in capital was \$10,217,972 with a par value of \$10 (in dollars) per share. All proceeds from shares issued have been collected.

Common stock

- A. Movements in the number of the Company's common stock (including certificate of entitlement to new shares from convertible bonds) outstanding are as follows:

	<u>2023</u>	<u>2022</u>
	Shares (in thousands)	Shares (in thousands)
At January 1	883,530	802,857
Issuance of shares - Global depository receipts	-	78,000
Employee stock options exercised	3,896	-
Cancellation of employee restricted shares	( 64)	( 165)
Shares converted from bonds	-	2,887
At September 30	<u>887,362</u>	<u>883,579</u>

- B. On September 28, 2023, the Board of Directors resolved to increase the Company's capital by issuing 135 million new shares with a par value of \$10 (in dollars) per share. The capital increase was approved by the Financial Supervisory Commission on October 26, 2023.

- C. For the nine months ended September 30, 2023, employees of the Company exercised employee stock options, which have been converted into 3,896 thousand common stocks. There are still 565 thousand common stocks which were recorded under 'certificate of entitlement to new shares from convertible bonds' because the change in registration has not yet been completed as of September 30, 2023.
- D. For the nine months ended September 30, 2022, all convertible bonds of the Company have been converted into 41,174 thousand common stocks. Convertible bonds amounting to \$77,100 in total par value have been requested for conversion into 2,887 thousand common stock.
- E. For the nine months ended September 30, 2023 and 2022, the Company has retrieved 64 thousand and 165 thousand of employee restricted shares, respectively, for not satisfying vesting conditions, and the Company cancelled and retired the shares in accordance with the regulations.

#### Global depositary receipts

On February 24, 2022, the Company's Board of Directors resolved to increase capital by issuing common stock to participate in the issuance of the global depositary receipts for the repayment of the principal of bank borrowing in foreign currency and overseas procurement. The capital increase was approved by the Financial Supervisory Committee on March 25, 2022 and 15,600 thousand units of global depositary receipts were issued at the Luxembourg Stock Exchange on April 22, 2022 at a price of USD12.18 (in dollars) per unit. The global depositary receipts represented 78,000 thousand shares of the Company's common stock. The amount after deducting issuance cost was USD186,792 thousand (NT\$5,455,260 thousand). Each unit of the global depositary receipts represents 5 shares of the Company's common stocks. As of September 30, 2023, there were no Global depositary receipts in circulation.

#### Preferred shares

On July 2, 2020, the Board of Directors resolved to increase the Company's capital in the amount of \$6,750,000 by issuing 135 million shares of Class A preferred shares with a par value of \$10 (in dollars) per share issued at \$50 (in dollars) per share. The capital injection was approved by the Financial Supervisory Commission on July 29, 2020, and the effective date was set on October 15, 2020. The rights and obligations of these outstanding preferred shares are as follows:

- A. Expiration date: The Company's Class A preferred shares are perpetual. The shareholders of Class A preferred shares cannot request the Company to retire the preferred shares they hold but all or certain parts are callable at any time from the next day of five years after issuance at the actual issue price. The outstanding Class A preferred shares sustained all the rights and obligations specified in the issuance terms. Dividends payable as of the redemption date shall be calculated based on the actual outstanding days if the Board of Directors resolved to distribute the current year's dividends.
- B. Dividends: Dividends are calculated at 4% per annum, consisting of five-year IRS rate of 0.6125% on pricing effective date (August 17, 2020) and specific markup of 3.3875%, based on the issue price per share. The five-year IRS rate will be reset on the next business day of five

years since issuance and every subsequent five years and the pricing effective date for rate reset is two business days in Taipei financial industry prior to the IRS rate reset date. The rate index, five-year IRS rate, is the arithmetic mean of five-year IRS rates appearing on Refinitiv pages “PYTWDFIX” and “COSMOS3” at 11:00 a.m. (Taipei time) on the relevant pricing effective date of rate reset. If such rate cannot be obtained, the Company will determine the rate based on the reasonable market price with good faith.

- C. Dividend distribution: Dividends of Class A preferred shares are distributed once per year in the form of cash. The effective date for distributing previous year’s distributable dividends will be set by the Board of Directors or the chairman who is authorised by the Board of Directors. Dividend distributions in the years of issuance and redemption are calculated based on the actual outstanding days. The current year's earnings, if any, shall first be used to pay all taxes and offset prior years' operating deficit and then set aside as legal reserve. Special reserve shall be set aside or reversed as required by regulations or the Competent Authority when necessary. The remainder, if any in the current year, can be distributed as dividends of preferred shares in first priority.

The Company has discretion in dividend distribution of Class A preferred shares. The Company could choose not to distribute dividends of preferred shares when resolved by the Board of Directors, which would not lead to default if the Company has no or has insufficient current year’s earnings for distribution or has other considerations. In addition, the amounts of undistributed dividends or insufficient distributed dividends will not be deferred to future years when the Company has earnings.

- D. Excess dividend distribution: Besides the aforementioned dividends, the shareholders of Class A preferred shares could not participate in the distribution of cash and capitalised assets for common shares derived from earnings and capital surplus.
- E. Residual property distribution: The shareholders of Class A preferred shares have priority over shareholders of common stocks in distributing the Company’s residual properties and have the same priority with other preferred shareholders of the Company, but behind the general creditor. In addition, the limit is the amount calculated by shares of outstanding preferred shares issued and the issue price when distributing.
- F. Right to vote and be elected: The shareholders of Class A preferred shares have no right to vote and be elected as directors in the common stock holders’ meeting of the Company but have the right to vote in the shareholders’ meeting only when there are unfavourable matters to rights and obligations of shareholders of Class A preferred shares.
- G. Conversion to common shares: Class A preferred shares could not be converted to common shares.
- H. The preemptive rights for shareholders of Class A preferred shares are the same as of common shareholders when the Company increases its capital by issuing new shares.

I. Capital surplus arising from premium issuance of Class A preferred shares can be used to offset against accumulated deficit but cannot be capitalised during the issuance period.

(19) 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 to the above considerations, the R.O.C. Securities and Exchange Law requires that the amount of capital surplus to be capitalised mentioned above should not exceed 10% of the paid-in capital each year. Capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient. Changes in capital surplus are as follows:

	2023				
	<u>Share premium</u>	<u>Employee stock options</u>	<u>Restricted stocks to employees</u>	<u>Net change in equity of associates and subsidiaries</u>	<u>Total</u>
At January 1	\$ 24,968,223	\$ 154,122	\$ 160,354	\$ 11,410	\$ 25,294,109
Vesting of employee restricted shares	53,188	-	( 53,188)	-	-
Cancellation of employee restricted shares	-	-	635	-	635
Changes in restricted stocks to employees	-	-	( 3,531)	-	( 3,531)
Employee stock options exercised	147,521	( 27,655)	-	-	119,866
Compensation cost of share-based payments	-	84,311	-	-	84,311
At September 30	<u>\$ 25,168,932</u>	<u>\$ 210,778</u>	<u>\$ 104,270</u>	<u>\$ 11,410</u>	<u>\$ 25,495,390</u>



	2022					
	Share premium	Employee stock options	Stock options	Restricted stocks to employees	Net change in equity of associates	Total
At January 1	\$ 20,187,420	\$ 26,636	\$ 2,426	\$ 216,886	\$ 11,410	\$ 20,444,778
Issuance of shares - Global depository receipts	4,675,260	-	-	-	-	4,675,260
Conversion of convertible bonds	50,186	-	( 2,426)	-	-	47,760
Vesting of employee restricted shares	55,309	-	-	( 55,309)	-	-
Cancellation of employee restricted shares	-	-	-	1,650	-	1,650
Changes in restricted stocks to employees	-	-	-	( 3,320)	-	( 3,320)
Compensation cost of share-based payments	-	100,650	-	-	-	100,650
At September 30	<u>\$ 24,968,175</u>	<u>\$ 127,286</u>	<u>\$ -</u>	<u>\$ 159,907</u>	<u>\$ 11,410</u>	<u>\$ 25,266,778</u>

(20) Retained earnings

- A. Under the Company's Articles of Incorporation, the current year's earnings, if any, shall first pay taxes and offset accumulated losses; and set aside a legal reserve at 10% of such remaining earnings, until the accumulated legal reserve has equaled the total paid-in capital of the Company; then, set aside a special reserve in accordance with applicable laws or regulations of the competent authority. Residual earnings (distributable earnings in the current year) plus undistributed earnings at the beginning of the period is the accumulated retained earnings, which shall first be distributed as dividends to holders of Preferred Shares, and distribution of such earnings shall be submitted by the Board of Directors to the shareholders' meeting for approval.
- B. In accordance with Article 240 of the Company Act, the Board of Directors is authorised, upon resolution adopted by a majority vote at a meeting of the Board of Directors attended by two-thirds of the total number of directors, to distribute dividends and bonus of all or part of the legal reserve and capital surplus in the form of cash based on the regulations specified in Article 241 of the Company Act which shall be reported to the shareholders during their meeting. Said distribution is not subject to the regulation which requires that the distribution shall be resolved by the shareholders during their meeting.
- C. The Company's dividend policy is regulated by the Board of Directors taking into consideration the Company's operations, future investment plans, capital budget and internal/external situations. As the Company is in the growth stage, most of retained earnings will be used to support business development and investment requirements and consequently, the minimum cash dividend and extra dividend policy is adopted by the Company. The Company's dividend policy is summarised below:

At least 40% of the Company's earnings shall be appropriated as stock dividends and cash dividends, taking into account profits in the future and capital needs, and cash dividends shall account for at least 10% of the total dividends distributed. In the event the total earnings appropriation exceeds 30% of the Company's paid-in capital before appropriation, cash dividends shall account for at least 20% of the total dividends distributed.

- D. 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.
- E. In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.
- F. According to the resolutions adopted by the shareholders during their meetings in May 2023 and May 2022, the distribution information of the Company's 2022 and 2021 earnings, respectively, is as follows:

	Years ended December 31,			
	2022		2021	
	Amount	Dividends per share (in dollars)	Amount	Dividends per share (in dollars)
Legal reserve	\$ 768,307		\$ 865,516	
Special reserve	1,564,387		-	
Dividends on preferred share	270,000	\$ 2.000	270,000	\$ 2.000
Cash dividends of common stockholders	3,812,065	4.300	4,431,032	5.500
	<u>\$ 6,414,759</u>		<u>\$ 5,566,548</u>	

Information on the appropriation of the Company's earnings as approved by the shareholders will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(21) Other equity items

	Unrealised (losses) gains on valuation	Currency translation	Others	Total
At January 1, 2023	(\$ 891,781)	\$ 673,456	(\$ 1,346,062)	(\$ 1,564,387)
Valuation adjustment on equity instruments:				
– Group	4,904,652	-	-	4,904,652
Disposals reclassified as retained earnings	( 5,565)	-	-	( 5,565)
Currency translation differences:				
– Group	-	2,925,467	-	2,925,467
– Associates	-	( 342)	-	( 342)
Changes in employee restricted shares	-	-	3,531	3,531
Increase in redemption liability recognised as other equity	-	-	67,132	67,132
Compensation cost of share-based payments	-	-	37,414	37,414
At September 30, 2023	<u>\$ 4,007,306</u>	<u>\$ 3,598,581</u>	<u>(\$ 1,237,985)</u>	<u>\$ 6,367,902</u>

	Unrealised gains (losses) on valuation	Currency translation	Others	Total
At January 1, 2022	\$ 10,591,772	(\$ 3,678,252)	(\$ 177,282)	\$ 6,736,238
Valuation adjustment on equity instruments:				
– Group	( 11,654,025)	-	-	( 11,654,025)
– Associates	( 12,278)	-	-	( 12,278)
Disposals reclassified as retained earnings	( 57,163)	-	-	( 57,163)
Currency translation differences:				
– Group	-	6,291,213	-	6,291,213
– Associates	-	( 2,498)	-	( 2,498)
Changes in employee restricted shares	-	-	3,320	3,320
Compensation cost of share-based payments	-	-	70,639	70,639
At September 30, 2022	<u>(\$ 1,131,694)</u>	<u>\$ 2,610,463</u>	<u>(\$ 103,323)</u>	<u>\$ 1,375,446</u>

(22) Non-controlling interests

	<u>2023</u>		<u>2022</u>
At January 1	\$ 868,976	\$	92,443
Share attributable to non-controlling interest:			
Gain (loss) for the period	43,693	(	35,900)
(Decrease) increase in non-controlling interests	( 465)		1,018,707
Cash dividends paid	-	(	588)
Comprehensive income for the period:			
Exchange differences on translation of foreign financial statements	38,444		50,188
Unrealised loss from financial assets at fair value through other comprehensive income	( 89)	(	107)
At September 30	<u>\$ 950,559</u>	<u>\$</u>	<u>1,124,743</u>

A. The Company's subsidiary, Brillnics Inc., increased its capital and employees of Brillnics Inc. exercised employee stock options, which resulted to an increase in the non-controlling interest. Refer to Note 4(3) for details.

B. Refer to Note 4(3) for the details of transactions with non-controlling interest resulting from the capital increase of the Company's subsidiary, Nuvision Technology Inc., at March 31, 2023.

C. The Company's subsidiary, WT Semiconductor Holdings Pte. Ltd., increased its non-controlling interest resulting from the capital increase in September 2022.

(23) Operating revenue

	<u>Three months ended September 30,</u>	
	<u>2023</u>	<u>2022</u>
Contract revenue		
Sales of electronic components	\$ 167,020,860	\$ 155,412,488
Services revenue	198,904	211,343
Other operating revenue	40,037	44,965
	<u>\$ 167,259,801</u>	<u>\$ 155,668,796</u>
	<u>Nine months ended September 30,</u>	
	<u>2023</u>	<u>2022</u>
Contract revenue		
Sales of electronic components	\$ 404,120,076	\$ 413,201,823
Services revenue	579,211	386,324
Other operating revenue	123,519	144,432
	<u>\$ 404,822,806</u>	<u>\$ 413,732,579</u>

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

	Three months ended September 30, 2023		
	Greater China Region	Others	Total
Timing of revenue recognition			
At a point in time			
Analog IC	\$ 56,539,684	\$ 2,717,771	\$ 59,257,455
Microcontroller	36,131,621	2,277,461	38,409,082
Microprocessor	8,540,737	2,150,545	10,691,282
Memory IC	6,843,577	4,115,815	10,959,392
Discrete Component	6,648,347	707,919	7,356,266
Application Specific IC	6,087,257	783,632	6,870,889
Mixed Signal IC	4,554,549	124,092	4,678,641
Others	26,143,097	2,694,793	28,837,890
Over time			
Services	198,904	-	198,904
	<u>\$ 151,687,773</u>	<u>\$ 15,572,028</u>	<u>\$ 167,259,801</u>
	Nine months ended September 30, 2023		
	Greater China Region	Others	Total
Timing of revenue recognition			
At a point in time			
Analog IC	\$ 145,531,431	\$ 8,232,696	\$ 153,764,127
Microcontroller	62,752,460	6,901,366	69,653,826
Microprocessor	27,303,343	4,666,353	31,969,696
Memory IC	17,022,918	7,941,133	24,964,051
Discrete Component	14,790,561	1,977,183	16,767,744
Application Specific IC	14,458,269	2,522,415	16,980,684
Mixed Signal IC	11,996,164	394,101	12,390,265
Others	70,679,844	7,073,358	77,753,202
Over time			
Services	579,211	-	579,211
	<u>\$ 365,114,201</u>	<u>\$ 39,708,605</u>	<u>\$ 404,822,806</u>

Three months ended September 30, 2022			
	Greater China Region	Others	Total
Timing of revenue recognition			
At a point in time			
Analog IC	\$ 59,267,329	\$ 1,892,710	\$ 61,160,039
Microcontroller	11,214,620	11,599,702	22,814,322
Memory IC	8,554,894	916,629	9,471,523
Microprocessor	6,073,350	4,704,635	10,777,985
Discrete Component	6,134,695	722,346	6,857,041
Mixed Signal IC	5,661,269	163,691	5,824,960
Application Specific IC	7,105,572	267,430	7,373,002
Others	29,104,904	2,073,677	31,178,581
Over time			
Services	211,343	-	211,343
	<u>\$ 133,327,976</u>	<u>\$ 22,340,820</u>	<u>\$ 155,668,796</u>

Nine months ended September 30, 2022			
	Greater China Region	Others	Total
Timing of revenue recognition			
At a point in time			
Analog IC	\$ 142,289,892	\$ 4,461,025	\$ 146,750,917
Microcontroller	32,214,508	24,931,592	57,146,100
Memory IC	31,539,403	1,435,441	32,974,844
Microprocessor	16,296,946	13,909,537	30,206,483
Discrete Component	20,056,102	1,976,739	22,032,841
Mixed Signal IC	18,832,326	462,367	19,294,693
Application Specific IC	21,603,762	723,551	22,327,313
Others	77,036,019	5,577,045	82,613,064
Over time			
Services	386,324	-	386,324
	<u>\$ 360,255,282</u>	<u>\$ 53,477,297</u>	<u>\$ 413,732,579</u>

B. The Group has recognised the following revenue-related contract liabilities provisions for estimated sales discounts:

	September 30, 2023	December 31, 2022	September 30, 2022	January 1, 2022
Refund liabilities				
-sales discounts and returns	<u>\$ 1,080,457</u>	<u>\$ 778,605</u>	<u>\$ 1,209,146</u>	<u>\$ 658,325</u>
Contract liabilities				
-advance sales receipts	<u>\$ 832,684</u>	<u>\$ 904,038</u>	<u>\$ 1,167,105</u>	<u>\$ 373,803</u>

C. Revenue recognised that was included in the contract liability balance at the beginning of the period:

	Three months ended September 30,	
	2023	2022
Revenue recognised that was included in the contract liability balance at the beginning of the period	\$ 34,523	\$ 11,050
	Nine months ended September 30,	
	2023	2022
Revenue recognised that was included in the contract liability balance at the beginning of the period	\$ 359,682	\$ 193,483

(24) Interest income

	Three months ended September 30,	
	2023	2022
Interest income from bank deposits	\$ 29,928	\$ 10,903
Other interest income	185	49
	\$ 30,113	\$ 10,952
	Nine months ended September 30,	
	2023	2022
Interest income from bank deposits	\$ 83,706	\$ 16,517
Other interest income	696	147
	\$ 84,402	\$ 16,664

(25) Other income

	Three months ended September 30,	
	2023	2022
Dividend income	\$ 235,265	\$ 302,092
Grant revenue	8,087	12,531
Other income	13,194	9,506
	\$ 256,546	\$ 324,129
	Nine months ended September 30,	
	2023	2022
Dividend income	\$ 436,075	\$ 337,460
Grant revenue	84,740	40,914
Other income	50,002	20,768
	\$ 570,817	\$ 399,142

(26) Other gains and losses

	Three months ended September 30,	
	2023	2022
Foreign exchange loss, net	(\$ 49,984)	(\$ 545,624)
Gain on financial assets and liabilities at fair value through profit or loss	84,836	628,889
Loss on disposal of investments	-	( 2,009)
Other losses	( 32,690)	( 9,361)
	<u>\$ 2,162</u>	<u>\$ 71,895</u>
	Nine months ended September 30,	
	2023	2022
Foreign exchange loss, net	(\$ 292,012)	(\$ 775,876)
Gain on financial assets and liabilities at fair value through profit or loss	450,012	929,485
Loss on disposal of investments	-	( 18,624)
Other losses	( 33,512)	( 14,440)
	<u>\$ 124,488</u>	<u>\$ 120,545</u>

(27) Finance costs

	Three months ended September 30,	
	2023	2022
Interest expense:		
Bank borrowings	\$ 413,476	\$ 423,578
Others	9,424	6,996
Financing charges on accounts receivable factoring	478,507	291,016
Other finance costs	14,342	18,942
	<u>\$ 915,749</u>	<u>\$ 740,532</u>
	Nine months ended September 30,	
	2023	2022
Interest expense:		
Bank borrowings	\$ 1,828,527	\$ 771,789
Others	36,802	17,160
Financing charges on accounts receivable factoring	1,202,198	507,573
Other finance costs	45,779	43,307
	<u>\$ 3,113,306</u>	<u>\$ 1,339,829</u>



(28) Expenses by nature

	Three months ended September 30,	
	2023	2022
Employee benefit expense	\$ 1,446,262	\$ 1,253,241
Depreciation	\$ 114,629	\$ 96,608
Amortisation	\$ 28,221	\$ 14,462

  

	Nine months ended September 30,	
	2023	2022
Employee benefit expense	\$ 4,274,128	\$ 3,568,158
Depreciation	\$ 332,064	\$ 269,314
Amortisation	\$ 78,954	\$ 32,787

(29) Employee benefit expense

	Three months ended September 30,	
	2023	2022
Employee benefit expense		
Wages and salaries	\$ 1,208,069	\$ 1,058,147
Labour and health insurance fees	34,415	34,426
Pension costs	116,278	77,230
Other personnel expenses	87,500	83,438
Total (shown as 'Operating expenses')	\$ 1,446,262	\$ 1,253,241

  

	Nine months ended September 30,	
	2023	2022
Employee benefit expense		
Wages and salaries	\$ 3,561,604	\$ 3,024,631
Labour and health insurance fees	114,773	112,542
Pension costs	347,105	209,355
Other personnel expenses	250,646	221,630
Total (shown as 'Operating expenses')	\$ 4,274,128	\$ 3,568,158

A. In accordance with the Articles of Incorporation of the Company, a ratio of distributable profit of the current year, after covering accumulated losses, shall be distributed as employees' compensation and directors' remuneration. The ratio shall not be lower than 1% for employees' compensation and shall not be higher than 3% for directors' remuneration.

B. For the three months and nine months ended September 30, 2023 and 2022, employees' compensation was accrued at \$13,100, \$26,600, \$32,600 and \$76,900, respectively; while directors' remuneration was accrued at \$7,000, \$8,750, \$21,000 and \$26,250, respectively. The aforementioned amounts were recognised in salary expenses. The employees' compensation and directors' remuneration were estimated and accrued based on distributable profit of current year for the nine months ended September 30, 2023 and 2022.

Employees' compensation and directors' remuneration for 2022 as resolved by the Board of Directors were in agreement with those amounts recognised in profit or loss for 2022.

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.

(30) Income tax

A. Income tax expense

Components of income tax expense:

	Three months ended September 30,	
	2023	2022
Current tax:		
Current tax on profit for the period	\$ 122,359	\$ 267,781
Tax on undistributed surplus earnings	-	-
Prior year income tax underestimation	4,965	95
Total current tax	<u>127,324</u>	<u>267,876</u>
Deferred tax:		
Origination and reversal of temporary differences	222,459	230,153
Total deferred tax	<u>222,459</u>	<u>230,153</u>
Income tax expense	<u>\$ 349,783</u>	<u>\$ 498,029</u>
	Nine months ended September 30,	
	2023	2022
Current tax:		
Current tax on profit for the period	\$ 234,922	\$ 1,333,795
Tax on undistributed surplus earnings	63,616	154,430
Prior year income tax over estimation	(145)	(1,297)
Total current tax	<u>298,393</u>	<u>1,486,928</u>
Deferred tax:		
Origination and reversal of temporary differences	624,747	410,396
Total deferred tax	<u>624,747</u>	<u>410,396</u>
Income tax expense	<u>\$ 923,140</u>	<u>\$ 1,897,324</u>

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

(31) Earnings per share

	<u>Three months ended September 30, 2023</u>		
	<u>Amount after tax</u>	<u>Weighted average number of common stock outstanding (shares in thousands)</u>	<u>Earnings per share (in dollars)</u>
<u>Basic earnings per share</u>			
Profit attributable to shareholders of the parent	<u>\$ 1,280,086</u>	<u>884,076</u>	<u>\$ 1.45</u>
<u>Diluted earnings per share</u>			
Profit attributable to shareholders of the parent	\$ 1,280,086	884,076	
Assumed conversion of all dilutive potential common stock:			
Restricted stocks to employees	-	1,193	
Employee stock options	-	9,787	
Employees' compensation	<u>-</u>	<u>117</u>	
Profit used to calculate diluted earnings per share attributable to shareholders of the parent plus assumed conversion of all dilutive potential common stock	<u>\$ 1,280,086</u>	<u>895,173</u>	<u>\$ 1.43</u>
	<u>Three months ended September 30, 2022</u>		
	<u>Amount after tax</u>	<u>Weighted average number of common stock outstanding (shares in thousands)</u>	<u>Earnings per share (in dollars)</u>
<u>Basic earnings per share</u>			
Profit attributable to shareholders of the parent	<u>\$ 2,058,075</u>	<u>879,215</u>	<u>\$ 2.34</u>
<u>Diluted earnings per share</u>			
Profit attributable to shareholders of the parent	\$ 2,058,075	879,215	
Assumed conversion of all dilutive potential common stock:			
Restricted stocks to employees	-	2,636	
Employee stock options	-	2,081	
Employees' compensation	<u>-</u>	<u>452</u>	
Profit used to calculate diluted earnings per share attributable to shareholders of the parent plus assumed conversion of all dilutive potential common stock	<u>\$ 2,058,075</u>	<u>884,384</u>	<u>\$ 2.33</u>

Nine months ended September 30, 2023			
	Amount after tax	Weighted average number of common stock outstanding (shares in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to shareholders of the parent	\$ 2,968,494		
Less: Dividends of preferred share	( 270,000)		
Profit used to calculate basic earnings per share	<u>\$ 2,698,494</u>	<u>882,516</u>	<u>\$ 3.06</u>
<u>Diluted earnings per share</u>			
Profit attributable to shareholders of the parent	\$ 2,968,494		
Less: Dividends of preferred share	( 270,000)		
Profit used to calculate diluted earnings per share	2,698,494	882,516	
Assumed conversion of all dilutive potential common stock:			
Restricted stocks to employees	-	2,128	
Employee stock options	-	9,787	
Employees' compensation	-	<u>550</u>	
Profit used to calculate diluted earnings per share attributable to shareholders of the parent plus assumed conversion of all dilutive potential common stock	<u>\$ 2,698,494</u>	<u>894,981</u>	<u>\$ 3.02</u>
Nine months ended September 30, 2022			
	Amount after tax	Weighted average number of common stock outstanding (shares in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to shareholders of the parent	\$ 6,482,723		
Less: Dividends of preferred share	( 270,000)		
Profit used to calculate basic earnings per share	<u>\$ 6,212,723</u>	<u>847,089</u>	<u>\$ 7.33</u>
<u>Diluted earnings per share</u>			
Profit attributable to shareholders of the parent	\$ 6,482,723		
Less: Dividends of preferred share	( 270,000)		
Profit used to calculate diluted earnings per share	6,212,723	847,089	
Assumed conversion of all dilutive potential common stock:			
Conversion of convertible bonds	1	55	
Restricted stocks to employees	-	2,730	
Employee stock options	-	2,081	
Employees' compensation	-	<u>1,521</u>	
Profit used to calculate diluted earnings per share attributable to shareholders of the parent plus assumed conversion of all dilutive potential common stock	<u>\$ 6,212,724</u>	<u>853,476</u>	<u>\$ 7.28</u>

(32) Business combination

As of September 30, 2023 and 2022, the Group's mergers are as follows:

A. The Group acquired all the equity interest of Leader's Technology Co., Ltd. ("LEADER Company"):

- (a) The Company's subsidiary, Analogworld Co., Ltd., acquired all the equity interest of LEADER Company in May 2023, and the effective date for the share conversion was set on May 3, 2023. LEADER Company is primarily engaged in the distribution and sales of electronic components with the Korea region as its primary market.
- (b) The following table summarises the consideration paid for LEADER Company and the fair values of the assets acquired and liabilities assumed at the acquisition date:

	<u>May 3, 2023</u>
Purchase consideration	
Cash	\$ 204,289
Fair value of the identifiable assets acquired and liabilities assumed	
Cash	4,983
Accounts receivable	189,005
Other receivables	17,787
Inventories	298,853
Other current assets	21,411
Property, plant and equipment	6,591
Other non-current assets	2,444
Short-term borrowings	( 183,102)
Accounts payable	( 126,813)
Other payables	( 20,535)
Current income tax liabilities	( 12,090)
Other current liabilities	( 8,246)
Long-term loans	( 1,485)
Other non-current liabilities	( 35,382)
Total identifiable net assets	153,421
Fair value of the identifiable net assets-customer relationship	50,868
Goodwill	\$ -

- (c) The operating revenue and loss before income tax included in the consolidated statement of comprehensive income since May 3, 2023 contributed by LEADER Company was \$415,015 and \$14,866, respectively. Had LEADER Company been consolidated from January 1, 2023, the consolidated statement of comprehensive income for the nine months ended September 30, 2023 would show operating revenue of \$405,138,486 and profit before income tax of \$3,974,581.
- (d) As of September 30, 2023, the allocation of the purchase price of the combination is still in process, and the Company has hired experts to assess the fair value of the identifiable assets.

B. The Group acquired all the equity interest of Excelpoint Technology Ltd. (“EXCELPOINT Company”):

- (a) The Company’s subsidiary, WT Semiconductor Holdings Pte. Ltd. (“WT SEMICONDUCTOR”) acquired all the equity interest of EXCELPOINT Company in cash in the amount of \$4,039,385 thousand (US\$132,591 thousand) in April 2022. Further, the CEO of EXCELPOINT Company, Mr. Albert Pthuay, sold his shares held in EXCELPOINT Company and acquired 20% equity interest in WT SEMICONDUCTOR. After the acquisition, the Company and Mr. Albert Pthuay held 80% and 20% equity interest in WT SEMICONDUCTOR, respectively, and the effective date for the share conversion was set on September 6, 2022.
- (b) EXCELPOINT Company is primarily engaged in the distribution and sales of various electronic components. The purpose of the combination is to strengthen the expansion of the business through the complementary product lines of the two parties, provide customers with a wider range of product solutions and technical support services and enhance the Group’s distribution capabilities in the Asia-Pacific region.
- (c) The following table summarises the consideration paid for EXCELPOINT Company and the fair values of the assets acquired and liabilities assumed at the acquisition date:

	<u>September 6, 2022</u>
Purchase consideration	
Cash	\$ 4,039,385
Fair values of non-controlling interests	791,053
Fair value of the identifiable assets acquired and liabilities assumed	
Cash	1,006,354
Accounts receivable	6,353,669
Other receivables	92,040
Inventories	8,732,481
Other current assets	13,806
Financial assets at fair value through other comprehensive income	147,435
Property, plant and equipment	91,561
Right-of-use assets	151,445
Intangible assets	20,182
Deferred income tax assets	2,787
Other non-current assets	22,907
Short-term borrowings	( 4,760,586)
Contract liabilities	( 369,522)
Accounts payable	( 6,674,542)
Other payables	( 762,407)
Current income tax liabilities	( 159,537)
Lease liabilities - current	( 82,481)
Refund liabilities	( 90,309)
Long-term loans	( 171,128)
Lease liabilities -non-current	( 77,738)
Total identifiable net assets	3,486,417
Fair value of the identifiable net assets-customer relationship	468,846
Goodwill	<u>\$ 875,175</u>

(d) The operating revenue and loss before income tax included in the consolidated statement of comprehensive income since September 6, 2022 contributed by EXCELPOINT Company was \$13,347,437 and \$110,730, respectively. Had EXCELPOINT Company been consolidated from January 1, 2022, the consolidated statement of comprehensive income would show operating revenue of \$446,180,681 and profit before income tax of \$8,813,473.

(33) Supplemental cash flow information

A. Cash paid for property, plant and equipment:

	<u>Nine months ended September 30,</u>	
	<u>2023</u>	<u>2022</u>
Purchase of property, plant and equipment	\$ 417,188	\$ 74,527
Add: Opening balance of payable on equipment	770	24,780
Ending balance of prepayments for business facilities	1,080	166,578
Less: Ending balance of payable on equipment	( 2,260)	( 3,585)
Opening balance of prepayments for business facilities	( 223,501)	( 36,457)
Effect of foreign exchange	19	( 5)
Cash paid during the period	<u>\$ 193,296</u>	<u>\$ 225,838</u>

B. Cash paid for business combinations:

	<u>Nine months ended September 30,</u>	
	<u>2023</u>	<u>2022</u>
Current assets	\$ 532,039	\$ 16,198,350
Property, plant and equipment	6,591	91,561
Goodwill	-	1,093,975
Acquired identifiable intangible assets	50,868	489,028
Other non-current assets	2,444	324,574
Current liabilities	( 350,786)	( 12,899,384)
Non-current liabilities	( 36,867)	( 248,866)
Fair value of assets acquired and liabilities assumed	204,289	5,049,238
Adjustment of contingent consideration	-	1,996
Add: Opening balance of payable for investment	-	6,100
Acquired cash from business combinations	( 4,983)	( 2,016,202)
Non-controlling interests	-	( 1,009,848)
Cash paid during the period	<u>\$ 199,306</u>	<u>\$ 2,031,284</u>

C. Financing activities with no cash flow effects

Convertible bonds payable

	Nine months ended September 30,	
	2023	2022
Conversion of bonds payable	\$ -	\$ 28,876
Capital surplus of bonds payable conversion	-	47,760
Conversion of convertible bonds payable	-	( 76,636)
Cash paid during the period	<u>\$ -</u>	<u>\$ -</u>

D. Transactions with non-controlling interest

	Nine months ended September 30,	
	2023	2022
Acquisition of equity of subsidiary	<u>\$ 1,786</u>	<u>\$ -</u>

(34) Changes in liabilities from financing activities

	Long-term and short-term borrowings	Short-term notes and bills payable	Lease liability	Liabilities from financing activities-gross
At January 1, 2023	\$ 56,127,005	\$ 1,049,386	\$ 584,132	\$ 57,760,523
Changes in cash flow from financing activities	( 26,272,411)	( 715,446)	( 220,583)	( 27,208,440)
Impact of changes in foreign exchange rate	19,509	-	8,028	27,537
Interest expense from amortisation	-	15,849	-	15,849
Increase in lease liability	-	-	339,702	339,702
Acquired from business combinations	184,587	-	-	184,587
At September 30, 2023	<u>\$ 30,058,690</u>	<u>\$ 349,789</u>	<u>\$ 711,279</u>	<u>\$ 31,119,758</u>



	Long-term and short-term borrowings	Short-term notes and bills payable	Bonds payable	Lease liability	Liabilities from financing activities-gross
At January 1, 2022	\$ 41,248,108	\$ 2,049,454	\$ 76,635	\$ 440,119	\$ 43,814,316
Changes in cash flow from financing activities	18,693,327	( 606,250)	-	( 168,611)	17,918,466
Impact of changes in foreign exchange rate	149,196	-	-	19,365	168,561
Interest expense from amortisation	-	6,126	1	-	6,127
Conversion of convertible bonds	-	-	( 76,636)	-	( 76,636)
Acquired from business combinations	4,931,714	-	-	160,219	5,091,933
Increase in lease liability	-	-	-	188,298	188,298
At September 30, 2022	<u>\$ 65,022,345</u>	<u>\$ 1,449,330</u>	<u>\$ -</u>	<u>\$ 639,390</u>	<u>\$ 67,111,065</u>

## 7. RELATED PARTY TRANSACTIONS

### (1) Names of related parties and relationship

<u>Names of related parties</u>	<u>Relationship with the Company</u>
JCD Optical Corporation Limited	Associate
Qwave Technology Co., Ltd.	Associate
Shao Yang Investment Co., Ltd.	Other related party
Wen-You Investment Co., Ltd.	Other related party
Tang Ye Investment Co., Ltd.	Other related party
WPG Holdings Limited and Subsidiaries	Entity with significant influence over the Group
ASUSTeK Computer Inc. and Subsidiaries	Entity with significant influence over the Group

(2) Significant related party transactions

A. Operating revenue

	Three months ended September 30,	
	2023	2022
Sales of goods:		
- Entity with significant influence over the Group	\$ 2,758,025	\$ 1,265,145
- Associates	9	-
	<u>\$ 2,758,034</u>	<u>\$ 1,265,145</u>
	Nine months ended September 30,	
	2023	2022
Sales of goods:		
- Entity with significant influence over the Group	\$ 5,661,374	\$ 3,746,244
- Associates	1,076	1,021
	<u>\$ 5,662,450</u>	<u>\$ 3,747,265</u>

The collection terms with related parties were 30 to 120 days after the end of next month and the products were categorised and priced taking into consideration the inventory cost, market and other conditions.

B. Purchases

	Three months ended September 30,	
	2023	2022
Purchases of goods:		
- Entity with significant influence over the Group	\$ 255,237	\$ 307,139
- Associates	-	1,058
	<u>\$ 255,237</u>	<u>\$ 308,197</u>
	Nine months ended September 30,	
	2023	2022
Purchases of goods:		
- Entity with significant influence over the Group	\$ 868,068	\$ 1,265,325
- Associates	-	6,468
	<u>\$ 868,068</u>	<u>\$ 1,271,793</u>

The credit term to related parties is 30 to 45 days after the end of next month and the purchase prices were categorised and priced taking into consideration the market prices and other conditions.

C. Receivables from related parties

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Accounts receivable:			
- Entity with significant influence over the Group	\$ 1,951,437	\$ 533,247	\$ 721,180
- Associates	<u>-</u>	<u>871</u>	<u>-</u>
	<u>\$ 1,951,437</u>	<u>\$ 534,118</u>	<u>\$ 721,180</u>

D. Payables to related parties

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Accounts payable:			
- Entity with significant influence over the Group	\$ 133,340	\$ 164,955	\$ 82,915

(3) Key management compensation

	<u>Three months ended September 30,</u>	
	<u>2023</u>	<u>2022</u>
Salaries and other short-term employee benefits	\$ 18,908	\$ 21,424
Post-employment benefits	193	265
Share-based payment	<u>5,765</u>	<u>8,323</u>
	<u>\$ 24,866</u>	<u>\$ 30,012</u>
	<u>Nine months ended September 30,</u>	
	<u>2023</u>	<u>2022</u>
Salaries and other short-term employee benefits	\$ 59,626	\$ 74,417
Post-employment benefits	679	774
Share-based payment	<u>19,111</u>	<u>25,460</u>
	<u>\$ 79,416</u>	<u>\$ 100,651</u>

8. PLEGGED ASSETS

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

<u>Pledged asset</u>	<u>Purpose</u>	<u>Book value</u>		
		<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Other current assets:				
Bank deposits	Bid bond	\$ 3,130	\$ 2,979	\$ 3,089

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT COMMITMENTS

(1) Contingencies

None.

(2) Commitments

A. Outstanding letters of credit

The outstanding letters of credit for the purchase of inventories by the Group are as follows:

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Outstanding letters of credit	<u>\$ 9,913,610</u>	<u>\$ 7,542,994</u>	<u>\$ 10,580,806</u>

B. Guarantee for customs duties

The total guarantee for customs duties is as follows:

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Customs duties guarantee	<u>\$ 51,000</u>	<u>\$ 45,000</u>	<u>\$ 35,000</u>

C. On September 14, 2023, the Company's audit committee and Board of Directors resolved to enter into a definitive agreement for the acquisition of all the shares of Future Electronics Inc. The trading counterparty is Alonim Investments Inc. The transfer price of all the shares of Future Electronics Inc. is estimated to be US\$3.8 billion (approximately NT\$121,524,000 thousand) and will be adjusted according to the contract.

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

The Company increased its capital through the issuance of common shares which was approved by the Financial Supervisory Commission on October 26, 2023. Refer to Note 6(18) for details.

12. OTHERS

(1) Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debt. The Group monitors capital on the basis of the financial debt ratio. This ratio is calculated as total liabilities with interests divided by total net assets. Total liabilities with interest is calculated as total amount of long-term and short-term borrowings, short-term bills payable and corporate bonds payable in the consolidated balance sheet. Total equity is calculated as the 'equity' in the consolidated balance sheet.

For the nine months ended September 30, 2023 and 2022, the Group's strategy was to maintain the financial debt ratio below 250%.

(2) Financial instruments

A. Financial instruments by category

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
<u>Financial assets</u>			
Financial assets at fair value through profit or loss			
Financial assets mandatorily measured at fair value through profit or loss	\$ 414,801	\$ 299,843	\$ 332,780
Financial assets designated as at fair value through profit or loss on initial recognition	5,195	4,501	4,546
	<u>\$ 419,996</u>	<u>\$ 304,344</u>	<u>\$ 337,326</u>
Financial assets at fair value through other comprehensive income			
Designation of equity instruments	\$ 13,943,773	\$ 9,139,705	\$ 7,578,457
Qualifying debt instruments	49,567,809	29,602,714	32,454,964
	<u>\$ 63,511,582</u>	<u>\$ 38,742,419</u>	<u>\$ 40,033,421</u>
Financial assets at amortised cost			
Cash and cash equivalents	\$ 6,718,911	\$ 5,383,254	\$ 7,982,353
Accounts receivable	52,448,196	54,965,402	65,887,783
Other receivables	1,816,267	2,237,030	2,201,967
Other financial assets (shown as 'other current assets')	599,873	59,087	19,973
Guarantee deposits paid (shown as 'other non-current assets')	342,266	318,260	322,054
	<u>\$ 61,925,513</u>	<u>\$ 62,963,033</u>	<u>\$ 76,414,130</u>

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
<u>Financial liabilities</u>			
Financial liabilities at fair value through profit or loss			
Financial liabilities held for trading	\$ 4,224	\$ 11,372	\$ 3,450
Financial liabilities at amortised cost			
Short-term borrowings	\$ 25,045,904	\$ 38,340,556	\$ 46,680,000
Short-term notes and bills payable	349,789	1,049,386	1,449,330
Accounts payable	126,867,964	77,996,735	93,820,633
Other accounts payable	4,060,387	3,789,378	3,768,644
Long-term loans (including current portion)	5,012,786	17,786,449	18,342,345
Guarantee deposits received (shown as 'other non-current liabilities')	7,888	7,586	7,781
	<u>\$ 161,344,718</u>	<u>\$ 138,970,090</u>	<u>\$ 164,068,733</u>
Lease liability	<u>\$ 711,279</u>	<u>\$ 584,132</u>	<u>\$ 639,390</u>

#### B. Financial risk management policies

- (a) The Group's activities expose it to a variety of financial risks: market risks (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. To minimise adverse effects on the financial performance of the Group, derivative financial instruments, such as foreign exchange forward contracts and foreign currency option contracts, are used to hedge certain exchange rate risk. In addition, foreign exchange risk is managed by matching the payment periods of foreign currency assets and liabilities.
- (b) Risk management is carried out by a central treasury department (Group treasury) under policies approved by the Board of Directors. Group treasury identifies, evaluates and hedges financial risks in close cooperation with the Group's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas and matters, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.
- (c) Information about derivative financial instruments that are used to hedge certain exchange rate risk is provided in Note 6(2).

C. Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

- i. The Group operates internationally and is exposed to foreign exchange risk arising from the transactions of the Company and its subsidiaries in various functional currency, primarily with respect to the USD. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities.
- ii. Management has set up a policy to require group companies to manage their foreign exchange risk against their functional currency. The group companies are required to hedge their entire foreign exchange risk exposure with the Group treasury.
- iii. The Group hedges foreign exchange rate by using forward exchange contracts. However, the Group does not adopt hedging accounting. Detailss of financial assets or liabilities at fair value through profit or loss are provided in Note 6(2).
- iv. The Group's businesses involve some non-functional currency operations (the Company's and certain subsidiaries' functional currency: NTD; other subsidiaries' functional currency: RMB and KRW). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

September 30, 2023					
	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)	Sensitivity analysis	
				Degree of variation	Effect on profit or loss
(Foreign currency: functional currency)					
<u>Financial assets</u>					
<u>Monetary items</u>					
USD:NTD	\$ 3,122,451	32.270	\$ 100,761,494	1%	\$ 1,007,615
USD:KRW	21,641	1,344.8	204,947	1%	2,049
USD:RMB	6,351	7.315	698,355	1%	6,984
RMB:USD	38,123	0.137	168,183	1%	1,682
<u>Foreign operations</u>					
USD:NTD	617,063	32.270	19,910,386		
<u>Financial liabilities</u>					
<u>Monetary items</u>					
USD:NTD	3,103,353	32.270	100,145,201	1%	1,001,452
USD:RMB	240,165	7.315	7,750,125	1%	77,501
USD:KRW	50,335	1,344.8	1,624,310	1%	16,243

December 31, 2022

	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)	Sensitivity analysis	
				Degree of variation	Effect on profit or loss
(Foreign currency: functional currency)					
<u>Financial assets</u>					
<u>Monetary items</u>					
USD:NTD	\$ 2,433,988	30.71	\$ 74,747,771	1%	\$ 747,478
USD:KRW	15,021	1,267.30	461,295	1%	4,613
USD:RMB	10,124	6.96	310,908	1%	3,109
RMB:USD	34,948	0.144	154,233	1%	1,542
<u>Foreign operations</u>					
USD:NTD	598,522	30.71	18,392,052		
<u>Financial liabilities</u>					
<u>Monetary items</u>					
USD:NTD	2,378,905	30.71	73,056,173	1%	730,562
USD:RMB	238,103	6.96	7,312,143	1%	73,121
USD:KRW	27,018	1,267.30	829,723	1%	8,297

September 30, 2022

	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)	Sensitivity analysis	
				Degree of variation	Effect on profit or loss
(Foreign currency: functional currency)					
<u>Financial assets</u>					
<u>Monetary items</u>					
USD:NTD	\$ 2,828,506	31.85	\$ 90,087,916	1%	\$ 900,879
USD:RMB	2,575	7.2101	82,014	1%	820
USD:KRW	14,689	1,436.6	467,845	1%	4,678
RMB:USD	38,745	0.1387	171,152	1%	1,712
<u>Foreign operations</u>					
USD:NTD	579,334	31.85	18,465,567		
<u>Financial liabilities</u>					
<u>Monetary items</u>					
USD:NTD	2,826,167	31.85	90,013,419	1%	900,134
USD:RMB	251,858	7.2101	8,021,677	1%	80,217
USD:KRW	37,922	1,436.6	1,207,816	1%	12,078
SGD:USD	7,770	0.7	171,484	1%	1,715

- v. The total exchange loss, including realised and unrealised arising from significant foreign exchange variation on the monetary items held by the Group for the three months and nine months ended September 30, 2023 and 2022 amounted to \$49,984, \$545,624,



\$292,012 and \$775,876, respectively.

#### Price risk

- i. The Group's equity securities, which are exposed to price risk, are the held 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 performed in accordance with the limits set by the Group.
- ii. The Group's investments comprise shares and beneficiary certificates issued by the domestic and foreign companies. The prices of equity securities would change due to the change of the future value of investee companies. If the prices of these equity securities had increased/decreased by 1% with all other variables held constant, post-tax profit for the nine months ended September 30, 2023 and 2022 would have increased/decreased by \$2,435 and \$1,898, respectively, as a result of gains/losses on equity securities classified as at fair value through profit or loss. Other components of equity would have increased/decreased by \$139,438 and \$75,785, respectively, as a result of other comprehensive income classified as equity investment at fair value through other comprehensive income.

#### Cash flow and fair value interest rate risk

- i. The Group's main interest rate risk arises from bank borrowings with variable rates and advance receipt of factoring accounts receivable, which expose the Group to cash flow interest rate risk. During the nine months ended September 30, 2023 and 2022, the Group's borrowings at variable rate were mainly denominated in US Dollars.
- ii. The Group's borrowings are measured at amortised cost. According to the contract, the borrowings are periodically reset. Therefore, the Group is exposed to the risk of future changes in market interest rates.
- iii. If the borrowing interest rate had increased/decreased by 25 basis point with all other variables held constant, profit, net of tax for the nine months ended September 30, 2023 and 2022 would have decreased/increased by \$48,038 and \$101,892, respectively. The main factor is that changes in interest expense result from 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.
- ii. The Group manages its credit risk from the group's perspective. For banks and financial institutions, only approved by FSC are accepted to be transaction parties. According to the 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. The Group assesses the credit quality of the customers, taking

into account their financial position, past experience and other factors through internal risk control. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board of Directors. The utilisation of credit limits is regularly monitored.

- iii. If the contract payments were past due over 90 days based on the terms, the Group considers that there has been a significant increase in credit risk on that instrument since initial recognition. The Group considers that the default occurs when the contract payments are past due over 180 days.
- iv. The ageing analysis of accounts receivable (including overdue receivables) and notes receivable is as follows:

	Notes and accounts receivable		
	September 30, 2023	December 31, 2022	September 30, 2022
Not past due	\$ 95,791,359	\$ 79,260,707	\$ 89,961,887
Up to 90 days	6,051,250	5,342,232	8,466,272
91 to 180 days	172,772	94,466	57,412
Over 180 days	745,631	595,590	601,517
	<u>\$ 102,761,012</u>	<u>\$ 85,292,995</u>	<u>\$ 99,087,088</u>

(i) The above ageing analysis was based on days past due.

(ii) Abovementioned notes receivable are not past due.

After the recourse procedure, the Group will write off the amount of financial assets that cannot reasonably be expected to be recovered, however the Group will continue to carry out recourse legal procedures to preserve the creditor's rights.

- v. The Group assesses the expected credit losses of its accounts receivable as follows:
  - (i) Accounts receivable that are significantly past due are assessed individually for their expected credit losses;
  - (ii) The remaining receivables are segmented according to the Group's credit ratings of its customers. Different loss rates or provision matrices are applied to the different segments when estimating expected credit losses;
  - (iii) Loss rates, calculated from historical and current information, are adjusted according to forward-looking information such as the business indicators published by the National Development Council.
  - (iv) As of September 30, 2023, December 31, 2022 and September 30, 2022, loss allowances of accounts receivable and notes receivable calculated from individual assessment or using the loss rate methodology and provision matrix are as follows:

September 30, 2023	Individual	Group A & B	Group C	Group D	Total
Expected loss rate	87.86%	0.05%	0.08%~61.51%	0.05%~26.94%	
Total book value	<u>\$ 643,245</u>	<u>\$ 68,611,656</u>	<u>\$ 30,024,110</u>	<u>\$ 3,482,001</u>	<u>\$ 102,761,012</u>
Loss allowance	<u>\$ 565,152</u>	<u>\$ 33,854</u>	<u>\$ 67,082</u>	<u>\$ 78,919</u>	<u>\$ 745,007</u>

<u>December 31, 2022</u>	<u>Individual</u>	<u>Group A &amp; B</u>	<u>Group C</u>	<u>Group D</u>	<u>Total</u>
Expected loss rate	91.40%	0.05%	0.10%~77.97%	0.05%~89.18%	
Total book value	\$ 563,060	\$ 50,346,863	\$ 30,043,142	\$ 4,339,930	\$ 85,292,995
Loss allowance	\$ 514,641	\$ 26,432	\$ 95,927	\$ 87,879	\$ 724,879
<u>September 30, 2022</u>	<u>Individual</u>	<u>Group A &amp; B</u>	<u>Group C</u>	<u>Group D</u>	<u>Total</u>
Expected loss rate	99.99%	0.03%	0.05%~48.39%	0.03%~4.73%	
Total book value	\$ 669,500	\$ 62,033,153	\$ 31,824,750	\$ 4,559,685	\$ 99,087,088
Loss allowance	\$ 669,463	\$ 18,610	\$ 37,206	\$ 19,602	\$ 744,341

Group A: Customers with excellent credit rating

Group B: Customers with fine credit rating

Group C: Customers with normal credit rating

Group D: Rated as other than A, B and C

- vi. Movements in relation to the Group applying the modified approach to provide loss allowance for accounts receivable (including overdue receivables) are as follows:

	<u>2023</u>	<u>2022</u>
At January 1	\$ 724,879	\$ 700,899
Provision for impairment	2,914	6,312
Effect of exchange rate changes	17,214	37,130
At September 30	<u>\$ 745,007</u>	<u>\$ 744,341</u>

(c) Liquidity risk

- i. Cash flow forecasting is performed in the operating entities of the Group and aggregated by Group treasury. The Group treasury monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities (Note 6(15)) at all times so that the Group does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities. Such forecasting takes into consideration the Group's debt financing plans, covenant compliance, compliance with internally assessed financial ratio targets and, if applicable, external regulatory or legal requirements.
- ii. Surplus cash held by the operating entities over and above balance required for working capital management are transferred to the Group treasury. The Group treasury invests surplus cash in interest bearing demand deposits, time deposits, money market deposits and marketable securities, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient headroom as determined by the abovementioned forecasts, and expects to readily generate cash inflows for managing liquidity risk.
- iii. The table 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 due date at the balance sheet date. Non-derivative financial liabilities are analysed by remaining periods from the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

Non-derivative financial liabilities:

September 30, 2023

	<u>Less than 1 year</u>	<u>Between 1 and 5 years</u>	<u>Over 5 years</u>	<u>Total</u>
Short-term borrowings (Note)	\$ 25,120,527	\$ -	\$ -	\$ 25,120,527
Lease liability	260,729	344,558	190,042	795,329
Long-term loans (Note)	<u>444,527</u>	<u>5,307,225</u>	<u>-</u>	<u>5,751,752</u>
	<u>\$ 25,825,783</u>	<u>\$ 5,651,783</u>	<u>\$ 190,042</u>	<u>\$ 31,667,608</u>

December 31, 2022

	<u>Less than 1 year</u>	<u>Between 1 and 5 years</u>	<u>Over 5 years</u>	<u>Total</u>
Short-term borrowings (Note)	\$ 38,725,148	\$ -	\$ -	\$ 38,725,148
Lease liability	256,493	350,381	7,182	614,056
Long-term loans (Note)	<u>620,781</u>	<u>23,444,478</u>	<u>-</u>	<u>24,065,259</u>
	<u>\$ 39,602,422</u>	<u>\$ 23,794,859</u>	<u>\$ 7,182</u>	<u>\$ 63,404,463</u>

September 30, 2022

	<u>Less than 1 year</u>	<u>Between 1 and 5 years</u>	<u>Over 5 years</u>	<u>Total</u>
Short-term borrowings (Note)	\$ 49,480,799	\$ -	\$ -	\$ 49,480,799
Lease liability	282,021	383,961	11,604	677,586
Long-term loans (Note)	<u>769,369</u>	<u>25,954,426</u>	<u>-</u>	<u>26,723,795</u>
	<u>\$ 50,532,189</u>	<u>\$ 26,338,387</u>	<u>\$ 11,604</u>	<u>\$ 76,882,180</u>

Note: Including imputed interest payable.

Except for the above, the Group's non-derivative financial liabilities are due in one year.

Derivative financial liabilities

As of September 30, 2023, December 31, 2022 and September 30, 2022, all derivative financial liabilities of the Group are due in one year.

- iv. The Group does not expect the timing of occurrence of the cash flows estimated through the maturity date analysis will be significantly earlier, nor expect the actual cash flow amount will be significantly different.

(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, open-end funds and overseas bonds 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 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, debt instrument and private equity fund is included in Level 3.

- B. Fair value information of investment property at cost is provided in Note 6(10).
- C. The carrying amounts of financial instruments not measured at fair value, including cash and cash equivalents, notes and accounts receivable, other receivables, other current assets, short-term borrowings, short-term notes and bills payable, accounts payable, other payables, corporate bonds payable and long-term borrowings, are approximate to their fair values.
- D. The related information on financial instruments measured at fair value by level on the basis of the nature, characteristics and risks are as follows:
- (a) The related information on the nature of the assets and liabilities is as follows:

September 30, 2023

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Beneficiary certificates	\$ 39,859	\$ -	\$ 259,170	\$ 299,029
Equity instruments	5,195	-	-	5,195
Debt instruments	273	-	72,671	72,944
Derivative instruments	-	877	-	877
Hybrid instrument	-	-	41,951	41,951
Financial assets at fair value through other comprehensive income				
Equity instruments	13,743,211	-	200,562	13,943,773
Accounts receivable that are expected to be factored				
	-	-	49,567,809	49,567,809
	<u>\$ 13,788,538</u>	<u>\$ 877</u>	<u>\$ 50,142,163</u>	<u>\$ 63,931,578</u>

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<b>Liabilities</b>				
<u>Recurring fair value measurements</u>				
Financial liabilities at fair value through profit or loss				
Derivative instrument	\$ -	\$ 4,224	\$ -	\$ 4,224
<u>December 31, 2022</u>				
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<b>Assets</b>				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Beneficiary certificates	\$ 30,689	\$ -	\$ 196,253	\$ 226,942
Equity instruments	4,501	-	-	4,501
Debt instruments	276	-	72,625	72,901
Financial assets at fair value through other comprehensive income				
Equity instruments	8,972,484	-	167,221	9,139,705
Accounts receivable that are expected to be factored	-	-	29,602,714	29,602,714
	<u>\$ 9,007,950</u>	<u>\$ -</u>	<u>\$ 30,038,813</u>	<u>\$ 39,046,763</u>
<b>Liabilities</b>				
<u>Recurring fair value measurements</u>				
Financial liabilities at fair value through profit or loss				
Derivative instrument	\$ -	\$ 11,372	\$ -	\$ 11,372

September 30, 2022

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<b>Assets</b>				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Beneficiary certificates	\$ 29,886	\$ -	\$ 202,786	\$ 232,672
Equity instruments	4,546	-	-	4,546
Debt instruments	273	-	75,321	75,594
Derivative instruments	-	24,514	-	24,514
Financial assets at fair value through other comprehensive income				
Equity instruments	7,407,456	-	171,001	7,578,457
Accounts receivable that are expected to be factored	-	-	32,454,964	32,454,964
	<u>\$ 7,442,161</u>	<u>\$ 24,514</u>	<u>\$ 32,904,072</u>	<u>\$ 40,370,747</u>
<b>Liabilities</b>				
<u>Recurring fair value measurements</u>				
Financial liabilities at fair value through profit or loss				
Derivative instrument	<u>\$ -</u>	<u>\$ 3,450</u>	<u>\$ -</u>	<u>\$ 3,450</u>

(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:

	<u>Listed shares</u>	<u>Open-end fund</u>	<u>Corporate bonds</u>
Market quoted price	Closing price	Net assets value	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, cross currency swap contracts, 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 exchange contracts are usually valued based on the current forward exchange rate.
- 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 nine months ended September 30, 2023 and 2022, there was no transfer between Level 1 and Level 2.

F. The following chart is the movement of Level 3 for the nine months ended September 30, 2023 and 2022:

	Financial instruments	
	2023	2022
At January 1	\$ 30,038,813	\$ 335,096
Acquired during the period	110,888	25,002
Disposal during the period	( 6,982)	-
Acquired from business combinations	-	106,147
Gains (losses) recognised in profit or loss	16,197	( 25,844)
Gains (losses) recognised in other comprehensive income	3,246	( 10,670)
Increase in accounts receivable that are expected to be factored	29,458,360	36,723,380
Decrease in accounts receivable that are expected to be factored	( 9,493,265)	( 4,268,416)
Effect of exchange rate changes	14,906	19,377
At September 30	<u>\$ 50,142,163</u>	<u>\$ 32,904,072</u>

For the nine months ended September 30, 2023 and 2022, there was no transfer into or out from Level 3.



G. The following is the qualitative information on 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 September 30, 2023	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Unlisted shares	\$ 6,070	Market comparable companies	Price to earnings ratio multiple	1.15~1.83 (1.53)	The higher the multiple, the higher the fair value
	50,247		Discount for lack of marketability	30%	The higher the discount for lack of marketability, the lower the fair value
Unlisted preferred shares	27,909	Most recent non-active market price	Not applicable	-	Not applicable
	150,336	Discounted cash flow method	Weighted average cost of capital	11.51%	The higher the weighted average cost of capital and discount for lack of marketability, the lower the fair value
Discount for lack of marketability			30%		
Convertible bonds	41,951	Most recent non-active market price	Not applicable	-	Not applicable
	38,671	Net asset value	Not applicable	-	Not applicable
Venture capital shares	259,170	Net asset value	Not applicable	-	Not applicable
Private equity fund					

	Fair value at December 31, 2022	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Unlisted shares	\$ 6,056	Market comparable companies	Price to earnings ratio multiple	1.18~1.43 (1.3)	The higher the multiple, the higher the fair value
			Discount for lack of marketability	30%	The higher the discount for lack of marketability, the lower the fair value
	18,426	Most recent non-active market price	Not applicable	-	Not applicable
Unlisted preferred shares	26,560	Discounted cash flow method	Weighted average cost of capital	11.51%	The higher the weighted average cost of capital and discount for lack of marketability, the lower the fair value
			Discount for lack of marketability	30%	
	46,065	Most recent non-active market price	Not applicable	-	Not applicable
	107,300	Most recent non-active market price	Not applicable	-	Not applicable
Venture capital shares	35,439	Net asset value	Not applicable	-	Not applicable
Private equity fund	196,253	Net asset value	Not applicable	-	Not applicable
	Fair value at September 30, 2022	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Unlisted shares	\$ 7,069	Market comparable companies	Price to earnings ratio multiple	1.41~1.54 (1.46)	The higher the multiple, the higher the fair value
			Discount for lack of marketability	30%	The higher the discount for lack of marketability, the lower the fair value
	19,110	Most recent non-active market price	Not applicable	-	Not applicable
Unlisted preferred shares	27,546	Discounted cash flow method	Weighted average cost of capital	11.51%	The higher the weighted average cost of capital and discount for lack of marketability, the lower the fair value
			Discount for lack of marketability	30%	
	47,775	Most recent non-active market price	Not applicable	-	Not applicable
	110,750	Most recent non-active market price	Not applicable	-	Not applicable
Venture capital shares	34,072	Net asset value	Not applicable	-	Not applicable
Private equity fund	202,786	Net asset value	Not applicable	-	Not applicable

### 13. SUPPLEMENTARY DISCLOSURES

#### (1) Significant transactions information

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

#### (2) Information on investees

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

#### (3) Information on investments in Mainland China

- A. Basic information: Refer to table 8.
- B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: Refer to Note 13(1).

#### (4) Major shareholders information

Major shareholders information: Refer to table 9.

### 14. SEGMENT INFORMATION

#### (1) General information

The Group is engaged in the development and sales of electronic and communication components. The chief operating decision maker considered the business and determined to separate segments from a perspective of sales region, which are mainly divided into Greater China, South Asia and North Asia. The Group has identified the Greater China shall be a reportable operating segment, and for other segments which have not met the quantitative threshold are not disclosed individually.

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

(2) Financial information of reportable segment

The financial information on reportable segment provided to the chief operating decision maker is as follows:

	Greater China Region	
	Three months ended September 30,	
	2023	2022
Revenue from external customers	\$ 151,687,773	\$ 133,327,976
Segment income	\$ 1,422,664	\$ 2,301,025
Segment assets (Note)	\$ -	\$ -
Depreciation and amortisation	\$ 111,034	\$ 98,355
Finance costs	\$ 806,029	\$ 701,109

  

	Greater China Region	
	Nine months ended September 30,	
	2023	2022
Revenue from external customers	\$ 365,114,201	\$ 360,255,282
Segment income	\$ 3,355,248	\$ 7,512,783
Segment assets (Note)	\$ -	\$ -
Depreciation and amortisation	\$ 334,299	\$ 271,494
Finance costs	\$ 2,847,705	\$ 1,272,683

Note: The chief operating decision maker does not use the measured amount of the assets as a measurement indicator; therefore, the measured amount of the Group's assets shall be disclosed as zero.

(3) Reconciliation information on reportable segment revenue and profit (loss)

A reconciliation of reportable segment income or loss to the income / (loss) before tax from continuing operations is as follows:

	Three months ended September 30,	
Operating revenue	2023	2022
Total reported segment revenue	\$ 151,687,773	\$ 133,327,976
Other operating segment revenue	15,572,028	22,340,820
Total operating revenue	\$ 167,259,801	\$ 155,668,796

  

	Nine months ended September 30,	
Operating revenue	2023	2022
Total reported segment revenue	\$ 365,114,201	\$ 360,255,282
Other operating segment revenue	39,708,605	53,477,297
Total operating revenue	\$ 404,822,806	\$ 413,732,579

	Three months ended September 30,	
Profit and loss	2023	2022
Income of reported segment	\$ 1,422,664	\$ 2,301,025
Income of other operating segments	199,838	255,569
Income before income tax from continuing operations	<u>\$ 1,622,502</u>	<u>\$ 2,556,594</u>
	Nine months ended September 30,	
Profit and loss	2023	2022
Income of reported segment	\$ 3,355,248	\$ 7,512,783
Income of other operating segments	580,079	831,364
Income before income tax from continuing operations	<u>\$ 3,935,327</u>	<u>\$ 8,344,147</u>

WT Microelectronics Co., Ltd. and subsidiaries

Loans to others

Nine months ended September 30, 2023

Table 1

Expressed in thousands of NTD

(Except as otherwise indicated)

Number (Note 1)	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the nine months ended September 30, 2023	Balance at September 30, 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	WINTECH MICROELECTRONICS HOLDING LIMITED	WINTECH MICROELECTRONICS LTD.	Other receivables - related parties	Y	\$ 8,712,900	\$ 8,712,900	\$ 6,066,760	5.55%~5.94%	Short-term financing	\$ -	Business Operation	\$ -	-	\$ -	\$ 10,575,257	\$ 10,575,257	Note 2
1	WINTECH MICROELECTRONICS HOLDING LIMITED	BRILLNICS (HK) LIMITED	Other receivables - related parties	Y	61,420	-	-	1.00%	Short-term financing	-	Business Operation	-	-	-	10,575,257	10,575,257	Note 2
2	BSI SEMICONDUCTOR PTE. LTD.	WT MICROELECTRONICS SINGAPORE PTE. LTD.	Other receivables - related parties	Y	319,473	319,473	319,473	6.25%~6.61%	Short-term financing	-	Business Operation	-	-	-	605,939	605,939	Note 2
3	MSD HOLDING PTE. LTD.	WT MICROELECTRONICS SINGAPORE PTE. LTD.	Other receivables - related parties	Y	90,356	90,356	90,356	6.35%	Short-term financing	-	Business Operation	-	-	-	105,254	105,254	Note 2
4	EXCELPOINT TECHNOLOGY PTE. LTD.	EXCELPOINT SYSTEMS (PTE) LTD	Other receivables - related parties	Y	270,248	96,810	96,810	5.05%	Short-term financing	-	Business Operation	-	-	-	1,318,096	1,318,096	Note 2
4	EXCELPOINT TECHNOLOGY PTE. LTD.	EXCELPOINT SYSTEMS (H.K.) LIMITED	Other receivables - related parties	Y	46,110	-	-	4.93%	Short-term financing	-	Business Operation	-	-	-	1,318,096	1,318,096	Note 2
5	WT MICROELECTRONICS (SHANGHAI) CO., LTD.	SHANGHAI UQ IOT TECH., INC.	Temporary payment	N	6,691	-	-	3.50%	Short-term financing	-	Business Operation	-	-	-	479,323	639,098	Note 3
6	WINTECH INVESTMENT CO., LTD.	WINTECH MICROELECTRONICS LTD.	Other receivables - related parties	Y	129,080	129,080	129,080	5.73%	Short-term financing	-	Business Operation	-	-	-	1,089,829	1,089,829	Note 2
7	EXCELPOINT SYSTEMS (PTE) LTD	EXCELPOINT SYSTEMS VIETNAM COMPANY LIMITED	Other receivables - related parties	Y	19,362	19,362	19,362	5.05%~5.75%	Short-term financing	-	Business Operation	-	-	-	928,855	928,855	Note 2
8	WT TECHNOLOGY KOREA CO., LTD.	LEADER'S TECHNOLOGY CO., LTD.	Other receivables - related parties	Y	197,200	192,000	192,000	4.60%	Short-term financing	-	Business Operation	-	-	-	701,169	701,169	Note 2
9	PLANETSPARK PTE. LTD.	EXCELPOINT SYSTEMS (PTE) LTD	Other receivables - related parties	Y	124,280	116,172	116,172	5.55%	Short-term financing	-	Business Operation	-	-	-	250,940	250,940	Note 2
5	WT MICROELECTRONICS (SHANGHAI) CO., LTD.	EXCELPOINT INTERNATIONAL TRADING (SHANGHAI) CO., LTD	Other receivables - related parties	Y	617,624	617,624	617,624	3.65%	Short-term financing	-	Business Operation	-	-	-	1,597,744	1,597,744	Note 2
9	PLANETSPARK PTE. LTD.	SPACEAGE LABS LTE LTD.	Other receivables - non related	N	8,726	8,715	8,715	7.50%	Short-term financing	-	Business Operation	-	-	-	75,282	100,376	Note 3

Note 1: The numbers filled in for the loans provided by the Company or subsidiaries are as follows:

(1) The Company is '0'.

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

Note 2: The policy for loans granted mutually between overseas subsidiaries of which the Company directly or indirectly holds 100% of their voting shares is as follows: ceiling on total loans granted by an overseas subsidiary to all overseas subsidiaries and limit on loans granted by an overseas subsidiary to a single overseas subsidiary are the Creditor's net assets.

Note 3: The policy for loans between the Company and subsidiaries and company's with short-term capital needs is as follows: limit on loans granted by the Company and subsidiaries single party is 30% of the company's net assets, based on the most recent financial statements of the company, ceiling on total loans granted by a company is 40% of the company's net assets.

Note 4: The net assets referred to above are based on the latest audited or reviewed financial statements.

WT Microelectronics Co., Ltd. and subsidiaries  
Provision of endorsements and guarantees to others  
Nine months ended September 30, 2023

Table 2

Expressed in thousands of NTD  
(Except as otherwise indicated)

Number (Note 1)	Endorser/ guarantor	Company name	Relationship with the endorser / guarantor (Note 2)	Party being endorsed/guaranteed	Limit on endorsements / guarantees provided for a single party (Note 3)	Maximum outstanding		Actual amount drawn down	Amount of endorsements / guarantees secured with collateral	Ratio of accumulated endorsement/guarantee amount to net asset value of the endorser/guarantor company	Ceiling on total amount of endorsements / guarantees provided (Note 3)	Provision of endorsements / guarantees by parent company to subsidiary	Provision of endorsements / guarantees by subsidiary to parent company	Provision of endorsements / guarantees to the party in Mainland China	Footnote
						endorsement / guarantee amount as of September 30, 2023	Outstanding endorsement / guarantee amount at September 30, 2023								
0	WT MICROELECTRONICS CO., LTD.	NUVISION TECHNOLOGY INC.	2		\$ 244,672,680	\$ 800,000	\$ 800,000	\$ 800,000	-	1.31%	\$ 244,672,680	Y	N	N	
0	WT MICROELECTRONICS CO., LTD.	HONGTECH ELECTRONICS CO., LTD.	2		244,672,680	155,350	-	-	-	0.00%	\$ 244,672,680	Y	N	N	
0	WT MICROELECTRONICS CO., LTD.	MAXTEK TECHNOLOGY CO., LTD.	2		244,672,680	387,240	387,240	87,841	-	0.63%	244,672,680	Y	N	N	
0	WT MICROELECTRONICS CO., LTD.	WT SOLOMON QCE LIMITED	2		244,672,680	1,290,800	1,290,800	-	-	2.11%	244,672,680	Y	N	N	
0	WT MICROELECTRONICS CO., LTD.	WT MICROELECTRONICS (HONG KONG) LIMITED	2		244,672,680	2,420,250	2,420,250	-	-	3.96%	244,672,680	Y	N	N	
0	WT MICROELECTRONICS CO., LTD.	WT TECHNOLOGY KOREA CO., LTD.	2		244,672,680	67,767	67,767	3,963	-	0.11%	244,672,680	Y	N	N	
0	WT MICROELECTRONICS CO., LTD.	WONCHANG SEMICONDUCTOR CO., LTD.	2		244,672,680	1,614	1,614	142	-	0.00%	244,672,680	Y	N	N	
0	WT MICROELECTRONICS CO., LTD.	LEADER'S TECHNOLOGY CO., LTD.	2		244,672,680	2,259	2,259	-	-	0.00%	244,672,680	Y	N	N	
0	WT MICROELECTRONICS CO., LTD.	MORRIHAN SINGAPORE PTE. LTD.	2		244,672,680	322,700	322,700	-	-	0.53%	244,672,680	Y	N	N	
0	WT MICROELECTRONICS CO., LTD.	WT MICROELECTRONICS (SHANGHAI) CO., LTD.	2		244,672,680	6,177,950	6,177,950	661,740	-	10.10%	244,672,680	Y	N	Y	
0	WT MICROELECTRONICS CO., LTD.	WT MICROELECTRONICS (SHENZHEN) CO., LTD.	2		244,672,680	1,994,655	1,994,655	176,464	-	3.26%	244,672,680	Y	N	Y	
0	WT MICROELECTRONICS CO., LTD.	MORRIHAN INTERNATIONAL CORP.	2		244,672,680	1,811,777	1,811,777	1,505,309	-	2.96%	244,672,680	Y	N	N	
1	EXCELPOINT TECHNOLOGY PTE. LTD.	EXCELPOINT SYSTEMS (H.K.) LIMITED	2		19,771,440	5,085,670	467,915	-	-	35.50%	19,771,440	N	N	N	Note 4
1	EXCELPOINT TECHNOLOGY PTE. LTD.	EXCELPOINT INTERNATIONAL TRADING (SHANGHAI) CO., LTD.	2		19,771,440	61,420	-	-	-	0.00%	19,771,440	N	N	Y	Note 4
1	EXCELPOINT TECHNOLOGY PTE. LTD.	SYNERGY ELECTRONICS (SHENZHEN) CO., LTD.	2		19,771,440	30,710	-	-	-	0.00%	19,771,440	N	N	Y	Note 4
1	EXCELPOINT TECHNOLOGY PTE. LTD.	EXCELPOINT SYSTEMS (PTE) LTD	2		19,771,440	5,130,317	774,480	206,231	-	58.76%	19,771,440	N	N	N	Note 4
1	EXCELPOINT TECHNOLOGY PTE. LTD.	PLANETSPARK PTE. LTD.	2		19,771,440	111,430	-	-	-	0.00%	19,771,440	N	N	N	Note 4
2	EXCELPOINT SYSTEMS (H.K.) LIMITED	EXCELPOINT INTERNATIONAL TRADING (SHANGHAI) CO., LTD.	2		41,139,720	61,420	-	-	-	0.00%	41,139,720	N	N	Y	Note 4
2	EXCELPOINT SYSTEMS (H.K.) LIMITED	SYNERGY ELECTRONICS (SHENZHEN) CO., LTD.	2		41,139,720	30,710	-	-	-	0.00%	41,139,720	N	N	Y	Note 4
3	ANALOG WORLD CO., LTD.	LEADER'S TECHNOLOGY CO., LTD.	2		1,591,388	37,222	36,240	-	-	9.11%	1,591,388	N	N	N	Note 5

Note 1: The numbers filled in for the endorsements/guarantees provided by the Company or subsidiaries are as follows:

- (1) The Company is '0'.
- (2) The subsidiaries are numbered in order starting from '1'.

Note 2: Relationship between the endorser/guarantor and the party being endorsed/guaranteed is classified into the following three categories:

- (1) Having business relationship.
- (2) The endorser/guarantor parent company owns directly and indirectly more than 50% voting shares of the endorsed/guaranteed subsidiary.
- (3) The endorser/guarantor parent company owns directly and indirectly more than 90% voting shares of the endorsed/guaranteed company.

Note 3: For a single party who owns directly and indirectly more than 50% voting shares of the Company should not be in excess of 400% of the Company's net assets, which are based on the latest financial statements audited or reviewed by the Company's CPA.

Note 4: The limit of endorsement guarantees by Excelpoint Technology Pte. Ltd. and Excelpoint Systems (H.K.) Limited for a single enterprise and the total limit of endorsement guarantees should not be in excess of 15 times the Company's net assets.

Note 5: Analog World Co., Ltd. for a single enterprise and the total limit of endorsement guarantees should not be in excess of 400% the Company's net assets.

WT Microelectronics Co., Ltd. and subsidiaries

Holding of marketable securities (not including subsidiaries, associates and joint ventures)

Nine months ended September 30, 2023

Table 3

Expressed in thousands of NTD

(Except as otherwise indicated)

Securities held by	Type of securities	Name of securities	Relationship with the securities issuer	General ledger account (Note)	As of September 30, 2023				Footnote
					Number of shares	Book value	Ownership (%)	Fair value	
WT MICROELECTRONICS CO., LTD.	Common stock	TERAWINS, INC.	None	2	666,248	\$ 6,070	2.19	\$ 6,070	
WT MICROELECTRONICS CO., LTD.	Common stock	AIPTEK INTERNATIONAL INC.	None	2	48,778	-	0.18	-	
WT MICROELECTRONICS CO., LTD.	Common stock	SANJET TECHNOLOGY CORP.	None	2	43,588	-	0.14	-	
WT MICROELECTRONICS CO., LTD.	Common stock	CORERIVER SEMICONDUCTOR CO., LTD.	None	2	28,570	-	0.70	-	
WT MICROELECTRONICS CO., LTD.	Limited Partnership	FORYOU VENTURE CAPITAL LIMITED PARTNERSHIP	None	2	-	38,671	6.73	38,671	
WT MICROELECTRONICS CO., LTD.	Common stock	ASMEDIA TECHNOLOGY INC.	None	2	9,000,000	10,395,000	12.97	10,395,000	
WT MICROELECTRONICS CO., LTD.	Funds	YUANTA GLOBAL NEXGEN COMMUNICATION INNOVATIVE TCHNOLOGY ETF	None	3	350,000	10,189	-	10,189	
WT MICROELECTRONICS CO., LTD.	Private equity funds	FUH HWA ENERGY - EFFICIENT FUND	None	4	9,443,802	100,199	-	100,199	
WT MICROELECTRONICS CO., LTD.	Funds	FUH HWA TAIWAN GOOD INCOME FUND TWD	None	4	3,000,000	29,670	-	29,670	
WT MICROELECTRONICS CO., LTD.	Common stock	SINO-AMERICAN SILICON PRODUCTS INC.	None	2	7,139,000	1,120,823	1.22	1,120,823	
WT MICROELECTRONICS CO., LTD.	Common stock	JESS-LINK PRODUCTS CO., LTD.	None	2	1,043,000	75,930	0.85	75,930	
WT MICROELECTRONICS CO., LTD.	Private equity funds	FUH HWA GLOBAL IOT AND TECH FUND	None	4	10,010,010	100,400	-	100,400	
WT MICROELECTRONICS CO., LTD.	Common stock	ZILLTEK TECHNOLOGY CORP.	None	2	260,000	87,880	0.47	87,880	
WT MICROELECTRONICS CO., LTD.	Common stock	NICHIDENBO CORPORATION	None	2	1,000,000	59,500	0.47	59,500	
WT MICROELECTRONICS CO., LTD.	Ordinary shares raised through the private placement	NICHIDENBO CORPORATION	None	2	30,000,000	1,599,900	14.11	1,599,900	
WT MICROELECTRONICS CO., LTD.	Common stock	DAYPOWER ENERGY CO., LTD.	None	2	1,000,000	12,500	10.00	12,500	
NUVISION TECHNOLOGY INC.	Common stock	JESS-LINK PRODUCTS CO., LTD.	None	2	196,000	14,269	0.16	14,269	
NUVISION TECHNOLOGY INC.	Common stock	ZILLTEK TECHNOLOGY CORP.	None	2	307,000	103,766	0.56	103,766	
MORRIHAN INTERNATIONAL CORP.	Common stock	JESS-LINK PRODUCTS CO., LTD.	None	2	688,000	50,086	0.56	50,086	
MORRIHAN INTERNATIONAL CORP.	Common stock	ZILLTEK TECHNOLOGY CORP.	None	2	329,000	111,202	0.60	111,202	
WINTECH MICROELECTRONICS HOLDING LTD.	Preferred shares	LIFEMAX HEALTHCARE INTERNATIONAL CORPORATION	None	4	2,702,703	27,909	0.79	27,909	
WINTECH MICROELECTRONICS HOLDING LTD.	Bonds	EXXON MOBIL CORPORATION	None	4	100	273	-	273	
WINTECH MICROELECTRONICS HOLDING LTD.	Private equity funds	CATHAY PRIVATE EQUITY ECOLOGY LIMITED PARTNERSHIP	None	4	-	16,167	-	16,167	



Securities held by	Type of securities	Name of securities	Relationship with the securities issuer	General ledger account (Note)	As of September 30, 2023				Footnote
					Number of shares	Book value	Ownership (%)	Fair value	
WINTech MICROELECTRONICS HOLDING LTD.	Preferred shares	AVIVA TECHNOLOGY HOLDING	None	4	659,034	\$ 44,762	1.65	\$ 44,762	
WINTech MICROELECTRONICS HOLDING LTD.	Common stock	DRAGON YI INVESTMENT LTD.	None	2	600,000	19,362	19.35	19,362	
WINTech MICROELECTRONICS HOLDING LTD.	Private equity funds	IMPACT SCIENCE VENTURES FUND I, L.P	None	4	-	42,404	-	42,404	
WINTech MICROELECTRONICS HOLDING LTD.	Common stock	SYNERGY ELECTRONICS (SHENZHEN) CO., LTD.	None	2	-	18,385	13.33	18,385	
MILESTONE INVESTMENT CO., LTD.	Common stock	GRAND FORTUNE SECURITIES CO., LTD.	None	3	447,871	5,195	0.11	5,195	
MILESTONE INVESTMENT CO., LTD.	Common stock	GRAND FORTUNE SECURITIES CO., LTD.	None	2	7,140,443	82,829	1.80	82,829	
EXCELPOINT TECHNOLOGY PTE. LTD.	Common stock	ANSWER TECHNOLOGY CO., LTD.	None	2	498,169	25,444	0.75	25,444	
EXCELPOINT TECHNOLOGY PTE. LTD.	Common stock	IWOW TEACHNOLOGY LTD.	None	2	3,000,000	16,582	1.14	16,582	
PLANETSPARK PTE. LTD.	Convertible bonds	MERIDIAN INNOVATION PTE LTD.	None	3	-	25,816	-	25,816	
PLANETSPARK PTE. LTD.	Preferred shares	MERIDIAN INNOVATION PTE LTD.	None	2	1,307,790	105,574	-	105,574	
PLANETSPARK PTE. LTD.	Convertible bonds	VIVO SURGICAL PRIVATE LIMITED	None	4	-	16,135	-	16,135	

Note : Code of general ledger accounts: 1- Financial assets at fair value through other comprehensive income - current

2- Financial assets at fair value through other comprehensive income - non-current

3- Financial assets at fair value through profit or loss - current

4- Financial assets at fair value through profit or loss - non-current

WT Microelectronics Co., Ltd. and subsidiaries  
Purchases or sales of goods from or to related parties reaching NT\$100 million or 20% of paid-in capital or more  
Nine months ended September 30, 2023

Table 4

Expressed in thousands of NTD  
(Except as otherwise indicated)

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction			Differences in transaction terms compared to third party transactions		Notes/accounts receivable (payable)		Footnote
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	
WT MICROELECTRONICS CO., LTD.	MORRIHAN INTERNATIONAL CORP.	Affiliates	Sales	\$ 80,615,347	30	Closes its accounts 90 days after the end of each month	Based on product, market price of inventory cost and other trading conditions	No material difference	\$ 13,829,009	26
WT MICROELECTRONICS CO., LTD.	MAXTEK TECHNOLOGY CO., LTD.	Affiliates	Sales	138,309	-	Closes its accounts 90 days after the end of each month	Based on product, market price of inventory cost and other trading conditions	No material difference	-	-
WT MICROELECTRONICS CO., LTD.	WT MICROELECTRONICS (HONG KONG) LIMITED	Affiliates	Sales	31,497,995	12	Closes its accounts 90 days after the end of each month	Based on product, market price of inventory cost and other trading conditions	No material difference	10,157,833	19
WT MICROELECTRONICS CO., LTD.	WT SOLOMON QCE LIMITED	Affiliates	Sales	2,243,896	1	Closes its accounts 90 days after the end of each month	Based on product, market price of inventory cost and other trading conditions	No material difference	326,013	-
WT MICROELECTRONICS CO., LTD.	WINTECH MICROELECTRONICS LTD.	Affiliates	Sales	9,782,337	4	Closes its accounts 90 days after the end of each month	Based on product, market price of inventory cost and other trading conditions	No material difference	1,213,839	2
WT MICROELECTRONICS CO., LTD.	WT TECHNOLOGY PTE. LTD.	Affiliates	Sales	4,659,709	2	Closes its accounts 90 days after the end of each month	Based on product, market price of inventory cost and other trading conditions	No material difference	1,398,712	3
WT MICROELECTRONICS CO., LTD.	WONCHANG SEMICONDUCTOR CO., LTD.	Affiliates	Sales	394,518	-	Closes its accounts 90 days after the end of each month	Based on product, market price of inventory cost and other trading conditions	No material difference	10,599	-
WT MICROELECTRONICS CO., LTD.	WT MICROELECTRONICS SINGAPORE PTE. LTD.	Affiliates	Sales	7,370,407	3	Closes its accounts 90 days after the end of each month	Based on product, market price of inventory cost and other trading conditions	No material difference	2,515,667	5
WT MICROELECTRONICS CO., LTD.	WT TECHNOLOGY KOREA CO., LTD.	Affiliates	Sales	3,232,721	1	Closes its accounts 90 days after the end of each month	Based on product, market price of inventory cost and other trading conditions	No material difference	944,143	2
WT MICROELECTRONICS CO., LTD.	LEADER'S TECHNOLOGY CO., LTD.	Affiliates	Sales	217,267	-	Closes its accounts 90 days after the end of each month	Based on product, market price of inventory cost and other trading conditions	No material difference	155,922	-
WT MICROELECTRONICS CO., LTD.	MORRIHAN INTERNATIONAL CORP.	Affiliates	Purchases	2,441,155	2	Closes its accounts 90 days after the end of each month	Based on product, market price of inventory cost and other trading conditions	No material difference	-	-
WT MICROELECTRONICS CO., LTD.	NUVISION TECHNOLOGY INC.	Affiliates	Purchases	3,686,443	3	Closes its accounts 90 days after the end of each month	Based on product, market price of inventory cost and other trading conditions	No material difference	( 85,628)	-
WT MICROELECTRONICS CO., LTD.	TECHMOSA INTERNATIONAL INC.	Affiliates	Purchases	586,748	-	Closes its accounts 90 days after the end of each month	Based on product, market price of inventory cost and other trading conditions	No material difference	( 249,977)	-
WT MICROELECTRONICS CO., LTD.	MAXTEK TECHNOLOGY CO., LTD.	Affiliates	Purchases	299,277	-	Closes its accounts 90 days after the end of each month	Based on product, market price of inventory cost and other trading conditions	No material difference	( 53,325)	-
WT MICROELECTRONICS CO., LTD.	HONGTECH ELECTRONICS CO., LTD.	Affiliates	Purchases	198,281	-	Closes its accounts 90 days after the end of each month	Based on product, market price of inventory cost and other trading conditions	No material difference	( 29,922)	-

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction			Differences in transaction terms compared to third party transactions		Notes/accounts receivable (payable)		Footnote
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	
NUVISION TECHNOLOGY INC.	WT MICROELECTRONICS (HONG KONG) LIMITED	Affiliates	Sales	\$ 2,231,080	15	Closes its accounts 90 days after the end of each month	Based on product, market price of inventory cost and other trading conditions	No material difference	\$ 951,300	26
NUVISION TECHNOLOGY INC.	WT TECHNOLOGY PTE. LTD.	Affiliates	Sales	2,246,610	15	Closes its accounts 90 days after the end of each month	Based on product, market price of inventory cost and other trading conditions	No material difference	1,102,232	30
NUVISION TECHNOLOGY INC.	WT SOLOMON QCE LIMITED	Affiliates	Sales	704,789	5	Closes its accounts 90 days after the end of each month	Based on product, market price of inventory cost and other trading conditions	No material difference	242,963	7
NUVISION TECHNOLOGY INC.	WT MICROELECTRONICS SINGAPORE PTE. LTD.	Affiliates	Sales	228,099	2	Closes its accounts 90 days after the end of each month	Based on product, market price of inventory cost and other trading conditions	No material difference	21,642	-
NUVISION TECHNOLOGY INC.	WINTECH MICROELECTRONICS LTD.	Affiliates	Sales	389,394	3	Closes its accounts 90 days after the end of each month	Based on product, market price of inventory cost and other trading conditions	No material difference	101,928	3
MORRIHAN INTERNATIONAL CORP.	WT MICROELECTRONICS (HONG KONG) LIMITED	Affiliates	Sales	1,983,315	1	Closes its accounts 90 days after the end of each month	Based on product, market price of inventory cost and other trading conditions	No material difference	1,683,169	4
MORRIHAN INTERNATIONAL CORP.	WT TECHNOLOGY PTE. LTD.	Affiliates	Sales	267,737	-	Closes its accounts 90 days after the end of each month	Based on product, market price of inventory cost and other trading conditions	No material difference	148,415	-
MORRIHAN INTERNATIONAL CORP.	MORRIHAN SINGAPORE PTE. LTD.	Affiliates	Sales	53,239,157	32	Closes its accounts 90 days after the end of each month	Based on product, market price of inventory cost and other trading conditions	No material difference	13,875,264	33
MORRIHAN INTERNATIONAL CORP.	ANALOG WORLD CO., LTD.	Affiliates	Sales	1,037,176	1	Closes its accounts 90 days after the end of each month	Based on product, market price of inventory cost and other trading conditions	No material difference	208,206	-
MORRIHAN INTERNATIONAL CORP.	WINTECH MICROELECTRONICS LTD.	Affiliates	Sales	610,358	-	Closes its accounts 90 days after the end of each month	Based on product, market price of inventory cost and other trading conditions	No material difference	94,371	-
TECHMOSA INTERNATIONAL INC.	WT MICROELECTRONICS (HONG KONG) LIMITED	Affiliates	Sales	459,252	16	Closes its accounts 90 days after the end of each month	Based on product, market price of inventory cost and other trading conditions	No material difference	242,237	21
MAXTEK TECHNOLOGY CO., LTD.	HONGTECH ELECTRONICS CO., LTD.	Affiliates	Sales	249,751	6	Closes its accounts 90 days after the end of each month	Based on product, market price of inventory cost and other trading conditions	No material difference	-	-
HONGTECH ELECTRONICS CO., LTD.	MAXTEK TECHNOLOGY CO., LTD.	Affiliates	Sales	2,028,569	38	Closes its accounts 90 days after the end of each month	Based on product, market price of inventory cost and other trading conditions	No material difference	( 147,548 )	( 19 )
WINTECH MICROELECTRONICS LTD.	WT MICROELECTRONICS (SHANGHAI) CO., LTD.	Affiliates	Sales	2,449,692	22	Closes its accounts 90 days after the end of each month	Based on product, market price of inventory cost and other trading conditions	No material difference	1,707,949	22
WINTECH MICROELECTRONICS LTD.	WT MICROELECTRONICS (SHENZHEN) CO., LTD.	Affiliates	Sales	8,465,882	78	Closes its accounts 90 days after the end of each month	Based on product, market price of inventory cost and other trading conditions	No material difference	5,963,167	78
EXCELPOINT SYSTEMS (H.K.) LIMITED	EXCELPOINT INTERNATIONAL TRADING (SHANGHAI) CO., LTD.	Affiliates	Sales	360,261	1	Closes its accounts 90 days after the end of each month	Based on product, market price of inventory cost and other trading conditions	No material difference	800,770	12

WT Microelectronics Co., Ltd. and subsidiaries  
Receivables from related parties reaching NT\$100 million or 20% of paid-in capital or more  
September 30, 2023

Table 5

Expressed in thousands of NTD  
(Except as otherwise indicated)

Creditor	Counterparty	Relationship with the counterparty	Balance as at September 30, 2023	Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
					Amount	Action taken		
WT MICROELECTRONICS CO., LTD.	MORRIHAN INTERNATIONAL CORP.	Affiliates	\$ 13,829,009	9.45	\$ -		\$ 248,454	\$ -
WT MICROELECTRONICS CO., LTD.	WT MICROELECTRONICS (HONG KONG) LIMITED	Affiliates	10,157,833	5.12	-		258,279	-
WT MICROELECTRONICS CO., LTD.	WT SOLOMON QCE LIMITED	Affiliates	326,013	2.44	-		-	-
WT MICROELECTRONICS CO., LTD.	WT TECHNOLOGY PTE. LTD.	Affiliates	1,398,712	4.60	-		-	-
WT MICROELECTRONICS CO., LTD.	WT MICROELECTRONICS SINGAPORE PTE. LTD.	Affiliates	2,515,667	4.98	-		915,332	-
WT MICROELECTRONICS CO., LTD.	WT TECHNOLOGY KOREA CO., LTD.	Affiliates	944,143	6.56	146	Collection after the period	-	-
WT MICROELECTRONICS CO., LTD.	WINTech MICROELECTRONICS LTD.	Affiliates	1,213,839	14.31	-		695,412	-
WT MICROELECTRONICS CO., LTD.	LEADER'S TECHNOLOGY CO., LTD.	Affiliates	155,922	3.72	-		-	-
NUVISION TECHNOLOGY INC.	WT MICROELECTRONICS (HONG KONG) LIMITED	Affiliates	951,300	3.68	-		627,923	-
NUVISION TECHNOLOGY INC.	WT TECHNOLOGY PTE. LTD.	Affiliates	1,102,232	3.71	-		203,314	-
NUVISION TECHNOLOGY INC.	WT SOLOMON QCE LIMITED	Affiliates	242,963	2.97	-		82,241	-
NUVISION TECHNOLOGY INC.	WINTech MICROELECTRONICS LTD.	Affiliates	101,928	6.84	-		97,691	-
MORRIHAN INTERNATIONAL CORP.	WT MICROELECTRONICS (HONG KONG) LIMITED	Affiliates	1,683,169	2.64	-		1,639,329	-
MORRIHAN INTERNATIONAL CORP.	WT TECHNOLOGY PTE. LTD.	Affiliates	148,415	3.67	-		-	-
MORRIHAN INTERNATIONAL CORP.	MORRIHAN SINGAPORE PTE. LTD.	Affiliates	13,875,264	8.66	-		7,638,069	-
MORRIHAN INTERNATIONAL CORP.	ANALOG WORLD CO., LTD.	Affiliates	208,206	7.55	-		-	-
TECHMOSA INTERNATIONAL INC.	WT MICROELECTRONICS CO., LTD.	Affiliates	249,977	4.78	-		-	-
TECHMOSA INTERNATIONAL INC.	WT MICROELECTRONICS (HONG KONG) LIMITED	Affiliates	242,237	2.12	-		-	-
MAXTEK TECHNOLOGY CO., LTD.	HONGTECH ELECTRONICS CO., LTD.	Affiliates	147,548	25.15	-		77,652	-
WINTech MICROELECTRONICS LTD.	WT MICROELECTRONICS (SHENZHEN) CO., LTD.	Affiliates	1,707,949	1.59	618,212	Collection after the period	223,015	-
WINTech MICROELECTRONICS LTD.	WT MICROELECTRONICS (SHANGHAI) CO., LTD.	Affiliates	5,963,167	2.10	1,614,697	Collection after the period	441,492	-
EXCELPOINT SYSTEMS (H.K.) LIMITED	EXCELPOINT INTERNATIONAL TRADING (SHANGHAI) CO., LTD.	Affiliates	800,770	0.45	193,727	Collection after the period	77,035	-

Creditor	Counterparty	Relationship with the counterparty	Balance as at September 30, 2023	Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
					Amount	Action taken		

Note: For information on loans between the Company and subsidiaries, refer to table 1.

WT Microelectronics Co., Ltd. and subsidiaries  
Significant inter-company transactions during the reporting period  
Nine months ended September 30, 2023

Table 6

Expressed in thousands of NTD  
(Except as otherwise indicated)

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction (Note 4)		Transaction terms	Percentage of total operating revenues or total assets (Note 5)
				General ledger account	Amount		
0	WT MICROELECTRONICS CO., LTD.	MORRIHAN INTERNATIONAL CORP.	Affiliates	Sales	\$ 80,615,347	(Note 3)	20
0	WT MICROELECTRONICS CO., LTD.	MORRIHAN INTERNATIONAL CORP.	Affiliates	Accounts receivable	13,829,009	(Note 3)	6
0	WT MICROELECTRONICS CO., LTD.	MAXTEK TECHNOLOGY CO., LTD.	Affiliates	Sales	138,309	(Note 3)	-
0	WT MICROELECTRONICS CO., LTD.	WT MICROELECTRONICS (HONG KONG) LIMITED	Affiliates	Sales	31,497,995	(Note 3)	8
0	WT MICROELECTRONICS CO., LTD.	WT MICROELECTRONICS (HONG KONG) LIMITED	Affiliates	Accounts receivable	10,157,833	(Note 3)	4
0	WT MICROELECTRONICS CO., LTD.	WT SOLOMON QCE LIMITED	Affiliates	Sales	2,243,896	(Note 3)	1
0	WT MICROELECTRONICS CO., LTD.	WT SOLOMON QCE LIMITED	Affiliates	Accounts receivable	326,013	(Note 3)	-
0	WT MICROELECTRONICS CO., LTD.	WINTECH MICROELECTRONICS LTD.	Affiliates	Sales	9,782,337	(Note 3)	2
0	WT MICROELECTRONICS CO., LTD.	WINTECH MICROELECTRONICS LTD.	Affiliates	Accounts receivable	1,213,839	(Note 3)	1
0	WT MICROELECTRONICS CO., LTD.	WT TECHNOLOGY PTE. LTD.	Affiliates	Sales	4,659,709	(Note 3)	1
0	WT MICROELECTRONICS CO., LTD.	WT TECHNOLOGY PTE. LTD.	Affiliates	Accounts receivable	1,398,712	(Note 3)	1
0	WT MICROELECTRONICS CO., LTD.	WT MICROELECTRONICS SINGAPORE PTE. LTD.	Affiliates	Sales	7,370,407	(Note 3)	2
0	WT MICROELECTRONICS CO., LTD.	WT MICROELECTRONICS SINGAPORE PTE. LTD.	Affiliates	Accounts receivable	2,515,667	(Note 3)	1
0	WT MICROELECTRONICS CO., LTD.	WT TECHNOLOGY KOREA CO., LTD.	Affiliates	Sales	3,232,721	(Note 3)	1
0	WT MICROELECTRONICS CO., LTD.	WT TECHNOLOGY KOREA CO., LTD.	Affiliates	Accounts receivable	944,143	(Note 3)	-
0	WT MICROELECTRONICS CO., LTD.	WONCHANG SEMICONDUCTOR CO., LTD.	Affiliates	Sales	394,518	(Note 3)	-
0	WT MICROELECTRONICS CO., LTD.	LEADER'S TECHNOLOGY CO., LTD.	Affiliates	Sales	217,267	(Note 3)	-
0	WT MICROELECTRONICS CO., LTD.	LEADER'S TECHNOLOGY CO., LTD.	Affiliates	Accounts receivable	155,922	(Note 3)	-
0	WT MICROELECTRONICS CO., LTD.	MORRIHAN INTERNATIONAL CORP.	Affiliates	Purchases	2,441,455	(Note 3)	1
0	WT MICROELECTRONICS CO., LTD.	NUVISION TECHNOLOGY INC.	Affiliates	Purchases	3,686,443	(Note 3)	1
0	WT MICROELECTRONICS CO., LTD.	TECHMOSA INTERNATIONAL INC.	Affiliates	Purchases	586,748	(Note 3)	-
0	WT MICROELECTRONICS CO., LTD.	TECHMOSA INTERNATIONAL INC.	Affiliates	Accounts payable	249,977	(Note 3)	-
0	WT MICROELECTRONICS CO., LTD.	MAXTEK TECHNOLOGY CO., LTD.	Affiliates	Purchases	299,277	(Note 3)	-
0	WT MICROELECTRONICS CO., LTD.	HONGTECH ELECTRONICS CO., LTD.	Affiliates	Purchases	198,281	(Note 3)	-
1	NUVISION TECHNOLOGY INC.	WT MICROELECTRONICS (HONG KONG) LIMITED	Affiliates	Sales	2,231,080	(Note 3)	1
1	NUVISION TECHNOLOGY INC.	WT MICROELECTRONICS (HONG KONG) LIMITED	Affiliates	Accounts receivable	951,300	(Note 3)	-
1	NUVISION TECHNOLOGY INC.	WT TECHNOLOGY PTE. LTD.	Affiliates	Sales	2,246,610	(Note 3)	1
1	NUVISION TECHNOLOGY INC.	WT TECHNOLOGY PTE. LTD.	Affiliates	Accounts receivable	1,102,232	(Note 3)	-
1	NUVISION TECHNOLOGY INC.	WT MICROELECTRONICS SINGAPORE PTE. LTD.	Affiliates	Sales	228,099	(Note 3)	-
1	NUVISION TECHNOLOGY INC.	WT SOLOMON QCE LIMITED	Affiliates	Sales	704,789	(Note 3)	-
1	NUVISION TECHNOLOGY INC.	WT SOLOMON QCE LIMITED	Affiliates	Accounts receivable	242,963	(Note 3)	-
1	NUVISION TECHNOLOGY INC.	WINTECH MICROELECTRONICS LTD.	Affiliates	Sales	389,394	(Note 3)	-
1	NUVISION TECHNOLOGY INC.	WINTECH MICROELECTRONICS LTD.	Affiliates	Accounts receivable	101,928	(Note 3)	-

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction (Note 4)			Percentage of total operating revenues or total assets (Note 5)
				General ledger account	Amount	Transaction terms	
2	MORRIHAN INTERNATIONAL CORP.	WT MICROELECTRONICS (HONG KONG) LIMITED	Affiliates	Sales	\$ 1,983,315	(Note 3)	-
2	MORRIHAN INTERNATIONAL CORP.	WT MICROELECTRONICS (HONG KONG) LIMITED	Affiliates	Accounts receivable	1,683,169	(Note 3)	1
2	MORRIHAN INTERNATIONAL CORP.	WT TECHNOLOGY PTE. LTD.	Affiliates	Sales	267,737	(Note 3)	-
2	MORRIHAN INTERNATIONAL CORP.	WT TECHNOLOGY PTE. LTD.	Affiliates	Accounts receivable	148,415	(Note 3)	-
2	MORRIHAN INTERNATIONAL CORP.	MORRIHAN SINGAPORE PTE. LTD.	Affiliates	Sales	53,239,157	(Note 3)	13
2	MORRIHAN INTERNATIONAL CORP.	MORRIHAN SINGAPORE PTE. LTD.	Affiliates	Accounts receivable	13,875,264	(Note 3)	6
2	MORRIHAN INTERNATIONAL CORP.	ANALOG WORLD CO., LTD.	Affiliates	Sales	1,037,176	(Note 3)	-
2	MORRIHAN INTERNATIONAL CORP.	ANALOG WORLD CO., LTD.	Affiliates	Accounts receivable	208,206	(Note 3)	-
2	MORRIHAN INTERNATIONAL CORP.	WINTECH MICROELECTRONICS LTD.	Affiliates	Sales	610,358	(Note 3)	-
3	TECHMOSA INTERNATIONAL INC.	WT MICROELECTRONICS (HONG KONG) LIMITED	Affiliates	Sales	459,252	(Note 3)	-
3	TECHMOSA INTERNATIONAL INC.	WT MICROELECTRONICS (HONG KONG) LIMITED	Affiliates	Accounts receivable	242,237	(Note 3)	-
4	MAXTEK TECHNOLOGY CO., LTD.	HONGTECH ELECTRONICS CO., LTD.	Affiliates	Sales	249,751	(Note 3)	-
5	HONGTECH ELECTRONICS CO., LTD.	MAXTEK TECHNOLOGY CO., LTD.	Affiliates	Sales	2,028,569	(Note 3)	1
5	HONGTECH ELECTRONICS CO., LTD.	MAXTEK TECHNOLOGY CO., LTD.	Affiliates	Accounts payable	147,548		-
6	WINTECH MICROELECTRONICS LTD.	WT MICROELECTRONICS (SHENZHEN) CO., LTD.	Affiliates	Sales	2,449,692	(Note 3)	1
6	WINTECH MICROELECTRONICS LTD.	WT MICROELECTRONICS (SHENZHEN) CO., LTD.	Affiliates	Accounts receivable	1,707,949	(Note 3)	1
6	WINTECH MICROELECTRONICS LTD.	WT MICROELECTRONICS (SHANGHAI) CO., LTD.	Affiliates	Sales	8,465,882	(Note 3)	2
6	WINTECH MICROELECTRONICS LTD.	WT MICROELECTRONICS (SHANGHAI) CO., LTD.	Affiliates	Accounts receivable	5,963,167	(Note 3)	3
7	EXCELPOINT SYSTEMS (H.K.) LIMITED	EXCELPOINT INTERNATIONAL TRADING (SHANGHAI) CO., LTD.	Affiliates	Sales	360,261	(Note 3)	-
7	EXCELPOINT SYSTEMS (H.K.) LIMITED	EXCELPOINT INTERNATIONAL TRADING (SHANGHAI) CO., LTD.	Affiliates	Accounts receivable	800,770	(Note 3)	-

Note 1: The information of transactions between the Company and the consolidated subsidiaries should be noted in "Number" column.

(1) Number 0 represents the Company.

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

Note 2: The transaction relationships with the counterparties are as follows:

(1) The Company to the consolidated subsidiary.

(2) The consolidated subsidiary to the Company.

(3) The consolidated subsidiary to another consolidated subsidiary.

Note 3: The prices and terms to related parties were similar to third parties. The credit term is 90 days after the end of each month.

Note 4: For sales, purchases and accounts receivable, transactions reaching NT\$100 million or 20% of paid-in capital or more should be disclosed.

Note 5: In calculating the ratio, the transaction amount is divided by consolidated total assets for balance sheet accounts and is divided by consolidated total revenues for income statement accounts.

Note 6: Information of loans between the Company and subsidiaries, please refer to table 1.

WT Microelectronics Co., Ltd. and subsidiaries

Names, locations and other information of investee companies (not including investees in Mainland China)

Nine months ended September 30, 2023

Table 7

Expressed in thousands of NTD  
(Except as otherwise indicated)

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at September 30, 2023			Net profit (loss) of the investee for the nine months ended September 30, 2023	Investment income (loss) recognised by the Company for the nine months ended September 30, 2023	Footnote
				Balance at September 30, 2023	Balance at December 31, 2022	Number of shares	Ownership (%)	Book value			
WT MICROELECTRONICS CO., LTD.	WINTECH MICROELECTRONICS HOLDING LIMITED	British Virgin Islands	Holding company	\$ 2,520,875	\$ 2,520,875	78,752,905	99.65	\$ 10,532,343	(\$ 5,427)	(\$ 5,427)	Subsidiary
WT MICROELECTRONICS CO., LTD.	TECHMOSA INTERNATIONAL INC.	Taiwan	Sales of electronic components	1,781,829	1,781,829	73,949,070	100.00	2,446,304	358,983	358,983	Subsidiary
WT MICROELECTRONICS CO., LTD.	MORRIHAN INTERNATIONAL CORP.	Taiwan	Sales of electronic components	3,106,620	3,106,620	283,760,000	100.00	5,248,676	1,031,995	1,031,995	Subsidiary
WT MICROELECTRONICS CO., LTD.	BSI SEMICONDUCTOR PTE. LTD.	Singapore	Holding company	486,289	486,289	7,544,002	100.00	852,262	19,704	19,704	Subsidiary
WT MICROELECTRONICS CO., LTD.	NUVISION TECHNOLOGY INC.	Taiwan	Sales of electronic components	323,751	323,030	28,227,197	100.00	1,279,899	237,806	237,731	Subsidiary
WT MICROELECTRONICS CO., LTD.	MILESTONE INVESTMENT CO., LTD.	Taiwan	General investment	61,985	61,985	4,500,000	100.00	100,679	823	823	Subsidiary
WT MICROELECTRONICS CO., LTD.	SINYIE INVESTMENT CO., LTD.	Taiwan	General investment	52,000	52,000	2,900,000	100.00	35,309	( 13)	( 13)	Subsidiary
WT MICROELECTRONICS CO., LTD.	MSD HOLDINGS PTE. LTD.	Singapore	Sales of electronic components	215,559	215,559	200,001	100.00	244,098	4,680	4,680	Subsidiary
WT MICROELECTRONICS CO., LTD.	MAXTEK TECHNOLOGY CO., LTD.	Taiwan	Sales of electronic components	1,895,949	1,895,949	70,220,331	100.00	1,884,766	273,197	273,197	Subsidiary
WT MICROELECTRONICS CO., LTD.	ANALOG WORLD CO., LTD.	South Korea	Sales of electronic components	397,230	397,230	120,000	100.00	495,267	23,950	23,950	Subsidiary
WT MICROELECTRONICS CO., LTD.	WT SEMICONDUCTOR HOLDINGS PTE. LTD.	Singapore	Holding company	4,057,274	4,057,274	96,318,912	80.00	4,252,555	( 62,238)	( 62,238)	Subsidiary
WT MICROELECTRONICS CO., LTD.	WT TECHNOLOGY (H.K.) LIMITED	Hong Kong	Sales of electronic components	4,808	4,808	1,000,000	100.00	5,071	( 66)	( 66)	Subsidiary
WT MICROELECTRONICS CO., LTD.	WT MICROELECTRONICS (HONG KONG) LIMITED	Hong Kong	Sales of electronic components	402,761	402,761	12,527,632	100.00	626,805	100,797	100,797	Subsidiary
WT MICROELECTRONICS CO., LTD.	WT SOLOMON QCE LIMITED	Hong Kong	Sales of electronic components	451,386	451,386	110,000,000	100.00	523,988	26,559	26,559	Subsidiary
WT MICROELECTRONICS CO., LTD.	WT MICROELECTRONICS SINGAPORE PTE. LTD.	Singapore	Sales of electronic components	128,849	128,849	1,500,000	100.00	312,817	143,937	143,937	Subsidiary
WT MICROELECTRONICS CO., LTD.	WT TECHNOLOGY PTE. LTD.	Singapore	Sales of electronic components	156,727	156,727	5,000,000	100.00	157,413	( 6,481)	( 6,481)	Subsidiary
WINTECH MICROELECTRONICS HOLDING LIMITED	PROMISING INVESTMENT LIMITED	Mauritius	General investment	988,511	988,511	30,632,506	100.00	772,807	( 217,305)	Note 1	Subsidiary



Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at September 30, 2023			Net profit (loss) of the investee for the nine months ended September 30, 2023	Investment income (loss) recognised by the Company for the nine months ended September 30, 2023	Footnote
				Balance at September 30, 2023	Balance at December 31, 2022	Number of shares	Ownership (%)	Book value			
WINTECH MICROELECTRONICS HOLDING LIMITED	WINTECH INVESTMENT CO., LTD.	Belize	General investment	\$ 678,346	\$ 678,346	21,020,957	100.00	\$ 1,089,829	\$ 87,653	Note 1	Subsidiary
WINTECH MICROELECTRONICS HOLDING LIMITED	WINTECH MICROELECTRONICS LTD.	Belize	Sales of electronic components	96,813	96,813	3,000,100	100.00	( 243,810)	( 233,712)	Note 1	Subsidiary
WINTECH MICROELECTRONICS HOLDING LIMITED	WINTECH MICROELECTRONICS LIMITED	British Virgin Islands	Holding company	161	161	5,000	100.00	6	-	Note 1	Subsidiary
WINTECH MICROELECTRONICS HOLDING LIMITED	JCD OPTICAL (CAYMAN) CO., LTD.	Cayman Islands	Holding company	76,606	76,606	5,869,093	19.80	20,024	( 45,504)	Note 1	Associates
WINTECH MICROELECTRONICS HOLDING LIMITED	JOY CAPITAL LTD.	Seychelles	General investment	38,724	38,724	1,200,000	17.65	12,233	( 3,154)	Note 1	Associates
WINTECH MICROELECTRONICS HOLDING LIMITED	RAINBOW STAR GROUP LIMITED	British Virgin Islands	General investment	32,270	32,270	18,924	24.65	18,474	( 19,870)	Note 1	Associates
WINTECH MICROELECTRONICS HOLDING LIMITED	BRILLNICS INC.	Cayman Islands	Holding company	1,257,368	1,257,368	49,336,630	61.46	193,113	146,588	Note 1	Subsidiary
PROMISING INVESTMENT LIMITED	NINO CAPITAL CO., LTD.	Samoa	Holding company	10,036	10,036	311,000	100.00	31,430	( 1,109)	Note 1	Subsidiary
PROMISING INVESTMENT LIMITED	RICH WEB LTD.	British Virgin Islands	Holding company	741,385	741,385	22,974,430	100.00	651,444	( 216,084)	Note 1	Subsidiary
WINTECH INVESTMENT CO., LTD.	WT MICROELECTRONICS (MALAYSIA) SDN. BHD.	Malaysia	Sales of electronic components	3,429	3,429	500,000	100.00	2,279	( 88)	Note 1	Subsidiary
WINTECH INVESTMENT CO., LTD.	WT TECHNOLOGY KOREA CO., LTD.	South Korea	Sales of electronic components	587,537	587,537	3,800,000	95.47	952,179	82,581	Note 1	Subsidiary
ANALOG WORLD CO., LTD.	LEADER'S TECHNOLOGY CO.,LTD	South Korea	Sales of electronic components	213,729	-	10,000	100.00	227,213	16,107	Note 1	Subsidiary
WT MICROELECTRONICS SINGAPORE PTE. LTD.	WT MICROELECTRONICS (THAILAND) LIMITED.	Thailand	Sales of electronic components	2,632	2,632	300,000	100.00	2,041	238	Note 1	Subsidiary
WT MICROELECTRONICS SINGAPORE PTE. LTD.	WT MICROELECTRONICS INDIA PRIVATE LIMITED	India	Sales of electronic components	2,783	2,783	700,000	100.00	1,155	499	Note 1	Subsidiary
SINYIE INVESTMENT CO., LTD.	WINTECH MICROELECTRONICS HOLDING LIMITED	British Virgin Islands	Holding company	65,073	65,073	278,255	0.35	42,914	( 5,427)	Note 1	Subsidiary
MORRIHAN INTERNATIONAL CORP.	ASIA LATEST TECHNOLOGY LIMITED	Mauritius	Holding company	37,771	37,771	1,120,000	100.00	45,101	347	Note 1	Subsidiary
BSI SEMICONDUCTOR PTE. LTD.	WT TECHNOLOGY KOREA CO., LTD.	South Korea	Sales of electronic components	55,973	55,973	180,472	4.53	30,091	82,581	Note 1	Subsidiary
BSI SEMICONDUCTOR PTE. LTD.	WONCHANG SEMICONDUCTOR CO., LTD.	South Korea	Sales of electronic components	25,309	25,309	53,505	100.00	227,919	9,185	Note 1	Subsidiary
TECHMOSA INTERNATIONAL INC.	MORRIHAN SINGAPORE PTE. LTD.	Singapore	Sales of electronic components	210,451	210,451	9,500,000	100.00	1,720,532	504,625	Note 1	Subsidiary

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at September 30, 2023			Net profit (loss) of the investee for the nine months ended September 30, 2023	Investment income (loss) recognised by the Company for the nine months ended September 30, 2023	Footnote
				Balance at September 30, 2023	Balance at December 31, 2022	Number of shares	Ownership (%)	Book value			
MAXTEK TECHNOLOGY CO., LTD.	HONGTECH ELECTRONICS CO., LTD.	Taiwan	Sales of electronic components	\$ 115,000	\$ 115,000	11,500,000	100.00	\$ 412,095	\$ 182,095	Note 1	Subsidiary
MAXTEK TECHNOLOGY CO., LTD.	LACEWOOD INTERNATIONAL CORP.	British Virgin Islands	Sales of electronic components	194,366	194,366	29,500	100.00	99,220	2,585	Note 1	Subsidiary
BRILLNICS INC.	BRILLNICS (HK) LIMITED	Hong Kong	Manufacture of electronic components	2,065,700	2,065,700	64,013,000	100.00	335,258	152,840	Note 1	Subsidiary
BRILLNICS INC.	BRILLNICS SINGAPORE PTE. LTD.	Singapore	Manufacture of electronic components	24,203	24,203	750,002	100.00	( 6,952)	( 3,931)	Note 1	Subsidiary
BRILLNICS (HK) LIMITED	BRILLNICS JAPAN INC.	Japan	Manufacture of electronic components	21,620	21,620	100,000	100.00	24,108	1,504	Note 1	Subsidiary
BRILLNICS (HK) LIMITED	BRILLNICS (TAIWAN) INC.	Taiwan	Manufacture of electronic components	16,694	16,694	1,669,410	100.00	35,940	6,439	Note 1	Subsidiary
WT SEMICONDUCTOR HOLDINGDS PTE. LTD.	EXCELPOINT TECHNOLOGY PTE. LTD.	Singapore	Holding company	5,348,397	5,348,397	120,398,640	100.00	5,315,817	( 17,620)	Note 1	Subsidiary
EXCELPOINT TECHNOLOGY PTE. LTD.	EXCELPOINT SYSTEMS (H.K.) LIMITED	Hong Kong	Sales of electronic components	514,746	514,746	27,793,961	100.00	2,742,648	68,621	Note 1	Subsidiary
EXCELPOINT TECHNOLOGY PTE. LTD.	EXCELPOINT SYSTEMS (PTE) LTD	Singapore	Sales of electronic components	288,090	288,090	11,000,000	100.00	928,855	( 13,551)	Note 1	Subsidiary
EXCELPOINT TECHNOLOGY PTE. LTD.	PLANETSPARK PTE. LTD.	Singapore	R&D and investment of company	354,970	96,810	11,000,001	100.00	250,940	( 12,490)	Note 1	Subsidiary
EXCELPOINT SYSTEMS (PTE) LTD	EXCELPOINT SYSTEMS SDN. BHD.	Malaysia	Sales of electronic components	1	1	100	100.00	3,523	520	Note 1	Subsidiary
EXCELPOINT SYSTEMS (PTE) LTD	EXCELPOINT SYSTEMS (INDIA) PVT LTD	India	Sales and services of technology	373	373	50,000	100.00	( 72,993)	3,425	Note 1	Subsidiary
EXCELPOINT SYSTEMS (PTE) LTD	EXCELPOINT SYSTEMS (USA) INC.	USA	Sales and services of technology	32	32	1,000	100.00	1,396	263	Note 1	Subsidiary
EXCELPOINT SYSTEMS (PTE) LTD	EXCELPOINT SYSTEMS VIETNAM COMPANY LIMITED	Vietnam	Sales of electronic components	9,681	9,681	-	100.00	( 9,273)	( 18,464)	Note 1	Subsidiary
EXCELPOINT SYSTEMS (H.K.) LIMITED	SYNERGY ELECTRONICS (H.K.) LIMITED	Hong Kong	Sales of electronic components	3,227	3,227	100,000	100.00	3,230	( 219)	Note 1	Subsidiary

Note 1: Profit (loss) of investee has been included in the investor, and will not be disclosed separately.

WT Microelectronics Co., Ltd. and subsidiaries

Information on investments in Mainland China

Nine months ended September 30, 2023

Table 8

Expressed in thousands of NTD

(Except as otherwise indicated)

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2023	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the nine months ended September 30, 2023		Accumulated amount of remittance from Taiwan to Mainland China as of September 30, 2023	Net income of investee for the nine months ended September 30, 2023	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the nine months ended September 30, 2023 (Note 2)	Book value of investment in Mainland China as of September 30, 2023	Accumulated amount of investment income remitted back to Taiwan as of September 30, 2023	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
SHANGHAI WT MICROELECTRONICS CO., LTD.	International trade, entrepot trade and etc.	\$ 9,681	2	\$ 9,681	\$ -	\$ -	\$ 9,681	(\$ 1,108)	100.00	(\$ 1,108)	\$ 31,349		Note 5
WT MICROELECTRONICS (SHENZHEN) CO., LTD.	International trade, entrepot trade and etc.	733,894	2	678,384	-	-	678,384	( 216,086)	100.00	( 216,086)	651,331		Note 6
WT MICROELECTRONICS (SHANGHAI) CO., LTD.	International trade	1,134,291	2	617,971	-	-	617,971	57,739	100.00	57,739	1,597,744		Note 7
WT MICROELECTRONICS (SHANGHAI) TECHNOLOGY CO., LTD.	Technical service, international trade, entrepot trade and etc.	42,919	3	32,270	-	-	32,270	347	100.00	347	45,092		Note 4
JCD OPTICAL CORPORATION	Production and sales of optoelectronic materials and components	164,577	2	21,428	-	-	21,428	( 39,730)	19.80	( 7,867)	5,088		Note 8
SYNERGY ELECTRONICS (SHENZHEN) CO., LTD.	International trade, entrepot trade and etc.	8,246	2	-	-	-	-	( 441)	100.00	( 353)	( 308,089)		Note 9
EXCELPOINT INTERNATIONAL TRADING (SHANGHAI) CO., LTD.	International trade, entrepot trade and etc.	48,405	2	-	-	-	-	( 56,092)	100.00	( 44,874)	( 277,409)		Note 9

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of September 30, 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 (Note 3)
WT MICROELECTRONICS CO., LTD.	\$ 1,359,734	\$ 2,217,112	\$ 37,271,237

Note 1: The investment methods are classified into the following six categories:

- (1) Directly investing in Mainland China.
- (2) Through investing in companies in the third area, which then invested in the investee in Mainland China.
- (3) Others.

Note 2: Investment gains or losses were recognised based on reviewed financial statements.

Note 3: The amount disclosed was 60% of net assets and based on Investment Commission, MOEA Regulation No. 09704604680 announced on August 29, 2008.

Note 4: This is a China subsidiary which was reinvested through the company in the third area when Morrihan International Corp. was acquired in September 2009.

Note 5: This is a China company which was invested through the company, NINO CAPITAL CO., LTD., in the third area.

Note 6: This is a China company which was invested through the company, RICH WEB LTD., in the third area.

Note 7: This is a China company which was reinvested through the company, WINTECH MICROELECTRONICS HOLDING LIMITED, in the third area.

Note 8: This is a China company which was reinvested through the company, JCD OPTICAL (CAYMAN) CO., LTD., in the third area.

Note 9: This is a China company which was reinvested through the company, EXCELPOINT SYSTEMS (H.K.) LIMITED, in the third area.

WT Microelectronics Co., Ltd. and subsidiaries

Major shareholders information

September 30, 2023

Table 9

Name of major shareholders	Shares	
	Name of shares held	Ownership (%)
WPG HOLDINGS LIMITED	201,393,867	19.70%
ASMEDIA TECHNOLOGY INC.	179,000,000	17.51%
SHAO YANG INVESTMENT CO., LTD.	74,950,426	7.33%

Note 1: The major shareholders information was derived from the data that the Company issued common shares (including treasury shares) and preferred shares in dematerialised form which were registered and held by the shareholders above 5% on the last operating date of each quarter and was calculated by Taiwan Depository & Clearing Corporation. The share capital which was recorded in the financial statements may differ from the actual number of shares issued in dematerialised form because of a different calculation basis.

Note 2: If the aforementioned data contains shares which were held in trust by the shareholders, the data disclosed is the settlor's separate account for the fund set by the trustee. As for the shareholder who reports share equity as an insider whose shareholding ratio is greater than 10% in accordance with Securities and Exchange Act, the shares include the self-owned shares and shares held in trust, and at the same time, the shareholder has the power to decide how to allocate the trust assets. The information on the reported share equity of insider is provided in the "Market Observation Post System".

Note 3: As of September 30, 2023, the number of shares held by the chairman under his own name and under the names of others was 116,773,613 shares, and the shareholding ratio was 11.42%.

The abovementioned information is provided in the "Market Observation Post System".