

**TAIMIDE TECH. INC.  
and Subsidiaries**

**Consolidated Financial Statements for the Nine Months  
Ended September 30, 2023 and 2022 and Independent  
Auditors' Review Report**

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**Notice to Readers**

The English consolidated financial statements are not reviewed nor audited by independent auditors. They have been translated into English from the original Chinese version which are reviewed by independent auditors. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese version shall prevail.

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## **Independent Auditors' Review Report**

To the Board of Directors and Shareholders of TAIMIDE TECH. INC.:

### **Preface**

We have reviewed the accompanying consolidated balance sheets of TAIMIDE TECH, Inc. and subsidiaries as of September 30, 2023 and 2022 and the related consolidated statements of comprehensive income from July 1 to September 30, 2023 and 2022 and from January 1 to September 30, 2023 and 2022, consolidated statements of changes in equity and consolidated statements of cash flows from January 1 to September 30, 2023 and 2022, and the related notes to the consolidated financial statements, which include a summary of significant accounting policies. It is the responsibility of management to prepare the consolidated financial statements as approved and expressed in accordance with the Financial Reporting Standards for securities issuers and International Accounting Standards No. 34 "Interim Financial Reporting" approved and issued by the Financial Supervisory Commission. It is our responsibility to draw conclusions on the consolidated financial statements based on the results of the review.

### **Scope**

Except as stated in the basic paragraph of the retained conclusions, we perform the audit in accordance with the audit Standard No. 2410, "Review of Financial Statements". The procedures performed in the review of the consolidated financial statements include inquiries (primarily from financial and accounting personnel), analytical procedures and other review procedures. The scope of the review is significantly smaller than the scope of the audit, so we may not be aware of all material matters that can be identified by the audit and is therefore unable to express an audit opinion.

### **Retain the basis of the conclusion**

As stated in Note 12 to the consolidated financial statements, the financial statements of the non-significant subsidiaries included in the above consolidated financial statements for the same period have not been reviewed by CPAs. The total assets of the subsidiaries as of September 30, 2023 and 2022 NT\$494,974 thousand and NT\$411,080 thousand, representing 9.89% and 7.81% of the consolidated total assets, respectively; total liabilities amounted to NT\$233,552 thousand and NT\$113,335 thousand, representing 11.14% and 5.18% of the consolidated total liabilities, respectively; the total consolidated profit and loss for the period from July 1 to September 30, 2023 and 2022, and from January 1 to September 30, 2023 and 2022 NT\$(18,547) thousand, NT\$(28,267) thousand, NT\$(62,233) thousand and NT\$(63,381) thousand, representing (28.77)%, 45.25%, 93.73% and (35.24)%, respectively, of the consolidated profit or loss.

### **Reserve the conclusion**

Based on the results of our reviews, except for the impact of possible adjustments to the consolidated financial statements if the financial statements of the non-significant subsidiaries described in the basic paragraph of the retained conclusion are reviewed by us, it has not been found that the above consolidated financial statements have not been prepared in all material respects in accordance with the Regulations Governing the Preparation of Financial Reporting by Securities Issuers and International Accounting Standards No. 34 "Interim Financial Reporting" approved and issued by the Financial Supervisory Commission. It is impossible to adequately express the consolidated financial position of TAIMIDE TECH. INC. and its subsidiaries as of September 30, 2023 and 2022, and the consolidated financial performance from July 1 to September 30, 2023 and 2022, and consolidated financial performance and cash flows from January 1 to September 30, 2023 and 2022.

Deloitte Taiwan  
CPA Chang Ya-Yun

CPA Fang Su-Li

Approval document No. of the Financial  
Supervisory Commission  
Financial Management Certificate Audit Zi  
No. 1110348898

Approval document No. of the Financial Supervisory  
Commission  
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No. 0940161384

November, 09, 2023

TAIMIDE TECH. INC. and Subsidiaries  
Consolidated Balance Sheets  
September 30, 2023, December 31, 2022 and September 30, 2022

Unit: Thousands of NTD

Code	Assets	September 30, 2023		December 31, 2022		September 30, 2022		Code	Liabilities and equity	September 30, 2023		December 31, 2022		September 30, 2022	
		Amount	%	Amount	%	Amount	%			Amount	%	Amount	%	Amount	%
	Current assets								Current liabilities						
1100	Cash and cash equivalents (Notes 6 and 30)	\$ 326,351	7	\$ 454,318	9	\$ 389,541	7	2100	Short-term loans (Notes 17 and 30)	\$ 80,000	2	\$ 130,000	3	\$ 180,000	3
1150	Notes receivable (Notes 10 and 30)	99,052	2	27,967	1	64,232	1	2120	Financial liabilities at fair value through profit or loss-current (Notes 7, 18 and 30)	2,094	-	3,894	-	4,434	-
1170	Accounts receivable (Notes 10, 24, 30 and 31)	432,055	9	257,799	5	288,059	6	2130	Contract liabilities - current (Notes 24)	938	-	161	-	2,465	-
130X	Inventories(Notes 11)	510,236	10	643,790	12	706,975	13	2170	Notes and accounts payable (Notes 30 and 31)	73,536	1	18,710	-	48,549	1
1470	Other current assets (Notes 16, 30 and 31)	73,469	1	78,057	1	101,507	2	2206	Remuneration payable to employees and directors (Note 25)	-	-	21,520	1	30,148	1
11XX	Total current assets	1,441,163	29	1,461,931	28	1,550,314	29	2213	Payables for equipment (Note 30)	33,889	1	72,171	1	13,483	-
	Non-current assets							2219	Other payables (Notes 19 and 30)	155,263	3	152,033	3	141,552	3
1517	Financial assets at fair value through other comprehensive income - non-current (Notes 8 and 30)	473	-	439	-	383	-	2230	Current tax liabilities (Notes 4 and 26)	8,488	-	13,871	-	30,892	1
1535	Financial assets at amortized cost - non-current (Notes 9, 30 and 32)	16,923	-	16,923	-	19,311	-	2280	Lease liabilities - current (Notes 14 and 30)	21,666	-	21,684	1	21,638	-
1600	Property, plant and equipment (Notes 13 and 32)	3,343,104	67	3,521,403	68	3,459,627	66	2321	Corporate bonds due or with put option exercisable within one year (Notes 18 and 30)	580,650	12	-	-	-	-
1755	Right-of-use assets (Note 14)	171,729	4	188,608	4	194,268	4	2322	Corporate bonds due or with put option exercisable within one year (Notes 18 and 30)	290,939	6	268,655	5	253,933	5
1780	Intangible assets (Note 15)	7,692	-	10,015	-	9,530	-	2399	Long-term loans due within one year or one business cycle (Notes 17 and 30)	10,460	-	6,244	-	9,019	-
1915	Prepayments for equipment	16,085	-	5,908	-	25,308	1	21XX	Other current liabilities (Notes 20, 29 and 30)	1,257,923	25	708,943	14	736,113	14
1920	Refundable deposits	5,047	-	5,029	-	5,030	-		Non-current liabilities						
1975	Net defined benefit assets (Notes 4 and 21)	1,118	-	1,121	-	-	-	2530	Corporate bonds payable (Notes 18 and 30)	-	-	572,433	11	569,719	11
15XX	Total non-current assets	3,562,177	71	3,749,446	72	3,713,457	71	2540	Long-term loans (Notes 17 and 30)	681,817	14	719,849	14	700,019	13
								2580	Lease liabilities - non-current (Notes 14 and 30)	157,645	3	173,820	3	179,243	4
								2640	Net defined benefit liabilities - non-current (Notes 4 and 21)	-	-	-	-	2,480	-
								2645	Deposits received	19	-	19	-	409	-
								25XX	Total non-current liabilities	839,481	17	1,466,121	28	1,451,870	28
								2XXX	Total liabilities	2,097,404	42	2,175,064	42	2,187,983	42
									Equity attributable to owners of the Company (Notes 18, 22 and 23)						
								3110	Common stock capital	1,322,053	26	1,317,990	25	1,317,990	25
								3200	Capital surplus	593,455	12	582,422	11	582,422	11
									Retained earnings						
								3310	Legal reserve	279,983	6	264,789	5	264,789	5
								3320	Special reserve	1,586	-	2,538	-	2,538	-
								3350	Undistributed earnings	694,766	14	845,122	17	880,508	17
								3300	Total retained earnings	976,335	20	1,112,449	22	1,147,835	22
								3400	Other equity	(1,446)	-	(1,586)	-	(805)	-
								31XX	Total owners' equity of the Company	2,890,397	58	3,011,275	58	3,047,442	58
								36XX	Non-controlling interests (Notes 22)	15,539	-	25,038	-	28,346	-
								3XXX	Total equity	2,905,936	58	3,036,313	58	3,075,788	58
1XXX	Total assets	\$ 5,003,340	100	\$ 5,211,377	100	\$ 5,263,771	100		Total liabilities and equity	\$ 5,003,340	100	\$ 5,211,377	100	\$ 5,263,771	100

The accompanying notes are an integral part of the consolidated financial statements  
(Please refer to the Deloitte & Touche auditors' review report dated November 09, 2023)

Chairperson: Sheng-Chang Wu

Managerial Officer: Chen-Ying Huang

Accounting Officer: Tai-Tsun Chen

TAIMIDE TECH. INC. and Subsidiaries  
Consolidated Statements of Comprehensive Income  
July 1 to September 30, 2023 and 2022 and January 1 to September 30, 2023 and 2022

Unit: In thousands of NTD; except earnings (loss) per share in NTD

Code		July 1 to September 30, 2023		July 1 to September 30, 2022		January 1 to September 30, 2023		January 1 to September 30, 2022	
		Amount	%	Amount	%	Amount	%	Amount	%
4110	Total operating revenue	\$ 508,969	101	\$ 309,862	102	\$ 1,250,926	101	\$ 1,588,586	101
4170	Returns and discounts on sales	2,546	1	6,937	2	11,158	1	17,809	1
4100	Net operating revenue (Notes 24 and 31)	506,423	100	302,925	100	1,239,768	100	1,570,777	100
5000	Operating cost (Notes 11, 25 and 31)	364,157	72	279,014	92	1,022,145	82	1,122,233	71
5900	Operating gross profit	142,266	28	23,911	8	217,623	18	448,544	29
	Operating expense (Note 25)								
6100	Selling expense	9,568	2	10,263	4	37,557	3	34,100	2
6200	Administrative expense	28,224	5	28,331	9	77,000	6	89,033	6
6300	Research and development expense	44,584	9	48,752	16	158,260	13	138,972	9
6450	Expected credit (recovery benefits) impairment losses	( 224 )	-	( 37 )	-	( 161 )	-	2	-
6000	Total operating expense	82,152	16	87,309	29	272,656	22	262,107	17
6900	Net operating profit (loss)	60,114	12	( 63,398 )	( 21 )	( 55,033 )	( 4 )	186,437	12
	Non-operating income and expenses								
7100	Interest income (Note 25)	421	-	230	-	2,124	-	801	-
7010	Other income (Notes 25 and 31)	6,995	1	4,130	1	8,335	1	6,429	-
7020	Other gain and loss (Note 25)	12,364	3	4,771	2	13,307	1	17,178	1
7050	Financial costs (Note 25)	( 8,544 )	( 2 )	( 7,720 )	( 3 )	( 25,442 )	( 2 )	( 22,924 )	( 1 )
7000	Total non-operating income and expense	11,236	2	1,411	-	( 1,676 )	-	1,484	-
7900	Net profit (loss) before tax	71,350	14	( 61,987 )	( 21 )	( 56,709 )	( 4 )	187,921	12
7950	Income tax expense (benefit) (Notes 4 and 26)	8,610	2	926	-	9,825	1	9,788	1
8200	Net profit (loss) for the period	62,740	12	( 62,913 )	( 21 )	( 66,534 )	( 5 )	178,133	11
	Other comprehensive income								
8310	Items not reclassified subsequently to profit or loss:								
8316	Unrealized valuation gain or loss on investments in equity instruments at fair value through other comprehensive income (Note 22)	6	-	10	-	40	-	89	-
8360	Items that may be reclassified subsequently to profit or loss:								
8361	Exchange differences on translation of the financial statements of foreign operations (Note 22)	1,714	-	437	-	100	-	1,645	-
8300	Other comprehensive income for the period	1,720	-	447	-	140	-	1,734	-
8500	Total comprehensive income for the period	\$ 64,460	12	( \$ 62,466 )	( 21 )	( \$ 66,394 )	( 5 )	\$ 179,867	11

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Code		July 1 to September 30, 2023		July 1 to September 30, 2022		January 1 to September 30, 2023		January 1 to September 30, 2022	
		Amount	%	Amount	%	Amount	%	Amount	%
	Net profit (loss) attributable to:								
8610	Owners of the Company	\$ 66,020	13	( \$ 58,867 )	( 20 )	( \$ 57,035 )	( 4 )	\$ 187,326	12
8620	Non-controlling interests	( 3,280 )	( 1 )	( 4,046 )	( 1 )	( 9,499 )	( 1 )	( 9,193 )	( 1 )
8600		<u>\$ 62,740</u>	<u>12</u>	<u>( \$ 62,913 )</u>	<u>( 21 )</u>	<u>( \$ 66,534 )</u>	<u>( 5 )</u>	<u>\$ 178,133</u>	<u>11</u>
	Total comprehensive income attributable to:								
8710	Owners of the Company	\$ 67,740	13	( \$ 58,420 )	( 20 )	( \$ 56,895 )	( 4 )	\$ 189,060	12
8720	Non-controlling interests	( 3,280 )	( 1 )	( 4,046 )	( 1 )	( 9,499 )	( 1 )	( 9,193 )	( 1 )
8700		<u>\$ 64,460</u>	<u>12</u>	<u>( \$ 62,466 )</u>	<u>( 21 )</u>	<u>( \$ 66,394 )</u>	<u>( 5 )</u>	<u>\$ 179,867</u>	<u>11</u>
	Earnings (loss) per share (Note 27)								
9750	Basic	<u>\$ 0.50</u>		<u>( \$ 0.45 )</u>		<u>( \$ 0.43 )</u>		<u>\$ 1.42</u>	
9850	Diluted	<u>\$ 0.50</u>		<u>( \$ 0.45 )</u>		<u>( \$ 0.43 )</u>		<u>\$ 1.41</u>	

The accompanying notes are an integral part of the consolidated financial statements  
(Please refer to the Deloitte & Touche auditors' review report dated November 09, 2023)

Chairperson: Sheng-Chang Wu

Managerial Officer: Chen-Ying Huang

Accounting Officer: Tai-Tsun Chen

TAIMIDE TECH, INC. and Subsidiaries  
Consolidated Statements of Changes in Equity  
From January 1 to September 30, 2023 and 2022

Unit: Thousands of NTD

Equity attributable to owners of the Company												
Code		Stock capital		Capital surplus	Retained earnings			Other equity		Total	Non-controlling interests	Total equity
		Number of shares (in thousands)	Amount		Legal reserve	Special reserve	Undistributed earnings	Exchange differences on translation of the financial statements of foreign operations	Unrealized gain or loss on financial assets at fair value through other comprehensive income			
A1	Balance as of January 1, 2022	131,018	\$ 1,310,185	\$ 478,342	\$ 234,484	\$ 2,290	\$ 880,990	( \$ 2,363 )	( \$ 176 )	\$ 2,903,752	( \$ 4,832 )	\$ 2,898,920
	Distribution of earnings for 2021											
B1	Legal reserve	-	-	-	30,305	-	( 30,305 )	-	-	-	-	-
B3	Special reserve	-	-	-	-	248	( 248 )	-	-	-	-	-
B5	Cash dividends to shareholders of the Company	-	-	-	-	-	( 157,255 )	-	-	( 157,255 )	-	( 157,255 )
	Changes in other capital surplus:											
C5	Issuance of convertible bonds recognized as a component of equity	-	-	79,259	-	-	-	-	-	79,259	-	79,259
C17	Unclaimed dividends to shareholders after the statute of limitations	-	-	9	-	-	-	-	-	9	-	9
D1	Net profit (loss) from January 1 to September 30, 2023	-	-	-	-	-	187,326	-	-	187,326	( 9,193 )	178,133
D3	Other comprehensive income from January 1 to September 30, 2022	-	-	-	-	-	-	1,645	89	1,734	-	1,734
D5	Total comprehensive income from January 1 to September 30, 2022	-	-	-	-	-	187,326	1,645	89	189,060	( 9,193 )	179,867
M7	Change in ownership interests in subsidiaries	-	-	2,470	-	-	-	-	-	2,470	( 2,470 )	-
N1	Share-based payment transaction	781	7,805	22,342	-	-	-	-	-	30,147	117	30,264
O1	Non-controlling interests	-	-	-	-	-	-	-	-	-	44,724	44,724
Z1	Balance at September 30, 2022	131,799	\$ 1,317,990	\$ 582,422	\$ 264,789	\$ 2,538	\$ 880,508	( \$ 718 )	( \$ 87 )	\$ 3,047,4422	\$ 28,346	\$ 3,075,788
A1	Balance at January 1, 2023	131,799	\$ 1,317,990	\$ 582,422	\$ 264,789	\$ 2,538	\$ 845,122	( \$ 1,555 )	( \$ 31 )	\$ 3,011,275	\$ 25,038	\$ 3,036,313
	Distribution of earnings for 2022											
B1	Legal reserve	-	-	-	15,194	-	( 15,194 )	-	-	-	-	-
B17	Reversal of special reserve	-	-	-	-	( 952 )	952	-	-	-	-	-
B5	Cash dividends to shareholders of the Company	-	-	-	-	-	( 79,079 )	-	-	( 79,079 )	-	( 79,079 )
	Changes in other capital surplus:											
C17	Unclaimed dividends to shareholders after the statute of limitations	-	-	23	-	-	-	-	-	23	-	23
D1	Net loss from January 1 to September 30, 2023	-	-	-	-	-	( 57,035 )	-	-	( 57,035 )	( 9,499 )	( 66,534 )
D3	Other comprehensive income from January 1 to September 30, 2023	-	-	-	-	-	-	100	40	140	-	140
D5	Total comprehensive income from January 1 to September 30, 2023	-	-	-	-	-	( 57,035 )	100	40	( 56,895 )	( 9,499 )	( 66,394 )
N1	Share-based payment transaction	406	4,063	11,010	-	-	-	-	-	15,073	-	15,073
Z1	Balance at September 30, 2023	132,205	\$ 1,322,053	\$ 593,455	\$ 279,983	\$ 1,586	\$ 694,766	( \$ 1,455 )	\$ 9	\$ 2,890,397	\$ 15,539	\$ 2,905,936

The accompanying notes are an integral part of the consolidated financial statements  
(Please refer to the Deloitte & Touche auditors' review report dated November 09, 2023)

Chairperson: Sheng-Chang Wu

Managerial Officer: Chen-Ying Huang

Accounting Officer: Tai-Tsun Chen

TAIMIDE TECH. INC. and Subsidiaries  
Consolidated Statement of Cash Flows  
From January 1 to September 30, 2023 and 2022

Unit: Thousands of NTD

Code		January 1 to September 30, 2023	January 1 to September 30, 2022
	Cash flows from operating activities		
A10000	Net (loss) profit before tax for the period	( \$ 56,709 )	\$ 187,921
A20010	Income and expense items		
A20100	Depreciation expense	280,382	262,826
A20200	Amortization expense	2,614	3,111
A20300	Expected credit (recovery		
	benefits) impairment losses	( 161 )	2
A20400	Net (profit) loss on financial liabilities at		
	fair value through profit or loss	( 1,800 )	3,720
A20900	Financial cost	25,442	22,924
A21200	Interest income	( 2,124 )	( 801 )
A21900	Share-based payment remuneration cost	-	450
A23700	Loss on decline in value of inventories	53,278	23,118
A24100	Net gain on foreign exchange	( 11,930 )	( 20,898 )
A30000	Net changes in operating assets and liabilities		
A31130	Notes receivable	( 71,085 )	28,617
A31150	Accounts receivable	( 167,830 )	154,379
A31200	Inventories	80,275	( 186,676 )
A31240	Other current assets	4,501	14,485
A31990	Net defined benefit assets	3	-
A32125	Contract liabilities	777	( 5,535 )
A32150	Notes and accounts payable	54,846	( 117,261 )
A32180	Other payables	3,240	( 47,210 )
A32230	Other current liabilities	4,216	1,919
A32990	Remuneration payable to employees and		
	directors	( <u>21,520</u> )	( <u>26,761</u> )
A33000	Net cash inflows from operations	176,415	298,330
A33100	Interest received	2,025	748
A33300	Interest paid	( 17,252 )	( 20,001 )
A33500	Income tax paid	( <u>15,022</u> )	( <u>78,469</u> )
AAAA	Net cash in-flows from operating		
	activities	<u>146,166</u>	<u>200,608</u>

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Code		January 1 to September 30, 2023	January 1 to September 30, 2022
	Cash flows from investing activities		
B00040	Acquisition of financial assets at amortized cost	\$ -	( \$ 3,587 )
B00050	Disposal of financial assets at amortized cost	-	3,575
B02700	Purchase of property, plant and equipment	( 123,227 )	( 277,697 )
B03700	Increase in refundable deposits	( 18 )	-
B03800	Decrease in refundable deposits	-	2,701
B04500	Purchase of intangible asset	( 291 )	( 2,127 )
B07100	Increase in prepayments for equipment	( 10,177 )	( 15,971 )
BBBB	Net cash outflows from investing activities	( 133,713 )	( 293,106 )
	Cash flows from financing activities		
C00100	Increase in short-term loans	360,000	980,000
C00200	Decrease in short-term loans	( 410,000 )	( 915,000 )
C01200	Issuance of convertible bonds	-	646,723
C01600	Borrowing of long-term loans	300,000	548,600
C01700	Repayment of long-term loans	( 315,748 )	( 1,160,999 )
C04020	Repayment of principal for lease liabilities	( 16,266 )	( 15,705 )
C04500	Cash dividends to shareholders	( 79,079 )	( 157,255 )
C04800	Employee exercise of stock options	15,073	29,814
C05800	Changes in non-controlling interests	-	44,724
C09900	Unclaimed dividends to shareholders after the statute of limitations	23	9
CCCC	Net cash (outflows) inflows from financing activities	( 145,997 )	911
DDDD	Effect of exchange rate changes on cash and cash equivalents	5,577	8,103
EEEE	Net (decrease) increase in cash and cash equivalents	( 127,967 )	( 83,484 )
E00100	Balance of cash and cash equivalents at the beginning of the period	454,318	473,025
E00200	Balance of cash and cash equivalents at the end of the period	\$ 326,351	\$ 389,541

The accompanying notes are an integral part of the consolidated financial statements  
(Please refer to the Deloitte & Touche auditors' review report dated November 09, 2023)

Chairperson: Sheng-Chang Wu

Managerial Officer: Chen-Ying Huang

Accounting Officer: Tai-Tsun Chen

TAIMIDE TECH. INC. and Subsidiaries  
Notes to consolidated financial statements  
From January 1 to September 30, 2023 and 2022  
(Amounts in thousands of NTD unless otherwise specified)

I. Company History

TAIMIDE TECH. INC. (hereinafter referred to as the Company) was established on June 22, 2000 with the approval of the Ministry of Economic Affairs and was listed for trading on the Taiwan Stock Exchange on October 5, 2011.

The Company's business scope mainly covers international trade and wholesale, manufacturing and sales of electronic components and materials.

The consolidated financial statements were expressed in New Taiwan Dollars, which is the Company's functional currency.

II. Date and Procedure for Approval of Financial Statements

These consolidated financial statements were approved by the Board of Directors on November 09, 2023.

III. Application of New and Revised Standards and Interpretations

- (I) Initial application of the amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, "IFRSs") endorsed and issued into effect by the Financial Supervisory Commission (FSC).

Application of aforementioned amendments will not have a significant effect on the Company and controlled entities (referred to as the "Consolidated Company")'s accounting policies.

- (II) IFRSs endorsed by FSC that is applicable in 2024

New, Revised or Amended Standards and Interpretations	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 16 "Lease liabilities in sale-and leasebacks"	January 1, 2024 (Note 2)
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	January 1, 2024
Amendments to IAS 1 "Non-current liabilities with contractual terms"	January 1, 2024
Amendments to IAS 7 and IFRS 7 "Supplier financing arrangements"	January 1, 2024 (Note 3)

Note 1: Unless stated otherwise, the above New, Revised or Amended Standards and Interpretations are effective for annual reporting periods beginning on or after their respective effective dates.

- Note 2: The seller and lessee should apply the amendments to IFRS 16 retrospectively to sale-and-leaseback transactions entered into after the date of initial application of IFRS 16.
- Note 3: When this amendment is applied for the first time, a partial disclosure requirement is exempted.

As of the date of publication of the consolidated financial statements, the Consolidated Company will continue to evaluate the impact of the above-mentioned amendments to standards and interpretations on its financial position and financial performance, which will be disclosed when the evaluation is completed.

(III) IFRSs that have been issued by the IASB but have not yet been approved and released by the FSC

New, Revised or Amended Standards and Interpretations	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Affiliate or Joint Venture"	Undecided
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 "First time of application of IFRS 17 and IFRS 9 – comparison information"	January 1, 2023
Amendments to IAS 21 "Lack of Exchangeability"	January 1, 2025 (Note 2)

Note 1: Unless stated otherwise, the above New, Revised or Amended Standards and Interpretations are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: Applicable to annual reporting periods beginning after January 1, 2025 When the amendment is initially applied, the effect is recognized in retained earnings on the date of initial application. When the Company uses a non-functional currency as the presentation currency, the effects will be adjusted to the exchange differences on translation of foreign financial statements under equity as of the date of initial application.

As of the date of publication of the consolidated financial statements, the Consolidated Company will continue to evaluate the impact of the above-mentioned amendments to standards and interpretations on its financial position and financial performance, which will be disclosed when the evaluation is completed.

#### IV. Summary of Significant Accounting Policies

##### (I) Compliance Statement

The preparation of the consolidated financial statements is in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and IAS 34 "Interim Financial Reporting" accepted and effectively published by FSC. This consolidated financial report does not contain all IFRSs disclosures required in the entire annual financial report.

(II) Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments and the present value of the defined benefit obligation deducting the net defined benefit assets/liabilities of the fair value of any plan assets which are measured at fair value.

The fair value measurements are grouped into Levels 1 to 3 based on the degree to which the fair value measurement input values are observable and the significance of the input values to the fair value measurement in its entirety, which are described as follows:

1. Level 1 input values: quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
2. Level 2 input values are input values other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
3. Level 3 input values are unobservable input values for the asset or liability.

(III) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (i.e. its subsidiaries). Adjustments have been made to the financial statements of subsidiaries to allow their accounting policies to be consistent with those used by the Consolidated Company. During the preparation of the consolidated financial statements, the transaction, account balance, revenue and expense among entities have been eliminated completely. The total comprehensive income/loss of the subsidiaries are attributed to the owner's and non-controlling interests of the Company, and the same is true when the non-controlling interests consequently become loss balance.

Changes in the Consolidated Company's ownership interests in subsidiaries that do not result in the Consolidated Company losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Consolidated Company's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value paid or received is recognized directly in equity and attributed to shareholders of the Company.

Please see Note 12 and Table 3 for details of subsidiaries, percentage of ownership and business.

(IV) Other significant accounting policies

In addition to the following, please refer to the summary description of significant accounting policies in the consolidated financial report for the year 2022.

1. Define benefits Post-retirement benefits

The pension cost for the interim period is calculated on a year-to-period basis using the actuarially determined pension cost rate at the end of the previous year, adjusted for significant market fluctuations in the current period, major plan amendments, liquidations or other significant one-time events.

2. Income tax

Income tax expense is the sum of current income tax and deferred tax. The income tax for the interim period is assessed on an annual basis and the interim pre-tax benefit is calculated at the tax rate applicable to the expected annual total surplus.

V. Significant Accounting Assumptions and Judgments, and Major Sources of Estimation Uncertainty

In the application of the Consolidated Company's accounting policies, the management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experiences and other factors that are considered relevant. Actual results may differ from these estimates.

When developing significant accounting estimates, the combined company will take into account the possible impact on economic environment inflation and market interest rate fluctuations in cash flow estimates, growth rates, discount rates, profitability and other relevant significant accounting estimates. Management will continue to review estimates and basic assumptions. Please refer to the consolidated financial Report 2022 for a description of the major sources of uncertainty in the material accounting judgments, estimates and assumptions used in this consolidated financial report.

VI. Cash and cash equivalents

	September 30, 2023	December 31, 2022	September 30, 2022
Cash on hand and revolving funds	\$ 758	\$ 657	\$ 657
Bank demand deposits	247,520	300,467	304,234
Cash equivalents (investments with original maturity of less than 3 months)			
Bonds with repurchase agreements	26,618	99,962	56,350
Bank time deposits	<u>51,455</u>	<u>53,232</u>	<u>28,300</u>
	<u>\$ 326,351</u>	<u>\$ 454,318</u>	<u>\$ 389,541</u>

The market interest rate range of bank deposits and bonds with repurchase agreements at the balance sheet date is as follows:

	September 30, 2023	December 31, 2022	September 30, 2022
Bank deposits	0%~5.30%	0%~3.70%	0%~2.85%
Bonds with repurchase agreements	1.05%~4.95%	0.72%~0.80%	0.57%~2.30%

VII.	<u>Financial instruments at fair value through profit or loss</u>	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
	<u>Financial liabilities - current</u>			
	Held for trading			
	Derivative instruments (not designated as hedges)			
	-Value of convertible bond redemption rights (Note 18)	<u>\$ 2,094</u>	<u>\$ 3,894</u>	<u>\$ 4,434</u>
VIII.	<u>Financial assets at fair value through other comprehensive income</u>	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
	<u>Non-current</u>			
	Domestic investments			
	Unlisted stocks			
	Common stock of POMIRAN TECHNOLOGY, LIMITED	<u>\$ 479</u>	<u>\$ 439</u>	<u>\$ 383</u>

The Consolidated Company invests in the aforementioned common stocks in accordance with the medium and long term strategic objectives and expects to profit from the long-term investments. The management of the Consolidated Company considers that if the short-term volatility at fair value of such investments recognized in profit or loss is not consistent with the aforementioned long-term investment plan, it will be determined that such investments are measured through other comprehensive income at fair value.

IX.	<u>Financial assets at amortized cost</u>	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
	<u>Non-current</u>			
	Pledged time deposits	<u>\$ 16,923</u>	<u>\$ 16,923</u>	<u>\$ 19,311</u>
(I)	For information on credit risk management and impairment assessment related to financial assets at amortized cost, please refer to Note 30.			
(II)	For information on pledges of financial assets at amortized cost, refer to Note 32.			
X.	<u>Notes and accounts receivable</u>	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
	<u>Notes receivable</u>			
	Incurred as a result of operations	<u>\$ 99,052</u>	<u>\$ 27,967</u>	<u>\$ 64,232</u>

The Consolidated Company considered any change in the credit quality of the notes receivable at the balance sheet date and assessed that there was no material change in the credit quality and the related amounts were still recoverable, therefore, no impairment was suspected.

	September 30, 2023	December 31, 2022	September 30, 2022
<u>Accounts receivable</u>			
Accounts receivable - non-related parties			
Measure at amortized cost			
Total carrying amount	\$ 431,964	\$ 257,960	\$ 288,098
Less: Allowance for loss	<u>-</u>	<u>( 161 )</u>	<u>( 39 )</u>
	431,964	257,799	288,059
Accounts receivable - related parties			
Measure at amortized cost			
Total carrying amount	<u>91</u>	<u>-</u>	<u>-</u>
	<u>\$ 432,055</u>	<u>\$ 257,799</u>	<u>\$ 288,059</u>

The average collection period for selling products of the Consolidated Company is 10 to 100 days, excluding accounts receivable are not interest-bearing. To mitigate credit risk, the management of the Consolidate Company has designated functional working Consolidated Company responsible for decision on line of credit, credit approval and other supervision to ensure proper action has been taken to collect overdue receivables. In addition, the collectible amount of accounts receivable of the Consolidated Company shall be reviewed individually at the date of balance sheet to ensure the uncollectible receivables has been listed to appropriate impairment loss. Accordingly, the management of the Company considers the Company's credit risk has significantly decreased.

The allowance for loss on accounts receivable of the Consolidated Company is measured at an amount equal to useful lives expected credit losses. The expected credit losses over the duration are calculated using an allowance matrix, which takes into account the customer's past default history, current financial condition, and the economic conditions of the industry. Since the Consolidated Company's credit loss history shows that there is no significant difference in loss patterns among different customer groups, the allowance matrix does not further differentiate between customer groups and only uses the number of days overdue on accounts receivable to determine the expected credit loss rate.

If any evidence shows the counterparty faces significant financial difficulty and the collectible amount cannot be reasonably expected, for example, if the counterparty is in liquidation, the Consolidated Company will directly offset the relevant accounts receivable but keep track of the receivables. The recovered amount is recognized in profit or loss.

The Consolidated Company measures the allowance for loss on accounts receivable based on the allowance matrix as follows:

September 30, 2023

	Not past due	1 to 60 days overdue	61 to 90 days overdue	91 to 180 days overdue	Over 180 days overdue	Total
Total carrying amount	\$ 432,055	\$ -	\$ -	\$ -	\$ -	\$ 432,005
Allowance for loss (expected credit losses during the duration)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Amortized cost	<u>\$ 432,055</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 432,055</u>

December 31, 2022

	Not past due	1 to 60 days overdue	61 to 90 days overdue	91 to 180 days overdue	Over 180 days overdue	Total
Total carrying amount	\$ 254,522	\$ 1,761	\$ 706	\$ 971	\$ -	\$ 257,960
Allowance for loss (expected credit losses during the duration)	-	( 29 )	( 35 )	( 97 )	-	( 161 )
Amortized cost	<u>\$ 254,522</u>	<u>\$ 1,732</u>	<u>\$ 671</u>	<u>\$ 874</u>	<u>\$ -</u>	<u>\$ 257,799</u>

September 30, 2022

	Not past due	1 to 60 days overdue	61 to 90 days overdue	91 to 180 days overdue	Over 180 days overdue	Total
Total carrying amount	\$ 284,174	\$ 3,924	\$ -	\$ -	\$ -	\$ 288,098
Allowance for loss (expected credit losses during the duration)	-	( 39 )	-	-	-	( 39 )
Amortized cost	<u>\$ 284,174</u>	<u>\$ 3,885</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 288,059</u>

Changes on allowance for accounts receivable loss are as below:

	January 1 to September 30, 2023	January 1 to September 30, 2022
Balance at the beginning of the year	\$ 161	\$ 37
Add: Impairment loss charged to current period	-	2
Decrease: Reversal of impairment loss charged to current period	( 161 )	-
Balance at end of the period	<u>\$ -</u>	<u>\$ 39</u>

XI. Inventories

	September 30, 2023	December 31, 2022	September 30, 2022
Finished goods	\$ 248,045	\$ 312,963	\$ 315,000
Work in process	188,148	231,209	235,146
Raw materials	<u>74,043</u>	<u>99,618</u>	<u>156,829</u>
	<u>\$ 510,236</u>	<u>\$ 643,790</u>	<u>\$ 706,975</u>

Cost of sales:

	July 1 to September 30, 2023	July 1 to September 30, 2022	January 1 to September 30, 2023	January 1 to September 30, 2022
Cost of goods sold	\$ 367,167	\$ 260,943	\$ 968,867	\$ 1,099,115
Inventory losses (Gain on reversal of inventory write-down)	( 3,010 )	18,071	53,278	23,118
	<u>\$ 364,157</u>	<u>\$ 279,014</u>	<u>\$ 1,022,145</u>	<u>\$ 1,122,233</u>

(I) The recovery from the net realizable value of inventories was due to provision for slow-moving inventories from sales.

## XII. Subsidiary

### Subsidiaries incorporated in the consolidated financial statements

The basis for the consolidated financial statements is as follows:

Investor name	Subsidiary name	Business nature	Percentage of shareholding		
			September 30, 2023	December 31, 2022	September 30, 2022
The Company	POMIRAN METALIZATION RESEARCH CO., LTD.	Manufacturing of electronic components, wholesale and surface treatment of electronic materials	85%	85%	85%
	TAIMIDE INTERNATIONAL INC. (TAIMIDE INTERNATIONAL)	Investee business	100%	100%	100%
TAIMIDE INTERNATIONAL	KUNSHAN TAIMIDE TECH. INC.	Wholesale of electronic equipment, parts and components, chemical products and chemical materials	100%	100%	100%

The subsidiaries included in the consolidated financial reports for the periods from January 1 to September 30, 2023 and 2022 are not material subsidiaries, and their financial reports have not been reviewed by us.

## XIII. Property, plant and equipment

### For the use of the Consolidated Company

	Land owned by the Company	Houses and buildings	Machinery and equipment	Facility equipment	Transportation equipment	Office equipment	Other equipment	Leasehold improvements	Construction in progress and equipment pending inspection	Total
<b>Cost</b>										
Balance as of January 1, 2022	\$ 291,073	\$1,623,635	\$2,547,019	\$ 859,685	\$ 5,836	\$ 15,286	\$ 613	\$ 3,532	\$ 270,619	\$5,617,298
Increase in the current period	-	2,288	33,545	6,967	521	2,715	-	1,344	211,658	259,038
Decrease in the current period	-	-	( 323,576)	( 187,709)	-	( 648)	-	( 477)	-	( 512,410)
This issue is reclassified	-	17,789	25,459	22,222	330	375	-	-	( 66,175)	-
Effect of exchange rate	-	-	-	-	49	3	-	-	-	52
Balance at September 30, 2022	<u>\$ 291,073</u>	<u>\$1,643,712</u>	<u>\$2,282,447</u>	<u>\$ 701,165</u>	<u>\$ 6,736</u>	<u>\$ 17,731</u>	<u>\$ 613</u>	<u>\$ 4,399</u>	<u>\$ 416,102</u>	<u>\$5,363,978</u>
<b>Accumulated depreciation</b>										
Balance as of January 1, 2022	\$ -	\$ 349,123	\$1,373,903	\$ 436,093	\$ 2,402	\$ 7,692	\$ 15	\$ 1,338	\$ -	\$2,170,566
Increase in the current period	-	22,558	162,119	58,023	712	2,260	70	434	-	246,176
Decrease in the current period	-	-	( 323,576)	( 187,709)	-	( 648)	-	( 477)	-	( 512,410)
Effect of exchange rate	-	-	-	-	16	3	-	-	-	19
Balance at September 30, 2022	<u>\$ -</u>	<u>\$ 371,681</u>	<u>\$1,212,446</u>	<u>\$ 306,407</u>	<u>\$ 3,130</u>	<u>\$ 9,307</u>	<u>\$ 85</u>	<u>\$ 1,295</u>	<u>\$ -</u>	<u>\$1,904,351</u>
Net at September 30, 2022	<u>\$ 291,073</u>	<u>\$1,272,031</u>	<u>\$1,070,001</u>	<u>\$ 394,758</u>	<u>\$ 3,606</u>	<u>\$ 8,424</u>	<u>\$ 528</u>	<u>\$ 3,104</u>	<u>\$ 416,102</u>	<u>\$3,459,627</u>
<b>Cost</b>										
Balance at January 1, 2023	\$ 291,073	\$1,769,272	\$2,126,449	\$ 887,324	\$ 5,866	\$ 16,568	\$ 1,616	\$ 38,545	\$ 74,310	\$5,211,023
Increase in the current period	-	-	43,595	12,930	95	1,895	23	861	25,731	85,130
Decrease in the current period	-	-	( 4,011)	( 4,941)	-	-	-	-	-	( 8,952)
This issue is reclassified	-	-	47,946	893	-	320	136	-	( 49,295)	-
Effect of exchange rate	-	-	-	-	3	-	-	-	-	3
Balance at September 30, 2023	<u>\$ 291,073</u>	<u>\$1,769,272</u>	<u>\$2,213,979</u>	<u>\$ 896,206</u>	<u>\$ 5,964</u>	<u>\$ 18,783</u>	<u>\$ 1,775</u>	<u>\$ 39,406</u>	<u>\$ 50,746</u>	<u>\$5,287,204</u>
<b>Accumulated depreciation</b>										
Balance at January 1, 2023	\$ -	\$ 379,576	\$ 979,713	\$ 319,955	\$ 1,553	\$ 7,218	\$ 110	\$ 1,495	\$ -	\$1,689,620
Increase in the current period	-	24,466	160,471	70,304	643	2,439	220	4,887	-	263,430
Decrease in the current period	-	-	( 4,011)	( 4,941)	-	-	-	-	-	( 8,952)
Effect of exchange rate	-	-	-	-	2	-	-	-	-	2
Balance at September 30, 2023	<u>\$ -</u>	<u>\$ 404,042</u>	<u>\$1,136,173</u>	<u>\$ 385,318</u>	<u>\$ 2,198</u>	<u>\$ 9,657</u>	<u>\$ 330</u>	<u>\$ 6,382</u>	<u>\$ -</u>	<u>\$1,944,100</u>
Net at December 31, 2022 and January 1, 2023	<u>\$ 291,073</u>	<u>\$1,389,696</u>	<u>\$1,146,736</u>	<u>\$ 567,369</u>	<u>\$ 4,313</u>	<u>\$ 9,350</u>	<u>\$ 1,506</u>	<u>\$ 37,050</u>	<u>\$ 74,310</u>	<u>\$3,521,403</u>
Net at September 30, 2023	<u>\$ 291,073</u>	<u>\$1,365,230</u>	<u>\$1,077,806</u>	<u>\$ 510,888</u>	<u>\$ 3,766</u>	<u>\$ 9,126</u>	<u>\$ 1,445</u>	<u>\$ 33,024</u>	<u>\$ 50,746</u>	<u>\$3,343,104</u>

Depreciation is computed on a straight-line basis over the following estimated useful life:

Houses and buildings	10 to 50 years
Machinery and equipment	2 to 20 years
Facility equipment	1 to 15 years
Transportation equipment	5 to 10 years
Office equipment	3 to 10 years
Other equipment	5 to 8 years
Leasehold improvements	6 to 7 years

For the amount of property, plant and equipment pledged as collateral for loans by the Consolidated Company, please refer to Note 32.

XIV. Lease agreements

(I) Right-of-use assets

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Carrying amount of right-of-use assets			
Land	\$ 107,186	\$ 118,180	\$ 121,868
Buildings	64,515	70,146	72,033
Transportation equipment	<u>28</u>	<u>282</u>	<u>367</u>
	<u>\$ 171,729</u>	<u>\$ 188,608</u>	<u>\$ 194,268</u>
	<u>July 1 to</u>	<u>July 1 to</u>	<u>January 1 to</u>
	<u>September 30, 2023</u>	<u>September 30, 2022</u>	<u>September 30, 2022</u>
Addition to right-of-use assets			
			<u>\$ 74</u>
Depreciation expense of right-of-use assets			<u>\$ 5,306</u>
Land	\$ 3,690	\$ 3,698	\$ 11,067
Buildings	1,876	1,801	5,631
Transportation equipment	<u>85</u>	<u>85</u>	<u>254</u>
	<u>\$ 5,651</u>	<u>\$ 5,575</u>	<u>\$ 16,952</u>
Sublease income of right-of-use assets (included in other income)	<u>\$ -</u>	<u>\$ 273</u>	<u>\$ 1,092</u>

Other than the additions and the depreciation expense recognized above, there were no significant subleases or impairments of the Consolidated company's use-right assets from January 1 to September 30, 2023 and 2022.

(II) Lease liabilities

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Carrying amount of lease liabilities			
Current	<u>\$ 21,666</u>	<u>\$ 21,684</u>	<u>\$ 21,638</u>
Non-current	<u>\$ 157,645</u>	<u>\$ 173,820</u>	<u>\$ 179,243</u>

Ranges of discount rates for lease liabilities are as follows:

	September 30, 2023	December 31, 2022	September 30, 2022
Land	1.50%~1.79%	1.50%~1.79%	1.50%~1.79%
Buildings	2.32%~4.75%	2.32%~4.75%	2.23%~4.75%
Transportation equipment	1.60%	1.60%	1.60%

(III) Material leases and terms

The Consolidated Company leases certain land and buildings for use for a period of 11 to 14 years. Upon the termination of the lease period, the Consolidated Company has no bargain purchase option for leased lands and buildings.

(IV) Information on other leases

	July 1 to September 30, 2023	July 1 to September 30, 2022	January 1 to September 30, 2023	January 1 to September 30, 2022
Short-term lease expense	<u>\$ 241</u>	<u>\$ 252</u>	<u>\$ 599</u>	<u>\$ 695</u>
Lease expense for low-value assets	<u>\$ 51</u>	<u>\$ 51</u>	<u>\$ 153</u>	<u>\$ 151</u>
Variable lease payment expense not included in the measurement of lease liabilities	<u>\$ 268</u>	<u>\$ 1,168</u>	<u>\$ 1,278</u>	<u>\$ 4,151</u>
Total cash (outflows) from leases	<u>( \$ 6,910 )</u>	<u>( \$ 7,732 )</u>	<u>( \$ 21,081 )</u>	<u>( \$ 23,689 )</u>

The Consolidated Company leases certain computer software, houses and buildings and office equipment which qualify as short-term leases. The Consolidated Company has elected to apply the recognition exemption and thus did not recognize right-of-use assets and lease liabilities for these leases.

XV. Intangible assets

	Computer software cost	Power circuit subsidy cost	Royalty payment	Total
<u>Cost</u>				
Balance as of January 1, 2022	\$ 20,817	\$ 14,768	\$ 1,500	\$ 37,085
Acquired separately	<u>1,595</u>	<u>532</u>	<u>-</u>	<u>2,127</u>
Balance at September 30, 2022	<u>\$ 22,412</u>	<u>\$ 15,300</u>	<u>\$ 1,500</u>	<u>\$ 39,212</u>
<u>Accumulated amortization</u>				
Balance as of January 1, 2022	\$ 15,735	\$ 10,427	\$ 409	\$ 26,571
Amortization expense	<u>2,070</u>	<u>973</u>	<u>68</u>	<u>3,111</u>
Balance at September 30, 2022	<u>\$ 17,805</u>	<u>\$ 11,400</u>	<u>\$ 477</u>	<u>\$ 29,682</u>
Net at December 31, 2021 and January 1, 2022	<u>\$ 5,082</u>	<u>\$ 4,341</u>	<u>\$ 1,091</u>	<u>\$ 10,514</u>
Net at September 30, 2022	<u>\$ 4,607</u>	<u>\$ 3,900</u>	<u>\$ 1,023</u>	<u>\$ 9,530</u>

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Cost	Computer software cost	Power circuit subsidy cost	Royalty payment	Total
Balance at January 1, 2023	\$ 23,904	\$ 15,300	\$ 1,500	\$ 40,704
Acquired separately	291	-	-	291
Balance at September 30, 2023	<u>\$ 24,195</u>	<u>\$ 15,300</u>	<u>\$ 1,500</u>	<u>\$ 40,995</u>
<u>Accumulated amortization</u>				
Balance at January 1, 2023	\$ 18,437	\$ 11,752	\$ 500	\$ 30,689
Amortization expense	1,504	1,042	68	2,614
Balance at September 30, 2023	<u>\$ 19,941</u>	<u>\$ 12,794</u>	<u>\$ 568</u>	<u>\$ 33,303</u>
Net at December 31, 2022 and January 1, 2023	<u>\$ 5,467</u>	<u>\$ 3,548</u>	<u>\$ 1,000</u>	<u>\$ 10,015</u>
Net at September 30, 2023	<u>\$ 4,254</u>	<u>\$ 2,506</u>	<u>\$ 932</u>	<u>\$ 7,692</u>

Amortization is computed on a straight-line basis over the following estimated useful life:

Computer software cost	1 to 8 years
Power circuit subsidy cost	5 years
Royalty payment	16.5 years

XVI. Other current assets

	September 30, 2023	December 31, 2022	September 30, 2022
supplies inventory	\$ 26,090	\$ 24,013	\$ 22,576
Tax overpaid retained	24,175	36,012	56,595
Input tax	8,458	3,827	6,172
Prepayment for goods	473	58	2,012
Others	<u>14,273</u>	<u>14,147</u>	<u>14,152</u>
	<u>\$ 73,469</u>	<u>\$ 78,057</u>	<u>\$ 101,507</u>

XVII. Loans

(I) Short-term loans

	September 30, 2023	December 31, 2022	September 30, 2022
<u>Unsecured loans</u>			
Line of credit loans	\$ 20,000	\$ 110,000	\$ 180,000
<u>Secured loans</u>			
Line of credit loans	<u>60,000</u>	<u>20,000</u>	<u>-</u>
	<u>\$ 80,000</u>	<u>\$ 130,000</u>	<u>\$ 180,000</u>

The interest rates on revolving bank loans ranged from 2.20% to 2.52%, 1.88% to 2.33% and 1.21% to 1.25% as of September 30, 2023, December 31, 2022 and September 30, 2022, respectively.

## (II) Long-term loans

	September 30, 2023	December 31, 2022	September 30, 2022
<u>Unsecured loans</u>			
Bank credit loans (1)	\$ 536,115	\$ 626,500	\$ 636,600
<u>Secured loans</u>			
Bank loans (2)	<u>436,641</u>	<u>362,004</u>	<u>317,352</u>
	972,756	988,504	953,952
Portion due within one year	( <u>290,939</u> )	( <u>268,655</u> )	( <u>253,933</u> )
	<u>\$ 681,817</u>	<u>\$ 719,849</u>	<u>\$ 700,019</u>

1. As of September 30, 2023, December 31, 2022 and September 30, 2022, the maturity dates of the bank credit loans were all due for repayment by the end of April 2028, and the interest rates ranged from 1.30% to 2.23%, 1.18% to 2.12% and 1.05% to 1.93% as of September 30, 2023, December 31, 2022 and September 30, 2022, respectively.
2. The bank borrowings are secured by collateral on land, buildings and equipment owned by the consolidated Company (see Note 32). As of September 30, 2023, December 31, 2022 and September 30, 2022, the borrowings were all due for repayment by the end of April 2028, with interest rates ranging from 1.30% to 2.90%, 1.18% to 2.76% and 1.05% to 2.32% as of September 30, 2023, December 31, 2022 and September 30, 2022, respectively.

In accordance with the restrictions on current ratio, debt ratio, interest coverage multiplier, and tangible net worth in the Consolidated Company's half-year and annual financial statements in accordance with the relevant loan agreements. The Consolidated Company's financial ratios were in compliance with the requirements as of September 30, 2023.

## XVIII. Corporate bonds payable

	September 30, 2023	December 31, 2022	September 30, 2022
Domestic unsecured convertible bonds	\$ 600,000	\$ 600,000	\$ 600,000
Less: Discount on corporate bonds payable	( <u>19,350</u> )	( <u>27,567</u> )	( <u>30,281</u> )
	580,650	572,433	569,719
Less: Portion recorded as due within one year	( <u>580,650</u> )	<u>-</u>	<u>-</u>
	<u>\$ -</u>	<u>\$ 572,433</u>	<u>\$ 569,719</u>
Value of redemption rights	\$ 2,094	\$ 3,894	\$ 4,434
Value of conversion rights	79,259	79,259	79,259

## (I) Domestic unsecured convertible bonds

On June 21, 2022, the Company issued 6,000 thousand units of NTD-denominated unsecured convertible bonds with a face value of \$100 thousand and 0% interest rate in Taiwan, with a total principal amount of \$600,000 thousand. The issue price was based on 108.67% of the face value.

The bondholders may request the Company to convert the convertible bonds into common stock at a conversion price of \$57 per share from the day after three months from the date of issuance (September 22, 2022) to the maturity date (June 21, 2025), or request the Company to repurchase the bonds at face value in cash 30 days prior to two years from the date of issuance (June 21, 2024). If the closing price of the Company's common stock exceeds the prevailing conversion price by 30% or more for 30 consecutive business days from the day after the third month after the issuance of the convertible bonds (September 22, 2022) to 40 days before the expiration of the issuance period (May 12, 2025), the Company may also redeem all of the bonds at their face value. The conversion price is adjusted to \$54.5 effective August 06, 2023, as the Company will distribute cash dividends in July 2023 and the conversion price should be adjusted.

This convertible bond includes liabilities and equity components, which are expressed as capital surplus - stock options under equity. The effective interest rate originally recognized for the liability component was 1.90%.

Issue price (\$652,006 thousand minus transaction costs of \$5,283 thousand)	\$646,723
Equity component (net of transaction costs allocated to equity of \$647 thousand)	( 79,259 )
Value of redemption rights (net of transaction costs of \$6 thousand allocated to liabilities)	( 714 )
Liabilities component at issuance date (net of \$4,630 thousand of transaction costs allocated to liabilities)	566,750
Interest calculated at the effective interest rate of 1.90%	\$ 5,683
Liabilities component as of December 31, 2022	572,433
Interest calculated at the effective interest rate of 1.90%	8,217
Liabilities component as of September 30, 2023	<u>\$ 580,650</u>

XIX. Other payables

	September 30, 2023	December 31, 2022	September 30, 2022
Wages and bonuses payable	\$ 47,018	\$ 50,491	\$ 45,732
Waste disposals payable	11,415	9,939	13,457
Utilities payable	20,532	12,240	9,141
Others	<u>76,298</u>	<u>79,363</u>	<u>73,222</u>
	<u>\$ 155,263</u>	<u>\$ 152,033</u>	<u>\$ 141,552</u>

XX. Other current liabilities

	September 30, 2023	December 31, 2022	September 30, 2022
Temporary receipts	\$ 6,798	\$ 2,268	\$ 2,483
Receipts under custody	<u>3,662</u>	<u>3,976</u>	<u>6,536</u>
	<u>\$ 10,460</u>	<u>\$ 6,244</u>	<u>\$ 9,019</u>

XXI. Post-employment benefit plans

The pension expenses related to the defined benefit plan recognized from July 1 to September 30, 2023 and 2022 and from January 1 to September 30, 2023 and 2022 were \$127 thousand, \$121 thousand, \$388 thousand and \$383 thousand, respectively, based on the actuarial pension cost rate as at December 31, 2022 and 2021.

XXII. Equity

(I) Common stock capital

	September 30, 2023	December 31, 2022	September 30, 2022
Authorized number of shares (in thousands)	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>
Authorized capital	<u>\$ 2,000,000</u>	<u>\$ 2,000,000</u>	<u>\$ 2,000,000</u>
Issued and fully paid shares (in thousands)	<u>132,205</u>	<u>131,799</u>	<u>131,799</u>
Public offering of ordinary shares	\$ 1,282,363	\$ 1,278,300	\$ 1,278,300
Private equity	<u>39,690</u>	<u>39,690</u>	<u>39,690</u>
Issued capital	<u>\$ 1,322,053</u>	<u>\$ 1,317,990</u>	<u>\$ 1,317,990</u>

The shareholders resolved to amend the Articles of Incorporation at the shareholders' meeting held on June 21. After the amendment of the Articles of Incorporation, 30,000 thousand shares of the authorized capital are reserved for issuance of employee stock options, preferred shares with warrants or corporate bonds with warrants. Prior to the amendment, 20,000 thousand shares of the authorized capital were reserved for issuance of employee stock options, preferred shares with warrants or corporate bonds with warrants.

The change in the Company's common stock capital was mainly due to the execution of stock options by employees.

On June 21, 2023, the shareholders' meeting of the Company resolved to increase capital by cash through a private placement of up to 10 million shares with specific parties.

Within 3 years from the date of delivery, the aforesaid private placement securities shall not be sold to other objects except those transferred in accordance with the Securities Exchange Law.

The rights and obligations of the company's private common shares listed above are the same as those of the Company's issued common shares, except that the company's private common shares are subject to restrictions on circulation and transfer in accordance with the Securities Exchange Law and can only apply for listing and trading after 3 years from the date of delivery and a public offering.

(II) Capital surplus

	September 30, 2023	December 31, 2022	September 30, 2022
<u>For loss make-up, distribution in cash or capitalization as equity</u>			
Stock issue premium (1)	\$ 488,746	\$ 461,517	\$ 461,517
<u>Only for loss make-up</u>			
Recognition of changes in ownership interests in subsidiaries (2)	24,928	25,992	25,992
Unclaimed dividends to shareholders after the statute of limitations	522	499	499
<u>Not to be used for any purpose</u>			
Employee stock options	-	15,155	15,155
Stock options (Note 18)	<u>79,259</u>	<u>79,259</u>	<u>79,259</u>
	<u>\$ 593,455</u>	<u>\$ 582,422</u>	<u>\$ 582,422</u>

1. This type of capital surplus may be used to make up for losses or, in the absence of losses, to distribute cash or to capitalize as equity, provided that the capitalization is limited to a certain percentage of the paid-in capital each year.
2. This type of capital surplus represents the effect of equity transactions recognized for changes in the Company's equity when the Company has not actually acquired or disposed of the subsidiary's shares, or adjustments to the capital surplus of the Company's subsidiaries recognized under the equity method.

(III) Retained earnings and dividend policy

In accordance with the Company's earnings distribution policy as stipulated in the Articles of Incorporation, if there is any surplus earnings as indicated by the Company's final accounts, 10% of the annual earnings shall be set aside as legal reserve after paying taxes and making up for accumulated losses in accordance with the law. But if the legal reserve has reached the Company's paid-in capital, no further provision shall be made, and the remainder shall be set aside as or reversed from special reserve as provided by law. If there are still remaining earnings, the Board of Directors shall prepare a proposal for distribution of the remaining earnings together with the accumulated undistributed earnings as dividends to shareholder, and submit it to the shareholders' meeting for resolution on the distribution. For the Company's policy on the distribution of remuneration to employees and directors, please refer to Note 25 (7) Remuneration to Employees and Directors.

The Company's dividend policy is to cater to the current and future development plans with consideration of the investment environment, capital requirements and domestic and international competition, and the interests of shareholders; dividends to shareholders may be distributed in cash or in stocks, with cash dividends not less than 10% of the total dividends.

Legal capital reserve shall be set aside until its balance equals to full amount of the paid-in capital. The reserve may be used to make up for losses When the Company has no losses, the portion in excess of 25% of the paid-in capital may be used to distributed as dividends in stocks or cash.

The shareholders' meetings of the Company held on June 21, 2023 and June 24, 2022 resolved to distribute the earnings of 2022 and 2021 as follows:

	Earnings distribution proposal	
	2022	2021
Legal reserve	\$ 15,194	\$ 30,305
(Reversal) Provision of special reserve	( 952 )	248
Cash dividends	79,079	157,255
Cash dividends per share (NTD)	0.60	1.20

(IV) Other equity

1. Exchange differences on translation of the financial statements of foreign operations

	January 1 to September 30, 2023	January 1 to September 30, 2022
Balance at the beginning of the year	( \$ 1,555 )	( \$ 2,363 )
Generated in the current period		
Exchange differences arising from translation of the financial statements of foreign operations	<u>100</u>	<u>1,645</u>
Balance at end of the period	( <u>\$ 1,455</u> )	( <u>\$ 718</u> )

2. Unrealized gain or loss on financial assets at fair value through other comprehensive income

	January 1 to September 30, 2023	January 1 to September 30, 2022
Balance at the beginning of the year	( <u>\$ 31</u> )	( <u>\$ 176</u> )
Generated in the current period		
Unrealized profit or loss		
Equity instruments	<u>40</u>	<u>89</u>
Other comprehensive income for the period	<u>40</u>	<u>89</u>
Balance at end of the period	<u>\$ 9</u>	( <u>\$ 87</u> )

## (V) Non-controlling interests

	January 1 to September 30, 2023	January 1 to September 30, 2022
Balance at the beginning of the year	\$ 25,038	( \$ 4,832 )
Share attributable to non-controlling interests.		
Net loss for the period	( 9,499 )	( 9,193 )
Increase in non-controlling interest in POMIRAN METALIZATION RESEARCH CO., LTD. (Note 28)	-	42,254
Non-controlling interests related to outstanding vested stock options held by employees of POMIRAN METALIZATION RESEARCH CO., LTD. (Note 23)	-	117
Balance at end of the period	<u>\$ 15,539</u>	<u>\$ 28,346</u>

XXIII. Employee stock options

## (I) The Company's employee stock options plan

In August 2017, the Company granted 3,698 thousand units of stock options to employees, each unit of which is entitled to subscribe for one share of common stock. The stock options were granted to employees of the Company and its subsidiaries who meet certain criteria. The stock options are granted for a duration of 6 years, and the holders of the stock options may exercise a certain percentage of the stock options granted after 2 years from the date of issuance. The exercise price of the stock options is the closing price of the Company's common stock on the date of issuance. If there is a change in the Company's common stock after the stock options are issued, the exercise price of the stock options will be adjusted according to the prescribed formula.

Information on employee stock options is as follows:

Employee stock options	January 1 to September 30, 2023		January 1 to September 30, 2022	
	Units (in thousands)	Weighted average exercise price (NTD)	Units (in thousands)	Weighted average exercise price (NTD)
Outstanding at the beginning of the year	1,031	\$ 37.10	1,813	\$ 38.20
Current execution	( 406 )	37.10	( 781 )	38.20
Abandonment of this issue	( 625 )	37.10	( 1 )	38.20
Outstanding at end of the period	<u>-</u>		<u>1,031</u>	
Executable at the end of the period	<u>-</u>		<u>1,031</u>	
Weighted average fair value of stock options granted for the period (NTD)	<u>\$ 15.02~16.04</u>		<u>\$15.02~16.04</u>	

Information on outstanding employee stock options as of the balance sheet date as follows:

	September 30, 2023	December 31, 2022	September 30, 2022
Range of exercise prices (NTD)	\$ -	\$ 37.10	\$ 37.10
Weighted average remaining contract period (years)	-	0.61 years	0.86 years

The Company used the Black-Scholes valuation model for the employee stock options granted in August 2017, and the input values used in the valuation model were as follows:

	August 2017
Stock price at the grant date	\$47.00
Exercise price	NT\$37.10
Expected volatility	46.89%~51.17%
Duration	2.03~3.03 years
Expected dividend yield	-
Risk-free interest rate	0.53%~0.56%

In July 2022, the Company modified the terms of the then outstanding employee stock options plan to reduce the exercise price from \$38.20 per share to the stock price on that date of \$37.10 per share.

(II) Employee stock options reserved in cash capital increase

The Board of Directors resolved to increase capital of POMIRAN METALIZATION RESEARCH CO., LTD. by cash with issuance of new shares. On March 9, 2022, the Board of Directors resolved to adjust the final number of shares to be issued and the amount to be raised, and to reserve 15% of the total number of new shares (4,500 thousand shares) to be subscribed by employees in accordance with the Company Act. For fractional shares or stock options renounced by employees for subscription, the Chairperson of the Board of Directors is authorized to negotiate with specific persons to subscribe for the shares.

The fair value of the employee stock options granted by POMIRAN METALIZATION RESEARCH CO., LTD. in March 2022 is based on the Black-Scholes valuation model, and the parameters used in the valuation model were as follows:

	March 2022
Stock price at the grant date	NT\$8.89
Exercise price	NT\$10.00
Expected volatility	36.17%
Expected duration	0.12 years
Expected dividend yield	-
Risk-free interest rate	0.27%

The cost of remuneration recognized from January 1 to September 30, 2022 is NT\$450 thousand.

#### XXIV. Revenue

	July 1 to September 30, 2023	July 1 to September 30, 2022	January 1 to September 30, 2023	January 1 to September 30, 2022
Revenue from contracts with customers				
Revenue from merchandise sales	\$ 496,318	\$ 302,521	\$ 1,211,089	\$ 1,569,904
Other income	<u>10,105</u>	<u>404</u>	<u>28,679</u>	<u>873</u>
	<u>\$ 506,423</u>	<u>\$ 302,925</u>	<u>\$ 1,239,768</u>	<u>\$ 1,570,777</u>

(I) Contract balance

	September 30, 2023	December 31, 2022	September 30, 2022	January 1, 2022
Accounts receivable (Note 10)	<u>\$ 431,964</u>	<u>\$ 257,799</u>	<u>\$ 288,059</u>	<u>\$ 423,805</u>
Accounts receivable - Related parties (Note 10)	<u>\$ 91</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Contract liabilities - current				
Merchandise sales	<u>\$ 938</u>	<u>\$ 161</u>	<u>\$ 2,465</u>	<u>\$ 8,000</u>

(II) Breakdown of revenue from contracts with customers

	January 1 to September 30, 2023	January 1 to September 30, 2022
<u>Region</u>		
Taiwan (where the Company is located)	\$ 545,722	\$ 726,636
Mainland China	388,036	574,317
South Korea	245,992	209,766
U.S.A.	46,449	30,243
Japan	9,070	22,748
Others	<u>4,499</u>	<u>7,067</u>
	<u>\$ 1,239,768</u>	<u>\$ 1,570,777</u>

XXV. Net profit

(I) Interest income

	July 1 to September 30, 2023	July 1 to September 30, 2022	January 1 to September 30, 2023	January 1 to September 30, 2022
Bank deposits	<u>\$ 421</u>	<u>\$ 230</u>	<u>\$ 2,124</u>	<u>\$ 801</u>

(II) Other income

	July 1 to September 30, 2023	July 1 to September 30, 2022	January 1 to September 30, 2023	January 1 to September 30, 2022
Lease income (operating lease)	\$ 203	\$ 509	\$ 619	\$ 1,743
Others	<u>6,792</u>	<u>3,621</u>	<u>7,716</u>	<u>4,686</u>
	<u>\$ 6,995</u>	<u>\$ 4,130</u>	<u>\$ 8,335</u>	<u>\$ 6,429</u>

(III) Other gain and loss

	July 1 to September 30, 2023	July 1 to September 30, 2022	January 1 to September 30, 2023	January 1 to September 30, 2022
Net gain on foreign currency exchange	\$ 11,347	\$ 7,351	\$ 11,930	\$ 20,898
Gain (Loss) on financial instruments at fair value through profit or loss	1,440	( 2,580 )	1,800	( 3,720 )
Others	( 423 )	-	( 423 )	-
	<u>\$ 12,364</u>	<u>\$ 4,771</u>	<u>\$ 13,307</u>	<u>\$ 17,178</u>

(IV) Financial cost

	July 1 to September 30, 2023	July 1 to September 30, 2022	January 1 to September 30, 2023	January 1 to September 30, 2022
Interest on bank loans	\$ 4,891	\$ 4,039	\$ 14,440	\$ 16,968
Interest on convertible bonds	2,752	2,700	8,217	2,969
Interest on lease liabilities	901	981	2,785	2,987
	<u>\$ 8,544</u>	<u>\$ 7,720</u>	<u>\$ 25,442</u>	<u>\$ 22,924</u>

(V) Depreciation and amortization

	July 1 to September 30, 2023	July 1 to September 30, 2022	January 1 to September 30, 2023	January 1 to September 30, 2022
Summary of depreciation expense by function				
Operating costs	\$ 76,181	\$ 70,997	\$ 224,954	\$ 220,536
Operating expenses	17,877	15,808	55,428	42,290
	<u>\$ 94,058</u>	<u>\$ 86,805</u>	<u>\$ 280,382</u>	<u>\$ 262,826</u>
Summary of amortization expense by function				
Operating costs	\$ 483	\$ 635	\$ 1,434	\$ 1,929
Administrative expense	293	323	864	1,007
Research and development expense	92	74	316	175
	<u>\$ 868</u>	<u>\$ 1,032</u>	<u>\$ 2,614</u>	<u>\$ 3,111</u>

See Note 15 for information on the amortization expenses of intangible assets allocated to individual line items.

(VI) Employee benefit expense

	July 1 to September 30, 2023	July 1 to September 30, 2022	January 1 to September 30, 2023	January 1 to September 30, 2022
Post-employment benefits				
Defined contribution plans	\$ 3,561	\$ 3,529	\$ 11,021	\$ 10,241
Defined benefit plan (Note 21)	127	121	388	383
	3,688	3,650	11,409	10,624
Share-based payment (Note 23)				
Equity settlement	-	-	-	450
Other employee benefits	96,560	97,655	288,028	335,894
	<u>\$ 100,248</u>	<u>\$ 101,305</u>	<u>\$ 299,437</u>	<u>\$ 346,968</u>
Summary by function				
Operating costs	\$ 68,797	\$ 73,392	\$ 200,926	\$ 249,231
Operating expenses	31,451	27,913	98,511	97,737
	<u>\$ 100,248</u>	<u>\$ 101,305</u>	<u>\$ 299,437</u>	<u>\$ 346,968</u>

(VII) Profit-sharing remuneration for employees and directors

If the Company makes a profit in a year, the Company shall set aside 6% to 15% of the profit as profit-sharing remuneration for employees, in stock or cash as resolved by the Board of Directors in the form of stock or cash, including employees of the Company's subsidiaries who meet certain criteria; the

Company may set aside not more than 3% of the above profit as remuneration to directors as resolved by the Board of Directors. Proposal for profit-sharing remuneration for employees and profit-sharing remuneration for directors should be reported to the shareholders' meeting. However, if the Company still has accumulated losses, the amount of loss make-up shall be reserved first, and then the profit-sharing remuneration for employees and directors can be appropriated in accordance with the aforementioned percentages. The period from January 1 to September 30, 2023 was a net loss before tax, so staff remuneration and directors' remuneration are not estimated.

The estimated amount of employee compensation and directors' compensation from January 1 to September 30, 2022 based on the aforementioned pre-tax benefits is as follows:

Estimated percentage

	<u>January 1 to September 30, 2022</u>
Profit-sharing remuneration for employees	10.12%
Profit-sharing remuneration for directors	3%

Amount

	<u>July 1 to September 30, 2022</u>	<u>January 1 to September 30, 2022</u>
Profit-sharing remuneration for employees	( \$ 4,377)	\$ 23,257
Profit-sharing remuneration for directors	( \$ 1,399)	\$ 6,891

If there is a change in the amounts after the standalone financial statements are authorized for issue, the differences are recorded as a change in the accounting estimate and adjusted in the next year.

The Board of Directors resolved the following on March 9, 2023 and March 10, 2022 for the profit-sharing remuneration for employees and directors of 2022 and 2021:

	<u>2022</u>	<u>2021</u>
	<u>Cash</u>	<u>Cash</u>
Profit-sharing remuneration for employees	\$ 16,554	\$ 43,776
Profit-sharing remuneration for directors	4,966	13,133

There was no difference between the actual amount of profit-sharing remuneration for employees and profit-sharing remuneration for directors for 2022 and 2021 and the amounts recognized in the consolidated financial statements for 2022 and 2021.

Please see "Market Observation Post System" (MOPS) under the Taiwan Stock Exchange for the information on the profit-sharing remuneration for employees and profit-sharing remuneration for directors resolved by the Board of Directors.

XXVI. Income tax

(I) Income tax expense recognized in profit or loss

The main components of income tax expense are as follows:

	July 1 to September 30, 2023	July 1 to September 30, 2022	January 1 to September 30, 2023	January 1 to September 30, 2022
Current income tax				
Generated in the current period	\$ 8,610	\$ 926	\$ 8,621	\$ 22,687
Additional levy on undistributed earnings	-	-	-	5,762
Adjustments for prior years	-	-	1,204	( 18,661 )
Income tax expense recognized in profit or loss	<u>\$ 8,610</u>	<u>\$ 926</u>	<u>\$ 9,825</u>	<u>\$ 9,788</u>

(II) Income tax assessment

The Company's income tax returns have been assessed by the tax authorities through 2021.

XXVII. Earnings per share (loss)

	July 1 to September 30, 2023	July 1 to September 30, 2022	January 1 to September 30, 2023	Unit: NTD per share January 1 to September 30, 2022
Basic earnings (loss) per share	<u>\$ 0.50</u>	( <u>\$ 0.45</u> )	( <u>\$ 0.43</u> )	<u>\$ 1.42</u>
Diluted earnings (loss) per share	<u>\$ 0.50</u>	( <u>\$ 0.45</u> )	( <u>\$ 0.43</u> )	<u>\$ 1.41</u>

The net profit (loss) and weighted average number of shares of common stock used to calculate earnings (loss) per share were as follows:

Net profit (loss) for the period

	July 1 to September 30, 2023	July 1 to September 30, 2022	January 1 to September 30, 2023	January 1 to September 30, 2022
Net profit (Loss) attributed to owners of the Company	<u>\$ 66,020</u>	( <u>\$ 58,867</u> )	( <u>\$ 57,035</u> )	<u>\$ 187,326</u>
Net profit (loss) used to calculate basic earnings (loss) per share	\$ 66,020	( \$ 58,867 )	( \$ 57,035 )	\$ 187,326
Effect of potentially dilutive common stock				
Convertible bonds	-	-	-	-
Profit-sharing remuneration for employees	-	-	-	-
Employee stock options	-	-	-	-
Net profit (loss) used to calculate diluted earnings (loss) per share	<u>\$ 66,020</u>	( <u>\$ 58,867</u> )	( <u>\$ 57,035</u> )	<u>\$ 187,326</u>

<u>Number of shares</u>	(Units: In thousands)			
	July 1 to September 30, 2023	July 1 to September 30, 2022	January 1 to September 30, 2023	January 1 to September 30, 2022
Weighted average number of shares of common stock used to calculate basic earnings (loss) per share	132,022	131,543	131,874	131,543
Effect of potentially dilutive common stock				
Convertible bonds	-	-	-	-
Profit-sharing remuneration for employees	-	-	-	935
Employee stock options	<u>40</u>	<u>-</u>	<u>-</u>	<u>305</u>
Weighted average number of shares of common stock used to calculate diluted earnings (loss) per share	<u>132,062</u>	<u>131,543</u>	<u>131,874</u>	<u>132,783</u>

Since the Company offered to settle compensation paid to employees in cash or shares, the Company assumed the entire amount of the compensation would be settled in shares and the resulting potential shares were included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares was included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

If the company's outstanding convertible corporate bonds are converted, they are not included in the calculation of diluted earnings per share due to their anti-dilution effect.

#### XXVIII. Equity transactions with non-controlling interests

On April 21, 2022, the Consolidated Company did not recognize the new shares issued by POMIRAN METALIZATION RESEARCH CO., LTD. in cash capital increase in proportion to shareholding, resulting in an decrease in shareholding from 88% to 85%.

Since the above transaction did not change the Consolidated Company's control over the subsidiary, the Consolidated Company treated it as an equity transaction.

#### 2022

	POMIRAN METALIZATION RESEARCH CO., LTD.
Cash consideration received	\$ 44,724
The carrying amount of net assets of subsidiaries should be transferred to non-controlling interests based on the relative changes in equity.	( <u>42,254</u> )
Equity transaction difference	<u>\$ 2,470</u>

Adjustment for equity transaction difference:

POMIRAN  
METALIZATION  
RESEARCH CO.,  
LTD.

Capital surplus - recognition of changes in ownership interests in subsidiaries

\$ 2,470

XXIX. Capital risk management

The Consolidated Company manages its capital to ensure that it will be able to maximize shareholders return as a going concern through the optimization of the debt and equity balance.

The Consolidated Company's capital structure consists of net debt of the Consolidated Company (loan less cash and cash equivalent) and equity (stock capital, capital surplus, retained earnings, other equity and non-controlling interests).

XXX. Financial instruments

(I) Information on fair value - Financial instruments not at fair value

September 30, 2023

		Fair value			
	Carrying amount	Level 1	Level 2	Level 3	Total
<u>Financial liabilities</u>					
Financial liabilities at amortized cost					
- Convertible bonds	\$ 580,650	\$ 583,500	\$ -	\$ -	\$ 583,500

December 31, 2022

		Fair value			
	Carrying amount	Level 1	Level 2	Level 3	Total
<u>Financial liabilities</u>					
Financial liabilities at amortized cost					
- Convertible bonds	\$ 572,433	\$ 575,520	\$ -	\$ -	\$ 575,520

September 30, 2022

		Fair value			
	Carrying amount	Level 1	Level 2	Level 3	Total
<u>Financial liabilities</u>					
Financial liabilities at amortized cost					
- Convertible bonds	\$ 569,719	\$ 569,940	\$ -	\$ -	\$ 569,940

## (II) Information on fair value - Financial instruments at fair value on a recurring basis

## 1. Fair value hierarchy

September 30, 2023

	Level 1	Level 2	Level 3	Total
<u>Financial liabilities at fair value through profit or loss</u>				
Derivative instruments	\$ <u>-</u>	\$ <u>2,094</u>	\$ <u>-</u>	\$ <u>2,094</u>
<u>Financial assets at fair value through other comprehensive income</u>				
Investments in equity instruments				
Unlisted stocks	\$ <u>-</u>	\$ <u>-</u>	\$ <u>479</u>	\$ <u>479</u>

December 31, 2022

	Level 1	Level 2	Level 3	Total
<u>Financial liabilities at fair value through profit or loss</u>				
Derivative instruments	\$ <u>-</u>	\$ <u>3,894</u>	\$ <u>-</u>	\$ <u>3,894</u>
<u>Financial assets at fair value through other comprehensive income</u>				
Investments in equity instruments				
Unlisted stocks	\$ <u>-</u>	\$ <u>-</u>	\$ <u>439</u>	\$ <u>439</u>

September 30, 2022

	Level 1	Level 2	Level 3	Total
<u>Financial liabilities at fair value through profit or loss</u>				
Derivative instruments	\$ <u>-</u>	\$ <u>4,434</u>	\$ <u>-</u>	\$ <u>4,434</u>
<u>Financial assets at fair value through other comprehensive income</u>				
Investments in equity instruments				
Unlisted stocks	\$ <u>-</u>	\$ <u>-</u>	\$ <u>383</u>	\$ <u>383</u>

There was no transfer of fair value measurements between Level 1 and Level 2 from January 1 to September 30, 2023 and 2022.

2. Valuation techniques and input value used in Level 2 fair value measurement

Type of financial instruments	Valuation techniques and input values
Derivative instruments - Value of convertible bond redemption rights	Binary tree convertible bond valuation model: tracks the evolution of option key underlying variables over discrete time periods through a binary tree at multiple time steps between the valuation date and the maturity date. Each node of the tree represents the probable price at a given point in time.

3. Reconciliation of Level 3 fair value measurements on financial instruments  
January 1 to September 30, 2023

	Financial assets at fair value through other comprehensive income Equity instruments
Balance at the beginning of the year	\$ 439
Recognized in other comprehensive income - Unrealized gain or loss on financial assets at fair value through other comprehensive income	<u>40</u>
Balance at end of the period	<u>\$ 479</u>

January 1 to September 30, 2022

	Financial assets at fair value through other comprehensive income Equity instruments
Balance at the beginning of the year	\$ 294
Recognized in other comprehensive income - Unrealized gain or loss on financial assets at fair value through other comprehensive income	<u>89</u>
Balance at end of the period	<u>\$ 383</u>

4. Valuation techniques and input value used in Level 3 fair value measurement

Domestic unlisted equity investments are valued using the asset method, and the total value of individual assets and liabilities covered by the underlying asset is assessed to reflect the overall value of the enterprise or business.

(III) Type of financial instruments

	September 30, 2023	December 31, 2022	September 30, 2022
<u>Financial assets</u>			
Financial assets at amortized cost (Note 1)	\$ 876,458	\$ 758,928	\$ 765,439
Financial assets at fair value through other comprehensive income - investments in equity instruments	479	439	383
<u>Financial liabilities</u>			
At fair value through profit or loss			
Held for trading	2,094	3,894	4,434
Measure at amortized cost (Note 2)	1,809,811	1,850,956	1,833,273

Note 1: The balance includes cash and cash equivalents, financial assets at amortized cost such as notes receivable, accounts receivable (including related parties), other receivables (including related parties) and other current assets at amortized cost.

Note 2: The balance includes short-term loans, notes payable and accounts payable, other payables, corporate bonds due within one year, corporate bonds payable, payables for equipment, other current liabilities, long-term loans due within one year and long-term loans and other financial liabilities at amortized cost.

(IV) Financial risk management objectives and policies

The Consolidated Company's major financial instruments include equity, accounts receivable, accounts payable, corporate bonds payable and loans. The Consolidated Company's financial management department provides services to each business unit, coordinates access to financial markets, and monitors and manages the financial risks associated with the Consolidated Company's operations through internal risk reporting that analyzes the exposure based on the level and breadth of risk. Such risks include market risk (including foreign currency risk and interest rate risk), credit risk and liquidity risk.

The Consolidated Company mitigates the impact of these risks by hedging the exposure through derivative financial instruments. The use of derivative financial instruments is governed by the policies approved by the Consolidated Company's Board of Directors, which are the written principles for exchange rate risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of surplus liquidity. Internal auditors review compliance with the policies and the exposure limits on an ongoing basis. The Consolidated Company does not trade in financial instruments (including derivative financial instruments) for speculative purposes.

1. Market risk

The main financial risks to which the Consolidated Company is exposed as a result of its operating activities are the risk of changes in foreign currency exchange rates (see (1) below) and the risk of changes in interest rates (see (2) below).

The Consolidated Company engages in derivative financial instruments (including forward exchange contracts) to manage its exposure to risk of foreign currency exchange rate and interest rate.

(1) Exchange rate risk

A portion of the Consolidated Company's cash inflows and outflows are denominated in foreign currencies, and therefore have a natural hedging effect. The Consolidated Company's management of exchange rate risk is for hedging purposes and not for profit-making purposes.

The carrying amounts of the Consolidated Company's monetary assets and monetary liabilities denominated in non-functional currencies as of the balance sheet date (including monetary items denominated in non-functional currencies that have been eliminated in the Consolidated Financial Statements) are described in Note 34.

Sensitivity analysis

The Consolidated Company is mainly affected by fluctuations in USD, RMB and JPY.

The following table details the Consolidated Company's sensitivity analysis when the functional currency appreciates and depreciates by 5% against each of the relevant foreign currencies. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translations at year end by a 5% change in exchange rates. The sensitivity analysis covers cash and cash equivalents, accounts receivable, other receivables, accounts payable, other payables and short-term loans. The following table represents the increase or decrease in net profit before tax if NTD appreciates by 5% against each of the relevant currencies.

	Effect of USD		Effect of RMB		Effect of JPY	
	January 1 to September 30, 2023	January 1 to September 30, 2022	January 1 to September 30, 2023	January 1 to September 30, 2022	January 1 to September 30, 2023	January 1 to September 30, 2022
Profit or loss	( \$ 5,623 )	( \$ 5,385 )	( \$ 10,028 )	( \$ 9,104 )	\$ 7	( \$ 3 )

(2) Interest rate risk

Interest rate risk arises because the Consolidated Company holds both fixed and floating rate assets and liabilities.

The carrying accounts of financial assets and liabilities exposed to interest rate risk at the date of balance sheet are as follows:

	September 30, 2023	December 31, 2022	September 30, 2022
With fair value interest rate risk			
- Financial assets	\$ 79,401	\$ 154,543	\$ 89,603
- Financial liabilities	789,961	867,937	910,600
With cash flow interest rate risk			
- Financial assets	263,115	316,041	318,592
- Financial liabilities	1,022,756	1,018,504	993,952

Sensitivity analysis

The following sensitivity analysis is determined in accordance with interest rate risk of non-derivative instruments at the date of balance sheet. For the floating rate assets and liabilities, the analysis is to assume that the amount of assets and liabilities outstanding at the date of balance sheet is all outstanding for the reporting period.

If the annual interest rate increases/decreases by 0.1%, with all other variables held constant, the Consolidated Company's net profit before tax would have decreased/increased by \$570 thousand and \$507 thousand from January 1 to September 30, 2023 and 2022, respectively, mainly due to the interest rate exposure on the Consolidated Company's variable-rate net liabilities and loans.

2. Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Consolidated Company. As of the balance sheet date, the Consolidated Company's maximum exposure to credit risk that may result in financial losses due to non-performance of counterparties' obligations mainly arises from the carrying amount of financial assets recognized in the consolidated balance sheets.

As of September 30, 2023, December 31, 2022 and September 30, 2022, the percentages of receivables from the top ten customers to the Consolidated Company's receivables were 88%, 84% and 80%, respectively.

### 3. Liquidity risk

The Consolidated Company manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Consolidated Company's operations and mitigate the effects of fluctuations in cash flows. In addition, the management of the Consolidated Company monitors the utilization of financing lines and ensures compliance with terms of loan contracts.

Bank loans are a material source of liquidity to the Consolidated Company. As of September 30, 2023, December 31, 2022 and September 30, 2022, the Consolidated Company had undrawn financing lines as described in (2) Description of Financing Facilities below.

#### (1) Liquidity and interest rate risk table

The following table details the analysis of the remaining contract maturities of the Consolidated Company's non-derivative financial liabilities with agreed repayment periods, which are based on the earliest possible date on which the Consolidated Company could be required to make repayments, and is prepared using the undiscounted cash flows of financial liabilities, including cash flows of interests and principals.

The Consolidated Company's bank loans that are repayable on demand immediately are listed in the table below with the earliest possible date, regardless of the probability that banks will immediately enforce the rights; the maturity analysis of other non-derivative financial liabilities is prepared based on the agreed repayment dates.

#### September 30, 2023

	Repayable on demand or less than 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	More than 5 years
<u>Non-derivative financial liabilities</u>					
Non-interest-bearing liabilities	\$ 88,504	\$ 59,692	\$ 17,291	\$ 19	\$ -
Lease liabilities	2,118	4,179	18,705	100,031	73,774
Floating interest rate instruments	13,830	93,670	249,284	701,188	-
Fixed interest rate instruments	-	30,165	600,000	-	-
	<u>\$ 104,452</u>	<u>\$ 187,706</u>	<u>\$ 885,280</u>	<u>\$ 801,238</u>	<u>\$ 73,774</u>

Further information on the maturity analysis of lease liabilities is as follows:

	Less than 1 year	1 to 5 years	5 to 10 years	10 to 15 years
Lease liabilities	\$ 25,002	\$ 100,031	\$ 73,774	\$ -
Floating interest rate instruments	356,784	701,188	-	-
Fixed interest rate instruments	630,165	-	-	-
	<u>\$ 1,011,951</u>	<u>\$ 801,219</u>	<u>\$ 73,774</u>	<u>\$ -</u>

#### December 31, 2022

	Repayable on demand or less than 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	More than 5 years
<u>Non-derivative financial liabilities</u>					
Non-interest-bearing liabilities	\$ 55,996	\$ 75,975	\$ 21,498	\$ 19	\$ -
Lease liabilities	2,117	4,233	19,000	100,114	92,396
Floating interest rate instruments	8,735	95,989	206,962	715,031	23,163
Fixed interest rate instruments	90,148	10,058	-	600,000	-
	<u>\$ 156,996</u>	<u>\$ 186,255</u>	<u>\$ 247,460</u>	<u>\$ 1,415,164</u>	<u>\$ 115,559</u>

Further information on the maturity analysis of lease liabilities is as follows:

	Less than 1 year	1 to 5 years	5 to 10 years	10 to 15 years
Lease liabilities	\$ 25,350	\$ 100,114	\$ 92,396	\$ -
Floating interest rate instruments	311,686	715,031	23,163	-
Fixed interest rate instruments	<u>100,206</u>	<u>600,000</u>	<u>-</u>	<u>-</u>
	<u>\$ 437,242</u>	<u>\$ 1,415,145</u>	<u>\$ 115,559</u>	<u>\$ -</u>

#### September 30, 2022

	Repayable on demand or less than 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	More than 5 years
<u>Non-derivative financial liabilities</u>					
Non-interest-bearing liabilities	\$ 61,383	\$ 48,237	\$ 11,021	\$ 19	\$ -
Lease liabilities	2,117	4,235	19,056	99,351	94,784
Floating interest rate instruments	8,529	80,649	216,154	676,386	38,640
Fixed interest rate instruments	<u>-</u>	<u>140,393</u>	<u>-</u>	<u>600,000</u>	<u>-</u>
	<u>\$ 72,029</u>	<u>\$ 273,514</u>	<u>\$ 246,231</u>	<u>\$ 1,375,756</u>	<u>\$ 133,424</u>

Further information on the maturity analysis of lease liabilities is as follows:

	Less than 1 year	1 to 5 years	5 to 10 years	10 to 15 years
Lease liabilities	\$ 25,408	\$ 99,351	\$ 93,326	\$ 1,458
Floating interest rate instruments	305,332	676,386	38,640	-
Fixed interest rate instruments	<u>140,393</u>	<u>600,000</u>	<u>-</u>	<u>-</u>
	<u>\$ 471,133</u>	<u>\$ 1,375,737</u>	<u>\$ 131,966</u>	<u>\$ 1,458</u>

#### (2) Financing lines

	September 30, 2023	December 31, 2022	September 30, 2022
The unsecured bank loan lines may be extended by mutual consent			
- Amount drawn	\$ 580,960	\$ 738,009	\$ 825,592
- Amount undrawn	<u>1,236,505</u>	<u>1,291,041</u>	<u>1,018,658</u>
	<u>\$ 1,817,465</u>	<u>\$ 2,029,050</u>	<u>\$ 1,844,250</u>
The secured bank loan lines may be extended by mutual consent			
- Amount drawn	\$ 505,333	\$ 382,005	\$ 368,129
- Amount undrawn	<u>556,308</u>	<u>168,000</u>	<u>174,224</u>
	<u>\$ 1,061,641</u>	<u>\$ 550,005</u>	<u>\$ 542,353</u>

#### XXXI. Related party transactions

Transactions, balances, income and expenses between the Company and subsidiaries (related parties of the Company) may be all eliminated in consolidation, which are thus not disclosed in the note. Transactions between the Consolidated Company and other related parties as follows:

## (I) Related party name and relationship

Related party name	Relationship with the Consolidated Company
POMIRAN TECHNOLOGY, LIMITED	De facto related party

## (II) Operating revenue

Type of related party	July 1 to September 30, 2023	July 1 to September 30, 2022	January 1 to September 30, 2023	January 1 to September 30, 2022
De facto related party	<u>\$ 264</u>	<u>\$ 510</u>	<u>\$ 835</u>	<u>\$ 1,613</u>

## (III) Purchases

Type of related party	July 1 to September 30, 2023	July 1 to September 30, 2022	January 1 to September 30, 2023	January 1 to September 30, 2022
De facto related party	<u>\$ 792</u>	<u>\$ 1,135</u>	<u>\$ 2,442</u>	<u>\$ 2,894</u>

## (IV) Lease income (operating lease)

Type of related party	July 1 to September 30, 2023	July 1 to September 30, 2022	January 1 to September 30, 2023	January 1 to September 30, 2022
De facto related party	<u>\$ 6</u>	<u>\$ 6</u>	<u>\$ 17</u>	<u>\$ 17</u>

## (V) Accounts receivable - related parties

Type of related party	September 30, 2023	December 31, 2022	September 30, 2022
De facto related party	<u>\$ 91</u>	<u>\$ -</u>	<u>\$ -</u>

## (VI) Other receivables - related parties (posted as other current assets)

Type of related party	September 30, 2023	December 31, 2022	September 30, 2022
De facto related party	<u>\$ 2</u>	<u>\$ 2</u>	<u>\$ 2</u>

## (VII) Accounts payable - related parties

Type of related party	September 30, 2023	December 31, 2022	September 30, 2022
De facto related party	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,147</u>

## (VIII) Temporary receipts (posted as other current liabilities)

Type of related party	September 30, 2023	December 31, 2022	September 30, 2022
De facto related party	<u>\$ 1,557</u>	<u>\$ 1,898</u>	<u>\$ 2,014</u>

The purchase and sale transactions between the Consolidated Company and its related parties are based on mutually agreed prices and terms, and there are no other counterparties for comparison.

Rentals under lease contracts between the Consolidated Company and its related parties are determined and collected in accordance with contractual provisions.

- (IX) Part of the long-term and short-term loans and letters of credit issued by the Company were jointly guaranteed by key management, and the remaining amount was NT\$2,723 thousand, NT\$11,085 thousand, and NT\$13,863 thousand as of September 30, 2023, December 31, 2022 and September 30, 2022, respectively.
- (X) Remuneration of key management

	July 1 to September 30, 2023	July 1 to September 30, 2022	January 1 to September 30, 2023	January 1 to September 30, 2022
Short-term employee benefits	\$ 4,118	\$ 1,720	\$ 11,357	\$ 19,595
Post-employment benefits	113	111	338	340
Share-based payment	-	-	-	-
	<u>\$ 4,231</u>	<u>\$ 1,831</u>	<u>\$ 11,695</u>	<u>\$ 19,935</u>

The remuneration of directors and other key management is determined by the Remuneration Committee based on the value of the individual's participation in and contribution to the operations of the Consolidated Company and with reference to the usual industry standards.

#### XXXII. Pledged Assets

The following assets of the Consolidated Company were pledged as collaterals for bank loans, post release duty payment to customs, and security deposits for the land leased from the Science Park Administration and for issuing letters of credit.

	September 30, 2023	December 31, 2022	September 30, 2022
Property, plant and equipment	\$ 1,532,082	\$ 1,560,327	\$ 1,677,912
Pledged time deposits (posted as financial assets at amortized cost)	<u>16,923</u>	<u>16,923</u>	<u>19,311</u>
	<u>\$ 1,549,005</u>	<u>\$ 1,577,250</u>	<u>\$ 1,697,223</u>

#### XXXIII. Significant Contingent Liabilities and Unrecognized Commitments

- (I) On October 7, 2020, DuPont de Nemours, Inc. (DuPont) filed a patent infringement lawsuit against the Company and its person in charge in the Intellectual Property Court, claiming that the Company infringed its R.O.C. patent No. I519576, "Polymethyleneimine Film for Matting Surface Treatment and Method of Relating to Such Film", and requesting payment of NT\$6,650 thousand, plus interest at 5% per annum from the date of service of the statement of claim to the date of settlement. On November 30, 2021, the Intellectual Property Court rendered a judgment of first instance, ruling that "the plaintiff's suit and the claim for provisional execution are dismissed, and the plaintiff shall bear the costs of the litigation. After receiving the judgment of defeat in the first instance, DuPont appealed against the judgment and on July 29, 2022, the Intellectual Property Court entered the second instance judgment dismissing DuPont's appeal. However, DuPont still refused to accept the judgment of the second instance and filed an appeal on August 31, 2022, which is currently being heard by the Supreme Court.

- (II) As of September 30, 2023, December 31, 2022 and September 30, 2022, the amounts of letters of credit issued by the combined Company that are not in use are set out below:

Unit: In thousands of each foreign currency			
	September 30, 2023	December 31, 2022	September 30, 2022
USD	\$ <u>84</u>	\$ <u>2</u>	\$ <u>87</u>
JPY	\$ <u>-</u>	\$ <u>-</u>	\$ <u>15,000</u>
RMB	\$ <u>2,405</u>	\$ <u>-</u>	\$ <u>-</u>

XXXIV. Information on Foreign-currency-denominated Assets And Liabilities with significant effect

The following information is summarized according to the foreign currencies other than the functional currency of the Consolidated Company. The exchange rates disclosed are used to translate the foreign currencies into the functional currency. Assets and liabilities denominated in foreign currencies with significant effect were as follows:

	September 30, 2023		December 31, 2022		September 30, 2022	
	Foreign currency	Exchange rate	Foreign currency	Exchange rate	Foreign currency	Exchange rate
<u>Financial assets</u>						
<u>Monetary items</u>						
USD	\$ 3,993	32.27	\$ 4,343	30.71	\$ 3,976	31.75
RMB	51,525	4.415	41,648	4.408	42,481	4.473
JPY	606	0.2162	29,217	0.2324	1,763	0.2201
<u>Financial liabilities</u>						
<u>Monetary items</u>						
USD	508	32.27	142	30.71	584	31.75
RMB	6,097	4.415	-	4.408	1,775	4.473
JPY	1,250	0.2162	30,080	0.2324	4,292	0.2201

The foreign currency exchange gains and losses (realized and unrealized) of the combined company from July 1 to September 30, 2023 and 2022, and from January 1 to September 30, 2023 and 2022 were a net gain (loss) of \$11,347 thousand, \$7,351 thousand, \$11,930 thousand and \$20,898 thousand, respectively. Due to the wide variety of foreign currency transactions and the functional currencies of the Group individuals, it is not possible to disclose the foreign currency exchange gains and losses by foreign currency with significant impact.

XXXV. Other Disclosures

- (I) Significant transactions: There are no other disclosures than those listed below:
  - 1. Endorsements and guarantees for others: Table 1.
  - 2. Marketable securities held at the end of the period (excluding investments in subsidiaries, affiliates and joint ventures under control): Table 2 .
  - 3. The business relationship between the parent and the subsidiaries and significant transactions between them: Table 6.
- (II) Information on Investees: Table 3
- (III) Information on Investment in Mainland China:
  - 1. The name of the investee in Mainland China, the main businesses and products, its issued capital, method of investment, information on inflow or outflow of capital, percentage of ownership, investment gain or loss, ending balance, amount received as dividends from the investee, and the limitation on investee: Table 4.
  - 2. Significant direct or indirect transactions through a third area with the investee in the Mainland Area, and its prices and terms of payment, unrealized gain or loss are as follows: Table 5.
    - (1) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period.
    - (2) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period.
    - (3) The amount of property transactions and the amount of the resultant gains or losses.
    - (4) The balance of negotiable instrument endorsements and guarantees or pledges of collateral at the end of the period and the purposes.
    - (5) The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financial accommodation.
    - (6) Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as the rendering or receiving of services.
- (IV) Information on major shareholders: names, numbers of shares held, and shareholding percentages of shareholders who hold 5 percent or more of the equity: (Table 7)

XXXVI. Segment information

The operating decision makers of the Consolidated Company allocate resources and evaluate segment performance with emphasis on the overall consolidated financial information. While individual companies have similar economic characteristics and use similar manufacturing processes to produce similar products and sell them by the same sales methods. Therefore, the Consolidated Company is reported as a single operating segment. In addition, the segment information provided by the consolidated company to the operating decision makers for review shall be measured on the same basis as the financial statements, and the profit and loss, assets and liabilities of the operating segments shall be measured on the same basis as the preparation of this consolidated financial report. Therefore, the segment revenue and operating results that should be reported for 2023 and 2022 January 1 to September 30 can be referred to the consolidated income statement for 2023 and 2022 January 1 to September 30; Reportable segment assets as of September 30, 2023, December 31, 2022 and September 30, 2022 can be referred to the consolidated balance sheet as of September 30, 2023, December 31, 2022 and September 30, 2022.

TAIMIDE TECH. INC. and Subsidiaries  
Endorsements and guarantees for others  
From January 1 to September 30, 2023

Table 1

Unit: Thousands of NTD, unless otherwise specified

No.	The company providing endorsement and guarantee	The party receiving endorsement and guarantee		Limit of endorsement and guarantee to a single enterprise (Note 2)	Maximum balance of endorsement and guarantee for the period	Balance of endorsement and guarantee at the end of the period	Actual amount drawn	Amount of endorsement and guarantee collateralized by properties	Ratio of accumulated guarantees to net worth of the most recent financial statements (%)	Maximum limit of endorsement and guarantee (Note 2)	Endorsement and guarantee by parent company for subsidiary	Endorsement and guarantee by subsidiary for parent company	Endorsement and guarantee for party in Mainland China	Remark
		Company name	Relationship											
0	The Company	POMIRAN METALIZATION RESEARCH CO., LTD.	Note 1	\$ 1,156,158	\$ 310,000	\$ 310,00	\$ 310,000	\$ -	11	\$ 2,312,317	Yes	—	—	—

Note 1: Subsidiaries directly held  
Note 2: The limit of the Company's endorsement and guarantee obligations for a single enterprise and subsidiary and the total amount of external endorsement and guarantee are limited to 40% and 80% of the Company's net worth, respectively.

TAIMIDE TECH. INC. and Subsidiaries  
Marketable securities held at the end of the period  
September 30, 2023

Table 2

Unit: Thousands of NTD, unless otherwise specified

Company held	Type of marketable securities	Name of marketable securities	Relationship with the issuers of the marketable securities	Account on the financial statements	The end of the period				Remark
					Number of shares	Carrying amount	Shareholding percentage (%)	Fair value	
The Company	Stocks	POMIRAN TECHNOLOGY, LIMITED	—	Financial assets at fair value through other comprehensive income- non-current	110,000	\$ 479	10	\$ 479	Note 1

Note 1: Presented at book value.  
Note 2: As of September 30, 2023, there were no guarantees, collateral loans or other contractually restriction on the use of the marketable securities listed above.

TAIMIDE TECH. INC. and Subsidiaries  
Information on investees, locations... and other related information  
From January 1 to September 30, 2023

Table 3

Unit: Thousands of NTD, unless otherwise specified

Investor name	Investee name	Location	Main business	Initial investment amount		Holding at the end of the period			(Loss) Profit of investee for the period	Investment (loss) gain recognized in the period	Remark
				The end of the period	The end of last year	Number of shares	Ratio %	Carrying amount			
The Company	POMIRAN METALIZATION RESEARCH CO., LTD.	Taiwan	Manufacturing of electronic components, wholesale and surface treatment of electronic materials	\$ 610,567	\$ 610,567	27,479,905	85	\$ 89,535	( \$ 64,629 )	( \$ 55,492 )	Notes 2 and 3
TAIMIDE INTERNATIONAL INC.	TAIMIDE INTERNATIONAL INC. KUNSHAN TAIMIDE TECH. INC.	Samoa	Investee business	6,454 (USD200 thousand)	6,454 (USD200 thousand)	200,000	100	62,125	2,256	4,517	Notes 1, 2 and 3
		Mainland China	Wholesale of electronic equipment, parts and components, chemical products and chemical materials	6,454 (USD200 thousand)	6,454 (USD200 thousand)	-	100	62,091	2,256	4,517	Notes 1, 2 and 3

Note 1: The foreign currency portion is converted at the US dollar exchange rate as of September 30, 2023.  
Note 2: The calculation was made based on the investee's financial statements that have not been reviewed by CPAs for the same period.  
Note 3: Including the elimination of unrealized profit or loss on intercompany transactions.

TAIMIDE TECH. INC. and Subsidiaries  
Information on Investment in Mainland China  
From January 1 to September 30, 2023

Table 4

Unit: Thousands of NTD, unless otherwise specified

Name of Investee in Mainland China	Main business	Paid-in capital	Investment method	Accumulated investment amount remitted from Taiwan at the beginning of the year	Investment amount remitted or repatriated during the period		Accumulated investment amount remitted from Taiwan at the end of the year	Profit for the period of investee	Shareholding percentage of the Company's direct or indirect investment	Investment gain recognized in the period (Note 2)	Carrying amount of investment at the end of the period	Investment income repatriated as of the end of the period
					Outward remittance	Repatriation						
KUNSHAN TAIMIDE TECH. INC.	Wholesale of electronic equipment, parts and components, chemical products and chemical materials	\$ 6,454 ( USD200 thousand )	Note 1	\$ 6,454 (USD 200 thousand)	\$ -	\$ -	\$ 6,454 ( USD200 thousand )	\$ 2,256	100%	\$ 4,517	\$ 62,091	\$ -

Accumulated investment amount remitted from Taiwan to Mainland China at the end of the period	Investment amount approved by Investment Commission, MOEA	60% of the net investment limit in Mainland China as stipulated by the Investment Commission, MOEA
\$6,454 (USD 200 thousand)	\$6,454 (USD 200 thousand)	\$1,734,238

Note 1: The Company invested in TAIMIDE INTERNATIONAL INC. and then invested in Mainland China through this company. The investment was approved by the Investment Commission, MOEA and the approved investment amount was USD 200 thousand.

Note 2: The calculation was made based on the investee's financial statements that have not been reviewed by CPAs for the same period.

Note 3: The foreign currency portion is converted at the US dollar exchange rate as of September 30, 2023.

TAIMIDE TECH. INC. and Subsidiaries  
Significant direct or indirect transactions through a third region with the investee in the Mainland China, and its prices and terms of payment, unrealized gain or loss and other related information.  
From January 1 to September 30, 2023

Table 5Unit: Thousands of NTD, unless otherwise specified

Name of the trading party	Counterparty	Relationship between the Company and the counterparty	Type of transaction	Sales		Price	Trading terms		Notes and accounts receivable (payable)		Unrealized (loss) gain	Remark
				Amount	Percentage		Payment terms	Comparison with general transactions	Amount	Percentage		
The Company	KUNSHAN TAIMIDE TECH. INC.	Subsidiary indirectly held	Sales	\$ 99,486	8%	In accordance with the mutually agreed price	In accordance with the mutually agreed terms	No other comparable counterparty	\$ 93,957	17%	( \$ 3,472 )	—

TAIMIDE TECH. INC. and Subsidiaries  
The business relationship and significant transactions between the parent and the subsidiaries  
From January 1 to September 30, 2023

Table 6 Unit: Thousands of NTD

No.	Name of the trading party	Counterparty	Relationship with the trading party (Note 1)	Transaction details			
				Account on the financial statements	Amount	Trading terms (Note 2)	As a percentage of consolidated total revenue or total assets
0	The Company	POMIRAN METALIZATION RESEARCH CO., LTD.	1	Sales revenue	\$ 1,881	—	-
				Accounts receivable	118	—	-
				Other receivables	149	—	-
		KUNSHAN TAIMIDE TECH. INC.	2	Sales revenue	99,486	—	8%
				Accounts receivable	93,957	—	2%

Note 1: 1. Representing parent company's transactions to subsidiary.  
2. Representing parent company's transactions to sub-subsidiary.  
Note 2: The transactions between the Company and its subsidiaries are based on the prices and terms agreed by both parties, and there is no other comparable counterparties.

TAIMIDE TECH. INC.  
Information on Major Shareholders  
September 30, 2023

Table 7

Name of major shareholder	Shares	
	Number of shares held	Shareholding percentage
Sheng-Chang Wu	7,059,232	5.35%

Note: This table is based on the information provided by the Taiwan Depository & Clearing Corporation for shareholders holding greater than five percent of the shares completed the process of registration and book-entry delivery in dematerialized form, including treasury stocks, at the last business date of current quarter. There may be a discrepancy in the number of shares recorded on the consolidated financial statements and its dematerialized securities arising from the difference in basis of preparation.