

Taiwan Mask Corporation and Subsidiaries  
Consolidated Financial Statements and  
Independent Auditor's Review Report  
Q1 2023 and 2022  
(Stock Code: 2338)

Company address: No. 11, Chuangxin 1st Road, Baoshan,  
Hsinchu County, Hsinchu Science Park

Telephone: (03)563-4370

Taiwan Mask Corporation and Subsidiaries  
Q1 2023 and 2022 Consolidated Financial Statements and Independent Auditor's  
Review Report  
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Independent Auditor's Review Report  
(112) Cai-Shen-Bao-Zi No. 23000091

To Taiwan Mask Corporation,

## **Introduction**

We have audited the accompanying consolidated balance sheets for the periods starting January 1 and ending March 31, 2023 and 2022, and the consolidated statements of comprehensive income, changes in equity and cash flows for the three months ended March 31, 2023, and 2022, as well as the notes to the consolidated financial statements (including the summary of significant accounting policies), for Taiwan Mask Corporation and its subsidiaries (collectively referred to as the Group). The Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with “Regulations Governing the Preparation of Financial Reports by Securities Issuers” and IAS No. 34, “Interim Financial Reporting” as endorsed by the Financial Supervisory Commission. Our responsibility is to express a conclusion on these consolidated financial statements based on our reviews.

## **Scope**

Except as explained in the following paragraph, we conducted our reviews in accordance with Standards on Review Engagements No. 2410, "Review of Financial Statements" in the Republic of China. The procedures performed when reviewing the consolidated financial statements include inquiries (mainly inquiring personnel responsible for financial and accounting tasks), analytical procedures and other review procedures. The scope of review is obviously smaller than that of audit. Therefore, the accountant may not be able to detect all the significant matters that can be identified through audit, so it is impossible to express an audit opinion.

## **Basis for qualified opinion**

As explained in Note 4(3), the financial statements of insignificant consolidated subsidiaries were not reviewed by independent accountants. Those statements reflect total assets of NT\$2,159,169 thousand and NT\$1,949,899 thousand, constituting 11.17% and 11.98% of the consolidated total assets, and total liabilities of NT\$1,230,505 thousand and NT\$1,332,882 thousand, constituting 8.05% and 11.42% of the consolidated total liabilities as of March 31, 2023, and 2022, respectively. Total comprehensive income of NT\$(176,522) thousand and NT\$(138,250) thousand, constituting (125.16%) and 46.27% of the consolidated total comprehensive income for the three months ended March 31, 2023, and 2022, respectively. As stated in Notes 6 (6) to the Consolidated Financial Statements, the investment using the equity method is prepared based on the financial statements from each company for the same period not reviewed by an CPA. The balances of investments using the equity method were NT\$111,672 thousand and NT\$154,605 thousand, constituting 0.58% and 0.95% of the consolidated total assets as of March 31, 2023 and 2022, respectively. The shares of losses of affiliated

companies recognized under the equity method were NT\$(12,963) thousand and NT\$(10,129) thousand, constituting (9.19%) and 3.39% of the consolidated total comprehensive income for the three months ended March 31, 2023, and 2022, respectively.

### **Qualified opinion**

Except for the adjustments to the consolidated financial statements, if any, as might have been determined to be necessary had the financial statements of certain consolidated subsidiaries and investments using the equity method been reviewed by independent accountants, that we might have become aware of had it not been for the situation described above, based on our reviews, nothing has come to the attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as of March 31, 2023, and 2022, and of its consolidated financial performance and its consolidated cash flows for the three months ended March 31, 2023, and 2022 in accordance with “Regulations Governing the Preparation of Financial Reports by Securities Issuers” and IAS No. 34, “Interim Financial Reporting” as endorsed by the Financial Supervisory Commission.

PricewaterhouseCoopers Taiwan

Ya-Hui Cheng

Accountant

Chien-Yu Liu

Securities and Futures Bureau of Financial Supervisory  
Commission of the Executive Yuan

Approval Document for Attestation: Jin-Guan-Zheng-Liu-  
Zi No. 0960072936

Financial Supervisory Commission of the Executive Yuan  
Approval Document for Attestation: Jin-Guan-Zheng-Shen-  
Zi No. 1090350620

May 5, 2023

Taiwan Mask Corporation and Subsidiaries

Consolidated Balance Sheets

March 31, 2023, December 31, 2022, and March 31, 2022

(The consolidated balance sheets as of March 31, 2023 and 2022 are reviewed, not audited)

						Unit: NT\$Thousand (Adjusted) March 31, 2022		
Assets	Notes	March 31, 2023 Amount	%	December 31, 2022 Amount	%	Amount	%	
<b>Current assets</b>								
1100	Cash and Cash Equivalents	6(1)	\$ 1,446,328	8	\$ 1,749,957	10	\$ 2,162,231	13
1110	Financial Assets at Fair Value Through Profit or Loss - Current	6(2) and 8	1,503,950	8	1,584,598	9	3,607,530	22
1136	Financial Assets at Amortized Cost - Current	6(3) and 8	267,787	1	160,465	1	37,838	-
1140	Contract Asset - Current	6(22)	116,842	1	140,231	1	118,094	1
1150	Notes Receivables (Net)	6(4)	57	-	1,361	-	11,048	-
1170	Accounts Receivables (Net)	6(4)	1,209,128	6	1,501,012	8	1,299,954	8
1180	Accounts Receivables - Related Parties (Net)	6(4) and 7	1,535	-	2,346	-	20,964	-
1200	Other Receivables		16,466	-	13,751	-	2,484	-
1210	Other Receivables - Related Parties	7	306	-	-	-	-	-
1220	Tax Assets for the Period		142	-	42,652	-	22,699	-
130X	Inventories	6(5)	448,503	2	382,530	2	403,419	3
1410	Prepayments		406,762	2	280,245	2	145,669	1
1470	Other Current Assets		19,129	-	44,734	-	25,176	-
11XX	<b>Total Current Assets</b>		<u>5,436,935</u>	<u>28</u>	<u>5,903,882</u>	<u>33</u>	<u>7,857,106</u>	<u>48</u>
<b>Non-Current Assets</b>								
1510	Financial Assets at Fair Value Through Profit or Loss - Non Current	6(2) and 8	2,937,191	15	2,896,557	16	1,470,383	9
1535	Financial Assets at Amortized Cost - Non Current	6(3) and 8	471,015	2	507,602	3	48,445	-
1550	Investment under Equity Method	6(6)	111,672	1	124,565	1	154,605	1
1600	Property, plant and equipment	6(7) and 8	8,274,922	43	5,883,661	33	4,372,348	27
1755	Right-of-use Asset	6(8)	567,965	3	550,611	3	604,585	4
1760	Investment property (Net)	6(10) and 8	169,528	1	170,346	1	172,797	1
1780	Intangible assets	6(11) and 8	605,532	3	497,180	3	493,157	3
1840	Deferred Income Tax Assets		16,261	-	9,365	-	8,569	-
1900	Other Non-Current Assets	6(12)	734,599	4	1,349,137	7	1,090,011	7
15XX	<b>Total Non-Current Assets</b>		<u>13,888,685</u>	<u>72</u>	<u>11,989,024</u>	<u>67</u>	<u>8,414,900</u>	<u>52</u>
1XXX	<b>Total Assets</b>		<u>\$ 19,325,620</u>	<u>100</u>	<u>\$ 17,892,906</u>	<u>100</u>	<u>\$ 16,272,006</u>	<u>100</u>

(continued on next page)

**Taiwan Mask Corporation and Subsidiaries**  
**Consolidated Balance Sheets**

**March 31, 2023, December 31, 2022, and March 31, 2022**

(The consolidated balance sheets as of March 31, 2023 and 2022 are reviewed, not audited)

Liabilities and Equities		Notes	March 31, 2023		December 31, 2022		Unit: NT\$Thousand (Adjusted) March 31, 2022	
			Amount	%	Amount	%	Amount	%
<b>Current liabilities</b>								
2100	Short Term Loans	6(13)	\$ 5,573,861	29	\$ 4,624,525	26	\$ 4,746,899	29
2120	Financial Liabilities at Fair Value	6(2)						
	Through Profit or Loss - Current		2,011	-	5,697	-	2,786	-
2130	Contract Liabilities - Current	6(22)	178,788	1	232,778	1	288,455	2
2150	Notes Payable		71	-	81	-	34,850	-
2170	Accounts Payable		324,140	2	417,175	2	451,586	3
2180	Accounts payable - Related party	7	-	-	284	-	-	-
2200	Other Payables	6(14)	1,981,353	10	837,213	5	650,758	4
2230	Income Tax Liabilities for the Period		254,210	1	178,854	1	179,961	1
2250	Provision for Liabilities - Current		-	-	-	-	10,739	-
2280	Lease Liability - Current		40,094	-	32,571	-	303,621	2
2320	Long-term liabilities due within one year or one business cycle	6(16)	645,604	4	611,473	4	81,581	1
2399	Other Current Liabilities - Other		18,999	-	39,114	-	38,085	-
21XX	<b>Total Current Liabilities</b>		<u>9,019,131</u>	<u>47</u>	<u>6,979,765</u>	<u>39</u>	<u>6,789,321</u>	<u>42</u>
<b>Non-current liabilities</b>								
2530	Corporate bonds payable	6(15)	2,613,557	13	2,609,044	14	1,661,537	10
2540	Long-term borrowings	6(16)	2,910,063	15	3,167,974	18	2,651,171	16
2570	Deferred Income Tax Liabilities		122,613	1	121,124	1	114,489	1
2580	Lease liability - Non Current		537,764	3	527,098	3	307,761	2
2640	Defined Benefit Liabilities - Non Current		11,343	-	16,512	-	15,006	-
2645	Guarantee Deposits Received		52,498	-	34,754	-	40,662	-
2670	Other Non-Current Liabilities - Other		19,778	-	2,428	-	95,235	1
25XX	<b>Total Non-Current Liabilities</b>		<u>6,267,616</u>	<u>32</u>	<u>6,478,934</u>	<u>36</u>	<u>4,885,861</u>	<u>30</u>
2XXX	<b>Total Liabilities</b>		<u>15,286,747</u>	<u>79</u>	<u>13,458,699</u>	<u>75</u>	<u>11,675,182</u>	<u>72</u>
<b>Equity attributable to shareholders of the parent company</b>								
Capital								
3110	Capital stock	6(18)	2,564,465	13	2,564,465	14	2,556,735	16
	Capital surplus	6(19)						
3200	Capital surplus		1,203,283	7	1,251,681	8	1,332,539	8
Retained earnings								
3310	Legal reserve	6(20)	769,952	4	769,952	4	656,037	4
3350	Unappropriated earnings		1,380,833	7	1,729,293	10	1,225,453	8
Other equity interests								
3400	Other equity interests	6(21)	12,670	-	10,508	-	18,648	-
3500	Treasury stock	6(18)	(1,778,979)	(9)	(1,778,979)	(10)	(936,443)	(6)
31XX	<b>Total Equities Attributable to Parent Company</b>		<u>4,152,224</u>	<u>22</u>	<u>4,546,920</u>	<u>26</u>	<u>4,852,969</u>	<u>30</u>
36XX	<b>Non-controlling Interests</b>		<u>(113,351)</u>	<u>(1)</u>	<u>(112,713)</u>	<u>(1)</u>	<u>(256,145)</u>	<u>(2)</u>
3XXX	<b>Total Equities</b>		<u>4,038,873</u>	<u>21</u>	<u>4,434,207</u>	<u>25</u>	<u>4,596,824</u>	<u>28</u>
Major Commitments and Contingencies								
		9						
Major Events after Financial Statement Date								
		11						
3X2X	<b>Total Liabilities and Equities</b>		<u>\$ 19,325,620</u>	<u>100</u>	<u>\$ 17,892,906</u>	<u>100</u>	<u>\$ 16,272,006</u>	<u>100</u>

The accompanying notes are an integral part of the consolidated financial statements and should be read in conjunction.

Chairperson: Sean Chen

Managerial Officer: Lidon Chen

Accounting Officer: Eve Yang

Taiwan Mask Corporation and Subsidiaries  
Consolidated Statement of Comprehensive Income  
For the three months ended March 31, 2023, and 2022.  
(Reviewed, not audited)

Unit: NT\$Thousand  
Earning (Loss) per Share in NTD

Items	Notes	January 1 to March 31, 2023		(Adjusted) For the three months ended March 31, 2022	
		Amount	%	Amount	%
4000 Operating income	6(22) and 7	\$ 1,563,590	100	\$ 1,707,492	100
5000 Operating costs	6(5)	( 1,136,530)	( 73)	( 1,304,178)	( 77)
5900 Gross profit		<u>427,060</u>	<u>27</u>	<u>403,314</u>	<u>23</u>
Operating Expenses	6(27) (28)				
6100 Selling Expenses		( 57,145)	( 4)	( 46,507)	( 3)
6200 Administrative Expenses		( 100,077)	( 6)	( 92,961)	( 5)
6300 R&D Expenses		( 82,075)	( 5)	( 52,561)	( 3)
6450 Expected Credit Impairment Benefit (Loss)	12(2)	<u>3,515</u>	<u>-</u>	<u>( 1,458)</u>	<u>-</u>
6000 Total Operating Expenses		<u>( 235,782)</u>	<u>( 15)</u>	<u>( 193,487)</u>	<u>( 11)</u>
6900 Operating profit		<u>191,278</u>	<u>12</u>	<u>209,827</u>	<u>12</u>
Non-operating income and expenses					
7100 Interest income	6(23)	9,766	1	1,767	-
7010 Other Incomes	6(24)	10,244	1	12,270	1
7020 Other Gains and Losses	6(25)	78,403	5	( 487,591)	( 28)
7050 Financial Costs	6(26)	( 57,342)	( 4)	( 34,738)	( 2)
7060 The share of affiliates and joint venture profits and losses recognized by the equity method	6(6)	<u>( 12,963)</u>	<u>( 1)</u>	<u>( 10,129)</u>	<u>( 1)</u>
7000 Total Non-Operating Incomes and Losses		<u>28,108</u>	<u>2</u>	<u>( 518,421)</u>	<u>( 30)</u>
7900 <b>Net profit (loss) before tax</b>		<u>219,386</u>	<u>14</u>	<u>( 308,594)</u>	<u>( 18)</u>
7950 Income Tax Expense	6(29)	( 80,508)	( 5)	( 4,832)	( 1)
8200 <b>Net profit (loss) for the period</b>		<u>\$ 138,878</u>	<u>9</u>	<u>( \$ 313,426)</u>	<u>( 19)</u>
<b>Other Comprehensive Incomes (Net)</b>					
8361 Financial statement translation differences of foreign operations	6(21)	\$ 2,162	-	\$ 14,616	1
8360 Total Components of other comprehensive income that will be reclassified to profit or loss		<u>2,162</u>	<u>-</u>	<u>14,616</u>	<u>1</u>
8300 <b>Other Comprehensive Incomes (Net)</b>		<u>\$ 2,162</u>	<u>-</u>	<u>\$ 14,616</u>	<u>1</u>
8500 <b>Total comprehensive income for the year</b>		<u>\$ 141,040</u>	<u>9</u>	<u>( \$ 298,810)</u>	<u>( 18)</u>
Net Incomes (Losses) Attributable to:					
8610 Parent Company		\$ 208,051	13	( \$ 244,698)	( 15)
8620 Non-controlling Interests		( 69,173)	( 4)	( 68,728)	( 4)
Total		<u>\$ 138,878</u>	<u>9</u>	<u>( \$ 313,426)</u>	<u>( 19)</u>
Total Comprehensive Incomes (Losses) Attributable to:					
8710 Parent Company		\$ 210,213	13	( \$ 230,082)	( 14)
8720 Non-controlling Interests		( 69,173)	( 4)	( 68,728)	( 4)
Total		<u>\$ 141,040</u>	<u>9</u>	<u>( \$ 298,810)</u>	<u>( 18)</u>
Basic earnings per share (loss)	6(30)				
9750 Net profit (loss) for the period		<u>\$ 1.01</u>		<u>( \$ 1.14)</u>	
Diluted earnings per share (loss)	6(30)				
9850 Net profit (loss) for the period		<u>\$ 0.91</u>		<u>( \$ 1.14)</u>	

The accompanying notes are an integral part of the consolidated financial statements and should be read in conjunction.

Chairperson: Sean Chen

Managerial Officer: Lidon Chen

Accounting Officer: Eve Yang

Taiwan Mask Corporation and Subsidiaries  
Consolidated Statement of Changes in Equity  
For the three months ended March 31, 2023, and 2022.  
(Reviewed, not audited)

Unit: NT\$Thousand

	Notes	Equity attributable to shareholders of the parent company									Non-controlling Interests	Total Equity
		Capital stock	Capital surplus	Retained earnings			Other equity interests			Treasury stock		
				Legal reserve	Unappropriated earnings	Financial statement translation differences of foreign operations	Unrealized gain (loss) on investments on financial assets at fair value through other comprehensive income					
<u>January 1 to March 31, 2022</u>												
Balance January 1, 2022		\$ 2,556,735	\$ 1,315,828	\$ 656,037	\$ 1,470,151	\$ 6,698	(\$ 2,666 )	(\$ 941,423 )	\$ 5,061,360	(\$ 187,509 )	\$ 4,873,851	
Net loss for the period		-	-	-	( 244,698 )	-	-	-	( 244,698 )	( 68,728 )	( 313,426 )	
Other Comprehensive Profit or Loss	6(21)	-	-	-	-	14,616	-	-	14,616	-	14,616	
Total comprehensive income for the year		-	-	-	( 244,698 )	14,616	-	-	( 230,082 )	( 68,728 )	( 298,810 )	
Changes in shares of affiliates and joint ventures recognized under the equity method	6(19)	-	( 120 )	-	-	-	-	-	( 120 )	( 2,138 )	( 2,258 )	
Share-based payment transaction	6(19)	-	16,831	-	-	-	-	-	16,831	2,230	19,061	
Treasury stock donation		-	-	-	-	-	-	4,980	4,980	-	4,980	
Balance March 31, 2022		\$ 2,556,735	\$ 1,332,539	\$ 656,037	\$ 1,225,453	\$ 21,314	(\$ 2,666 )	(\$ 936,443 )	\$ 4,852,969	(\$ 256,145 )	\$ 4,596,824	
<u>January 1 to March 31, 2023</u>												
Balance as at January 1, 2023		\$ 2,564,465	\$ 1,251,681	\$ 769,952	\$ 1,729,293	\$ 13,174	(\$ 2,666 )	(\$ 1,778,979 )	\$ 4,546,920	(\$ 112,713 )	\$ 4,434,207	
Net profit for the period		-	-	-	208,051	-	-	-	208,051	( 69,173 )	138,878	
Other Comprehensive Profit or Loss	6(21)	-	-	-	-	2,162	-	-	2,162	-	2,162	
Total comprehensive income for the year		-	-	-	208,051	2,162	-	-	210,213	( 69,173 )	141,040	
Distribution and appropriation of earnings for 2022	6(20)	-	-	-	-	-	-	-	-	-	-	
Cash dividends		-	-	-	( 556,511 )	-	-	-	( 556,511 )	-	( 556,511 )	
Distribution of cash from capital surplus	6(19)	-	( 48,392 )	-	-	-	-	-	( 48,392 )	-	( 48,392 )	
Payment of overdue unclaimed dividends to shareholders		-	( 6 )	-	-	-	-	-	( 6 )	-	( 6 )	
Increase in non-controlling interests in mergers		-	-	-	-	-	-	-	-	68,535	68,535	
Balance as at March 31, 2023		\$ 2,564,465	\$ 1,203,283	\$ 769,952	\$ 1,380,833	\$ 15,336	(\$ 2,666 )	(\$ 1,778,979 )	\$ 4,152,224	(\$ 113,351 )	\$ 4,038,873	

The accompanying notes are an integral part of the consolidated financial statements and should be read in conjunction.

Taiwan Mask Corporation and Subsidiaries  
Consolidated Statements of Cash Flows  
For the three months ended March 31, 2023, and 2022.  
(Reviewed, not audited)

Unit: NT\$Thousand

	Notes	January 1 to March 31, 2023		(Adjusted) For the three months ended March 31, 2022
<u>Cash Flow from Operating Activities</u>				
Net income before tax (loss)		\$ 219,386	( \$	308,594 )
Adjustments to Reconcile Net Income to Net Cash Flow from Operating Activities				
Revenues and Expenses				
Depreciation	6(27)	199,199		133,840
Amortization	6(27)	11,570		4,296
Expected Credit Impairment Benefit/Bad Debt Expenses	12(2)		( 3,515 )	1,458
Interest income	6(23)		( 9,766 )	( 1,767 )
Interest Expenses	6(26)	57,342		34,738
Treasury stock donation expenses		-		4,980
Loss (gain) on financial assets at fair value through profit or loss	6(25)		( 24,058 )	413,171
Loss (gain) on disposal of investments	6(25)		( 64,164 )	107,836
Share-based payment transaction	6(18)	-		19,061
Share of losses of affiliated companies recognized under the equity method	6(6)	12,963		10,129
Disposal of interests in property, plant and equipment	6(25)		( 57 )	( 5,942 )
The Changes of Assets/ Liabilities related to Operating Activities				
Net Changes of Assets related to Operating Activities				
Mandatory financial assets at fair value through profit or loss		124,550	(	561,248 )
Contract Assets		23,389		37,669
Notes Receivables		1,388	(	10,985 )
Accounts Receivables		311,607	(	37,664 )
Accounts Receivables - Related Parties		811	(	4,152 )
Other Receivables		2,715	(	66,533
Other Receivables - Related Parties		306	(	-
Inventories		2,553		298
Prepayments		120,877	(	23,803 )
Other Current Assets		70,053		4,721
Other Non-Current Assets		28,877	(	590 )
Net Changes of Liabilities related to Operating Activities				
Contract Liabilities		63,476	(	109,140
Notes Payable		79,732	(	34,784
Accounts Payable		111,924	(	25,646 )
Accounts payable - Related party		284	(	-
Other Payables		89,283	(	63,730 )
Provisions		-	(	225 )
Other Current Liabilities		20,683	(	1,196 )
Defined Benefit Liabilities		5,170	(	7
Other Current Liabilities		12,551	(	5,411 )
Net Cash In-Flow (Out-Flow) from Operating Interest Received		480,229	(	68,292 )
Interest Paid		9,766		1,747
Income Tax Paid		52,829	(	33,485 )
Cash In-Flow (Out-Flow) from Operating Activities		5,279	(	8,278 )
		431,887	(	108,308 )

(continued on next page)

Taiwan Mask Corporation and Subsidiaries  
Consolidated Statements of Cash Flows  
For the three months ended March 31, 2023, and 2022.  
(Reviewed, not audited)

Unit: NT\$Thousand

	Notes	January 1 to March 31, 2023	(Adjusted) For the three months ended March 31, 2022
<u>Cash Flow from Investment Activities</u>			
Acquisition of Amortized Cost Financial Assets		(\$ 137,807)	(\$ 8,020)
Disposal of Amortized Cost Financial Assets		67,072	-
Cash inflows from changes in consolidated entities	6(31)	34,014	-
Acquisition of Property, Plants and Equipment	6 (32)	( 1,291,469 )	( 809,824 )
Disposal of Property, Plants and Equipment		57	6,020
Acquisition of Intangible Assets	6(11)	-	( 420 )
Increase in Refundable Deposit		( 8,707 )	( 9,439 )
Net Cash Outflow from Investing Activities		( 1,336,840 )	( 821,683 )
<u>Cash Flows from Financing Activities</u>			
Increase of Short Term Loan	6 (33)	4,687,072	1,407,590
Redemption of Short Term Loan	6 (33)	( 3,836,890 )	( 1,037,457 )
Increase of Long Term Loan	6 (33)	60,581	41,630
Redemption of Long Term Loan	6 (33)	( 315,501 )	( 31,077 )
Redemption of Lease Principal	6 (33)	( 9,595 )	( 9,576 )
Increase in Guarantee Deposits Received	6 (33)	17,744	33,754
Payment of overdue unclaimed dividends		( 6 )	-
Net Cash In-Flow (Out-Flow) from Funding Activities		603,405	404,864
Adjustments of Exchange Rate		( 2,081 )	5,539
Increase (Decrease) in Cash and Cash Equivalents		( 303,629 )	( 519,588 )
Beginning Balance of Cash and Cash Equivalents	6(1)	1,749,957	2,681,819
Ending Balance of Cash and Cash Equivalents	6(1)	\$ 1,446,328	\$ 2,162,231

The accompanying notes are an integral part of the consolidated financial statements and should be read in conjunction.

Chairperson: Sean Chen

Managerial Officer: Lidon Chen

Accounting Officer: Eve Yang

Taiwan Mask Corporation and Subsidiaries  
Notes to the Consolidated Financial Statements  
Q1 2023 and 2022  
(Reviewed, not audited)

Unit: NT\$Thousand  
(Unless otherwise specified)

I. Company History

Taiwan Mask Corporation (hereinafter referred to as the "Company") was established on October 21, 1988, and started its operations in March 1989. The Company was approved by the shareholders meeting on June 12, 2000 to acquire Shin-Tai Technology Co., Ltd., on the merger record date of December 1, 2000, with the Company being the surviving entity. The Company and its subsidiary (collectively referred to as the "Group") mainly engage in the research, development, manufacturing and sales of photomask and integrated circuits, providing technical assistance, consultation, inspection and repair of the abovementioned products, and manufacturing and buying and selling of medical equipment.

II. Date and procedures for passing the financial statement

The consolidated financial statements were reported to the Board of Directors and issued on May 5, 2023.

III. Application of New and Revised International Financial Reporting Standards

(I) The impact from adopting the newly released and revised IFRS recognized and issued into effect by the Financial Supervisory Commission (FSC).

The following table summarizes the applicable newly released, corrected and amended standards and interpretations of the International Financial Reporting Standards recognized and issued into effect by the Financial Supervisory Commission in 2023:

<u>Newly released/corrected/amended standards and interpretations</u>	<u>Effective Date Issued by IASB</u>
Amendment to IAS 1 - "Disclosure of Accounting Policies"	January 1, 2023
Amendment to IAS 8 - "Definition of Accounting Estimates"	January 1, 2023
Amendments to IAS 12, "Deferred Income Taxes Related to Assets and Liabilities Arising from a Single Transaction"	January 1, 2023

The Group believes that the adoption of aforementioned IFRSs will not have a significant effect on the financial position and performance.

(II) Impact of the newly released and amended IFRS recognized by the FSC not yet adopted by the Company.

None.

(III) IFRSs issued by the IASB but not yet recognized by the FSC.

The following table summarizes the applicable newly released, corrected and amended standards and interpretations of the IFRS issued by the IASB but not yet recognized by the FSC:

<u>Newly released/corrected/amended standards and interpretations</u>	<u>Effective Date Issued by IASB</u>
Amendments to IFRS 10 and IAS 28 - “Sale or contribution of assets between an investor and its associate or joint venture”	To be determined by the IASB
Amendments to IFRS 16 - “Liabilities of Lease from the Leaseback”	January 1, 2024
IFRS 17 - “Insurance contracts”	January 1, 2023
Amendment to IFRS 17 - “Insurance contracts”	January 1, 2023
Amendments to IFRS 17 - "First-time Adoption of IFRS 17 and IFRS 9 - Comparative Information"	January 1, 2023
Amendment to IAS 1 - "Classification of Liabilities as Current or Non-Current"	January 1, 2024
Amendment to IAS 1 - "Non-Current Liabilities With Covenants"	January 1, 2024

The Group believes that the adoption of aforementioned IFRSs will not have a significant effect on the financial position and performance.

#### IV. Summary of Significant Accounting Policies

Significant accounting policies are the same as those in Note 4 of the 2022 consolidated financial statements, except for the compliance statements, basis of preparation, basis of consolidation, and applicable parts of interim financial statements. These policies have been consistently applied to all the periods presented, unless otherwise stated.

##### (I) Compliance statement

1. The consolidated financial statements of the Group have been prepared in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” and the IAS No. 34, “Interim Financial Reporting” as endorsed by the FSC.
2. The consolidated financial statement should be read in conjunction with the 2022 consolidated financial statement.

##### (II) Basis of Preparation

1. Except for the following items, these consolidated financial statements have been prepared under the historical cost convention.
  - (1) Financial assets and financial liabilities at fair value through profit or loss (including derivatives).
  - (2) Financial Assets at Fair Value Through Other Comprehensive Income.
  - (3) Defined benefit liabilities recognized based on the net amount of pension fund assets less present value of defined benefit obligation.
2. The preparation of financial statements in conformity with IFRS, IAS, IFRIC Interpretations, and SIC Interpretations as endorsed by the FSC (collectively referred herein as the “IFRSs”) requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(III) Basis of consolidation

1. The basis for preparation of consolidated financial statements

The principles for preparing the consolidated financial statement are the same as those of the 2022 consolidated financial statement.

2. Subsidiaries included in the consolidated financial statements:

Name of Investor	Name of Subsidiary	Main Business Activity	Ownership (%)			Explanation
			March 31, 2023	December 31, 2022	March 31, 2022	
Taiwan Mask Corporation	Sunny Lake Park International Holding, Inc.	Name of Investor	100	100	100	Note 6
Taiwan Mask Corporation	Youe Chung Capital Corporation	Name of Investor	100	100	100	
Taiwan Mask Corporation	Miracle Technology Co., LTD.	Electronics components manufacturing, electronics materials and precision equipment distribution and power component design	100	100	100	
Taiwan Mask Corporation	Innova Vision INC.	Manufacturing, retail, wholesale and international trade of medical equipment	91.53	91.53	91.53	Note 6
Youe Chung Capital Corporation	Innova Vision INC.	Manufacturing, retail, wholesale and international trade of medical equipment	0.23	0.23	0.23	Note 6
Youe Chung Capital Corporation	Aptos Technology INC.	Design, packaging and testing of NAND flash memory, solid state drives and the related products	47.19	47.19	38.16	Note 3 and Note 6
Youe Chung Capital Corporation	Xsense Technology Corporation	Name of Investor	100	100	41.43	Note 4, Note 5 and Note 6
Youe Chung Capital Corporation	Xsense Technology Corporation (B.V.I.) Taiwan Branch	Precious metal coating	53.00	53.00	-	Note 5 and Note 6
Xsense Technology Corporation	Xsense Technology Corporation (B.V.I.) Taiwan Branch	Precious metal coating	-	-	100	Note 5 and Note 6
Youe Chung Capital Corporation	Digital-Can Tech. Co., Ltd.	3D Printing and Plastic Mold Design	57.39	57.39	57.39	Note 6
Youe Chung Capital Corporation	Pilot Battery Co., Ltd.	Electronic parts and components and energy technical services	58.33	-	-	Note 1 and Note 6
Youe Chung Capital Corporation	Moment Semiconductor, Inc.	Retail and wholesale of memory products	53.33	-	-	Note 2 and Note 6

Name of Investor	Name of Subsidiary	Main Business Activity	Ownership (%)			Explanation
			March 31, 2023	December 31, 2022	March 31, 2022	
Aptos Technology INC.	ADL Energy Corp	Electronic parts and components and energy technical services	100	100	100	Note 6
Aptos Technology INC.	New Sunrise Limited	Name of Investor	100	100	100	Note 6
ADL Energy Corp	Aptos Global Holding Corp.	Name of Investor	100	100	100	Note 6
Miracle Technology Co., LTD.	Jing Hao Investment Co., Ltd.	Name of Investor	100	100	100	
Miracle Technology Co., LTD.	Miracle International Enterprise (Shanghai) Co., Ltd.	Electronics components manufacturing, electronics materials and precision equipment distribution and power component design	100	100	100	
Jing Hao Investment Co., Ltd.	Miko-China Enterprise (Shanghai) Co., Ltd.	Electronics components manufacturing, electronics materials and precision equipment distribution and power component design	100	100	100	
Jing Hao Investment Co., Ltd.	MIKO Technology Co., Ltd.	Electronics components manufacturing, electronics materials and precision equipment distribution and power component design	100	100	100	
Miko-China Enterprise (Shanghai) Co., Ltd.	Sichuan Miracle Power Technology Co., Ltd.	IC product design, production and sales	79.17	79.17	79.17	
Miracle International Enterprise (Shanghai) Co., Ltd.	Sichuan Miracle Power Technology Co., Ltd.	IC product design, production and sales	20.83	20.83	20.83	
Innova Vision INC.	Innova Technology	Medical equipment retail and wholesale	100	100	100	Note 6
Innova Vision INC.	Innova Vision (B.V.I.) Inc.	Name of Investor	100	100	100	Note 6
Innova Vision Inc.	Innova VisionKabushikiKaisha	Medical equipment retail and wholesale	52.03	52.03	52.03	Note 6
Innova Vision (B.V.I.) Inc.	Innova VisionKabushikiKaisha	Medical equipment retail and wholesale	47.97	47.97	47.97	Note 6

- Note 1: In March 2023, the Company's subsidiary, Youe Chung Capital Corporation, invested in Pilot Battery Co.,Ltd. with 58.33% shareholding.
- Note 2: In March 2023, the Company's subsidiary, Youe Chung Capital Corporation, invested in Moment Semiconductor, Inc. with 53.33% shareholding.
- Note 3: The Company's subsidiary, Youe Chung Capital Corporation, which holds a majority of the Board of Directors of the company, has substantial control over the company and therefore included the company in the consolidated financial statements as a consolidated entity.
- Note 4: In April 2021, the Group participated in the management decisions and operating policies of Xsense Technology Corporation and therefore included the firm in the consolidated financial statements as a consolidated entity from that date.
- Note 5: In November 2022, Xsense Technology Corporation reduced its capital, leaving only one share which was 100% owned by Youe Chung Capital Corporation. At the same time, Xsense Technology Corporation applied for the transfer of its shares in Xsense Technology Corporation (B.V.I.) Taiwan Branch to the original shareholders of Xsense Technology Corporation in the same proportion. After the transfer, the original shareholders of Xsense Technology Corporation switched to owning Xsense Technology Corporation (B.V.I.) Taiwan Branch. As of March 31, 2023, Youe Chung Capital Corporation held 100% of Xsense Technology Corporation and 53.00% of Xsense Technology Corporation (B.V.I.) Taiwan Branch, respectively.
- Note 6: The financial statements of the entity as of and for the three months ended March 31, 2023 and 2022 were not reviewed by independent accountants as the entity did not meet the definition of a significant subsidiary.
3. Subsidiaries not included in the consolidated financial statement: None.
4. Adjustments for subsidiaries with different balance sheet dates: None.
5. Significant restrictions: None.

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

As of March 31, 2023, December 31, 2022 and March 31, 2022, the non-controlling interest amounted to (\$113,351), (\$112,713) and (\$256,145), respectively. The following information shows subsidiaries that have non-controlling interests that are material to the Group:

Name of Subsidiary	Main location of business	Non-controlling Interests				Explanation
		March 31, 2023		December 31, 2022		
		Amount	Ownership in %	Amount	Ownership in %	
Aptos Technology and its subsidiaries	Taiwan	(\$ 150,547)	52.81%	(\$ 100,582)	52.81%	

  

Name of Subsidiary	Main location of business	Non-controlling Interests		Explanation
		March 31, 2022		
		Amount	Ownership in %	
Aptos Technology and its subsidiaries	Taiwan	(\$ 283,828)	61.84%	

Aggregate financial information of subsidiaries:

Balance Sheet

	Aptos Technology and its subsidiaries		
	March 31, 2023	December 31, 2022	March 31, 2022
Current assets	\$ 425,457	\$ 339,417	\$ 482,458
Non-Current Assets	561,916	579,075	580,806
Current liabilities	( 858,112)	( 679,551)	( 1,296,641)
Non-current liabilities	( 414,327)	( 429,397)	( 225,615)
Total net assets	(\$ 285,066)	(\$ 190,456)	(\$ 458,992)

Statement of Comprehensive Income

	Aptos Technology and its subsidiaries	
	January 1 to March 31, 2023	January 1 to March 31, 2022
Revenue	\$ 84,243	\$ 188,614
Net loss before taxes	( 94,625)	( 64,014)
Income tax benefit (expense)	( 15)	-
Net loss of current period from continuing operations	( 94,640)	( 64,014)
Net loss for the period	( 94,640)	( 64,014)
Other comprehensive income (net after tax)	-	-
Total comprehensive income for the year	(\$ 94,640)	(\$ 64,014)

## Statements of Cash Flows

	<u>Aptos Technology and its subsidiaries</u>	
	<u>January 1 to March 31,</u> <u>2023</u>	<u>January 1 to March 31,</u> <u>2022</u>
Net Cash In-Flow (Out-Flow) from Operating Activities	(\$ 36,846)	\$ 131,304
Net Cash Outflow from Investing Activities	( 25,920)	( 87,630)
Net Cash In-Flow (Out-Flow) from Funding Activities	94,968	77,423
Increase (Decrease) of Cash and Cash Equivalents	32,202	121,097
Beginning Balance of Cash and Cash Equivalents	18,461	34,148
Ending Balance of Cash and Cash Equivalents	<u>\$ 50,663</u>	<u>\$ 155,245</u>

### (IV) Employee benefits

#### Pensions

#### Defined benefit plans

The calculation of pension cost during the interim period adopts the pension cost rate determined by actuarial calculations at the end of the previous financial year, and is based on the beginning of the year to the end of the current period. If there are major market changes and major reductions, liquidation or other major one-off events after the end date, adjustments shall be made and relevant information shall be disclosed in accordance with the abovementioned policies.

### (V) Income tax

Income tax expenses of the interim period are calculated based on the estimated annual average effective tax rate applied to the pre-tax profit and loss of the interim period, and the relevant information shall be disclosed in accordance with the aforementioned policies.

## V. Critical Accounting Judgments and Key Sources of Estimation and Uncertainty

There are no major changes, please refer to Note 5 of 2022 consolidated financial statements.

## VI. Summary of Significant Accounting Items

### (I) Cash and Cash Equivalents

	<u>March 31, 2023</u>	<u>December 31,</u> <u>2022</u>	<u>March 31, 2022</u>
Cash on hand	\$ 741	\$ 612	\$ 328
Checking accounts and demand deposits	1,049,737	1,012,305	1,380,103
Time deposits	395,850	737,040	781,800
Total	<u>\$ 1,446,328</u>	<u>\$ 1,749,957</u>	<u>\$ 2,162,231</u>

1. The Group associates with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.
2. The Group has no cash and cash and cash equivalents pledged to others.

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

Items	March 31, 2023	December 31, 2022	March 31, 2022
Current items:			
Mandatory financial assets at fair value through profit or loss			
Shares of listed and OTC company	\$ 1,135,534	\$ 1,254,041	\$ 2,820,065
Beneficiary certificates	500	500	500
	1,136,034	1,254,541	2,820,565
Valuation adjustment	367,916	330,057	786,965
	\$ 1,503,950	\$ 1,584,598	\$ 3,607,530
Financial liabilities mandatorily measured at fair value through profit or loss			
Convertible bond call/put options	\$ 2,011	\$ 5,697	\$ 2,786
Non-current items:			
Mandatory financial assets at fair value through profit or loss			
Shares of listed and OTC company	\$ 2,654,737	\$ 2,596,725	\$ 1,247,317
Not listed, OTC or emerging stock board stocks	115,448	115,338	125,064
Private equity	20,000	20,000	10,000
	2,790,185	2,732,063	1,382,381
Valuation adjustment	147,006	164,494	88,002
	\$ 2,937,191	\$ 2,896,557	\$ 1,470,383

1. Details of financial assets/liabilities at fair value through profit or loss recognized in profit or loss are as follows:

	January 1 to March 31, 2023	January 1 to March 31, 2022
Financial assets (liabilities) mandatorily at fair value through profit or loss of		
Listed/OTC company stocks	\$ 88,222	(\$ 521,007)

2. Please see Note 8 on how the Group provides financial assets at fair value through profit or loss as a pledged collateral.

3. Please see Note 12 (2) and (3) for the price risk and fair value information related to financial assets at fair value through profit or loss.

(III) Financial assets measured at amortized cost

Items	March 31, 2023	December 31,	
		2022	March 31, 2022
Current items:			
Demand Deposit	\$ 152,667	\$ 102,500	\$ 15,338
Time deposits	115,120	57,965	22,500
	<u>\$ 267,787</u>	<u>\$ 160,465</u>	<u>\$ 37,838</u>
Non-current items:			
Demand Deposit	\$ 4,000	\$ 22,383	\$ -
Time deposits	467,015	485,219	48,445
Total	<u>\$ 471,015</u>	<u>\$ 507,602</u>	<u>\$ 48,445</u>

1. Financial assets at amortized cost is recognized in the profit or loss shown as follows:

	January 1 to March 31, 2023	January 1 to March 31, 2022
Interest income	<u>\$ 1,978</u>	<u>\$ 31</u>

2. As of March 31, 2023, December 31, 2022 and March 31, 2022, without taking into account any collateral held or credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at amortized cost held by the Group was \$738,802, \$668,067 and \$86,283, respectively.

3. Please see Note 8 on how the Group provides financial assets at amortized cost as a pledged collateral.

(IV) Notes and accounts receivable

	March 31, 2023	December 31, 2022	March 31, 2022
Notes Receivables	\$ 57	\$ 1,361	\$ 11,048
Accounts Receivables	\$ 1,226,210	\$ 1,521,609	\$ 1,311,452
Accounts Receivables - Related Parties	1,535	2,346	20,964
	<u>1,227,745</u>	<u>1,523,955</u>	<u>1,332,416</u>
Less: Loss allowance	( 17,082)	( 20,597)	( 11,498)
	<u>\$ 1,210,663</u>	<u>\$ 1,503,358</u>	<u>\$ 1,320,918</u>

1. Aging of accounts receivable notes receivable is as follows:

	March 31, 2023		December 31, 2022	
	Accounts Receivables	Notes Receivables	Accounts Receivables	Notes Receivables
Not past due	\$ 946,717	\$ 57	\$ 1,188,466	\$ 1,361
Up to 30 days	151,343	-	224,106	-
31-90 days	108,758	-	85,210	-
91-180 days	8,949	-	14,582	-
More than 181 days past due	11,978	-	11,591	-
	<u>\$ 1,227,745</u>	<u>\$ 57</u>	<u>\$ 1,523,955</u>	<u>\$ 1,361</u>

	March 31, 2022	
	Accounts Receivables	Notes Receivables
Not past due	\$ 1,184,994	\$ 11,048
Up to 30 days	102,080	-
31-90 days	25,741	-
91-180 days	1,189	-
More than 181 days past due	18,412	-
	<u>\$ 1,332,416</u>	<u>\$ 11,048</u>

The above is an aging report based on the number of days past due.

- As of March 31, 2023, December 31, 2022 and March 31, 2022, the balances of accounts receivable and notes receivable were generated from customer contracts. As of January 1, 2022, the balance of receivables under customer contracts was \$1,280,623.
- As of March 31, 2023, December 31, 2022 and March 31, 2022, without taking into account any collateral held or credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the Group's accounts receivable was \$1,210,663, \$1,503,358 and \$1,320,918, respectively.
- Please refer to Note 12 (2) for the information on credit risk of accounts receivable.

(V) Inventories

	March 31, 2023		
	Cost	(Gain from reversal of) loss allowance on decline in market value of inventories	Book value
Raw materials	\$ 294,087	(\$ 77,354)	\$ 216,733
Work in process	79,403	( 7,607)	71,796
Finished goods	124,820	( 33,428)	91,392
Merchandise	76,073	( 7,491)	68,582
Total	<u>\$ 574,383</u>	<u>(\$ 125,880)</u>	<u>\$ 448,503</u>

  

	December 31, 2022		
	Cost	(Gain from reversal of) loss allowance on decline in market value of inventories	Book value
Raw materials	\$ 257,443	(\$ 77,998)	\$ 179,445
Work in process	84,578	( 9,468)	75,110
Finished goods	74,560	( 37,618)	36,942
Merchandise	98,708	( 7,675)	91,033
Total	<u>\$ 515,289</u>	<u>(\$ 132,759)</u>	<u>\$ 382,530</u>

  

	March 31, 2022		
	Cost	(Gain from reversal of) loss allowance on decline in market value of inventories	Book value
Raw materials	\$ 329,128	(\$ 71,599)	\$ 257,529
Work in process	58,064	( 12,664)	45,400
Finished goods	77,938	( 22,725)	55,213
Merchandise	47,048	( 1,771)	45,277
Total	<u>\$ 512,178</u>	<u>(\$ 108,759)</u>	<u>\$ 403,419</u>

The cost of inventories recognized as losses by the Group.

	January 1 to March 31, 2023	January 1 to March 31, 2022
Cost of goods sold	\$ 1,134,443	\$ 1,278,730
Loss on falling prices of inventory and inventory obsolescence	6,220	25,448
Revenue from sales of leftovers	( 4,133)	-
	<u>\$ 1,136,530</u>	<u>\$ 1,304,178</u>

(VI) Investment under Equity Method

	March 31, 2023	December 31, 2022	March 31, 2022
Affiliates:			
Advagene Biopharma Co., Ltd.	\$ 35,136	\$ 40,485	\$ 65,565
Weida Hi-Tech Co., Ltd.	76,536	84,080	89,040
	<u>\$ 111,672</u>	<u>\$ 124,565</u>	<u>\$ 154,605</u>

The book value and the share of operating results of each of the Group's insignificant affiliates are summarized as follows:

	January 1 to March 31, 2023	January 1 to March 31, 2022
Net loss of current period from continuing operations	(\$ 12,963)	(\$ 10,129)

As of March 31, 2023, December 31, 2022 and March 31, 2022, the Group held 30.73% and 28.20%, 30.73% of shares of Advagene Biopharma Co., Ltd., respectively, and 28.20%, 30.76% and 28.20% of shares of Weida Hi-Tech Co., Ltd., respectively, making it the single largest shareholder in each case. However, the Group did not hold a majority of the board of directors' seats and therefore did not participate in all operational decisions and business policies including strategic decisions (e.g., financing, acquisition, personnel and dividend policies, etc.) of Advagene Biopharma Co., Ltd. Weida Hi-Tech Co., Ltd. The Group's shareholdings alone did not meet the required attendance rate at shareholders' meetings, indicating that the Group has no power to direct relevant activities and therefore the Group does not have control over the company and has only significant influence.

(VII) Property, plant and equipment

	Buildings and structures (including land)	Machinery and equipment	Office equipment	Transportation equipment	Mold equipment	Other equipment	Unfinished construction and equipment under acceptance	Total
January 1, 2023								
Cost	\$ 2,538,391	\$ 5,286,246	\$ 65,406	\$ 8,466	\$ 313,370	\$ 595,668	\$ 538,013	\$ 9,345,560
Accumulated depreciation	( 737,646)	( 2,144,752)	( 34,354)	( 5,556)	( 295,689)	( 243,902)	-	( 3,461,899)
	<u>\$ 1,800,745</u>	<u>\$ 3,141,494</u>	<u>\$ 31,052</u>	<u>\$ 2,910</u>	<u>\$ 17,681</u>	<u>\$ 351,766</u>	<u>\$ 538,013</u>	<u>\$ 5,883,661</u>
2023								
January 1	\$ 1,800,745	\$ 3,141,494	\$ 31,052	\$ 2,910	\$ 17,681	\$ 351,766	\$ 538,013	\$ 5,883,661
Add - Cost	19,349	99,612	4,694	2,165	1,065	38,572	2,446,175	2,611,632
Disposals - Cost	-	( 13,774)	-	( 2,189)	-	( 37,956)	-	( 53,919)
Disposal - Accumulated depreciation	-	13,774	-	2,189	-	37,956	-	53,919
Depreciation	( 43,263)	( 117,148)	( 3,429)	( 242)	( 1,802)	( 18,467)	-	( 184,351)
Reclassification	105,951	36,021	288	-	824	29,445	( 251,961)	( 79,432)
Addition due to increase in non-controlling interests of	35,052	5,423	1,954	550	-	422	-	43,401
Net exchange differences - Cost	-	13	3	6	-	3	-	25
Net exchange differences - Accumulated depreciation	-	( 7)	( 2)	( 5)	-	-	-	( 14)
March 31	<u>\$ 1,917,834</u>	<u>\$ 3,165,408</u>	<u>\$ 34,560</u>	<u>\$ 5,384</u>	<u>\$ 17,768</u>	<u>\$ 401,741</u>	<u>\$ 2,732,227</u>	<u>\$ 8,274,922</u>
March 31, 2023								
Cost	\$ 2,711,510	\$ 5,424,516	\$ 73,307	\$ 11,236	\$ 315,259	\$ 653,842	\$ 2,732,227	\$ 11,921,897
Accumulated depreciation	( 793,676)	( 2,259,108)	( 38,747)	( 5,852)	( 297,491)	( 252,101)	-	( 3,646,975)
	<u>\$ 1,917,834</u>	<u>\$ 3,165,408</u>	<u>\$ 34,560</u>	<u>\$ 5,384</u>	<u>\$ 17,768</u>	<u>\$ 401,741</u>	<u>\$ 2,732,227</u>	<u>\$ 8,274,922</u>

	Buildings and structures (including land)	Machinery and equipment	Office equipment	Transportation equipment	Mold equipment	Other equipment	Unfinished construction and equipment under acceptance	Total
January 1, 2022								
Cost	\$ 2,327,441	\$ 3,631,853	\$ 46,490	\$ 6,544	\$ 18,784	\$ 63,751	\$ 246,016	\$ 6,340,879
Accumulated depreciation	( 654,360)	( 1,563,467)	( 21,271)	( 3,444)	( 6,472)	( 5,504)	-	( 2,254,518)
	<u>\$ 1,673,081</u>	<u>\$ 2,068,386</u>	<u>\$ 25,219</u>	<u>\$ 3,100</u>	<u>\$ 12,312</u>	<u>\$ 58,247</u>	<u>\$ 246,016</u>	<u>\$ 4,086,361</u>
<u>2022</u>								
January 1	\$ 1,673,081	\$ 2,068,386	\$ 25,219	\$ 3,100	\$ 12,312	\$ 58,247	\$ 246,016	\$ 4,086,361
Add - Cost	15,125	13,947	1,780	-	1,810	1,705	372,309	406,676
Disposals - Cost	-	( 303,169)	-	-	-	( 7,588)	-	( 310,757)
Disposal - Accumulated depreciation	-	303,111	3	-	-	7,565	-	310,679
Depreciation	( 35,737)	( 77,401)	( 2,460)	( 263)	( 1,136)	( 5,506)	-	( 122,503)
Reclassification - Cost	1,884	1,187	129	-	-	( 468)	( 887)	1,845
Net exchange differences - Cost	-	11	106	34	-	-	-	151
Net exchange differences - Accumulated depreciation	-	( 11)	( 56)	( 37)	-	-	-	( 104)
March 31	<u>\$ 1,654,353</u>	<u>\$ 2,006,061</u>	<u>\$ 24,721</u>	<u>\$ 2,834</u>	<u>\$ 12,986</u>	<u>\$ 53,955</u>	<u>\$ 617,438</u>	<u>\$ 4,372,348</u>
March 31, 2022								
Cost	\$ 2,344,450	\$ 3,343,829	\$ 48,505	\$ 6,578	\$ 20,594	\$ 57,400	\$ 617,438	\$ 6,438,794
Accumulated depreciation	( 690,097)	( 1,337,768)	( 23,784)	( 3,744)	( 7,608)	( 3,445)	-	( 2,066,446)
	<u>\$ 1,654,353</u>	<u>\$ 2,006,061</u>	<u>\$ 24,721</u>	<u>\$ 2,834</u>	<u>\$ 12,986</u>	<u>\$ 53,955</u>	<u>\$ 617,438</u>	<u>\$ 4,372,348</u>

1. For the three months ended March 31, 2023, and 2022, the Group did not capitalize interest.
2. The major components of the Group's buildings and structures include land, buildings and factory renovation projects. Except for land, they are depreciated for 5 to 56 years.
3. Information on property, plant and equipment pledged to others as collateral is provided in Note 8.
4. The abovementioned property, plant and equipment of the Group are for self-use.

(VIII) Leasing arrangements - lessee

1. The underlying assets leased by the Group include land, buildings and company vehicles. Leasing contracts are typically made for periods of 3 to 20 years. Lease contracts are negotiated separately and include a variety of terms and conditions. There are no restrictions for the leased assets, except that they cannot be used as loan collaterals.
2. The lease periods of other equipment leased by the Group did not exceed 12 months.
3. The carrying amount of right-of-use assets and the depreciation charge are as follows:

	Carrying amount as of March 31, 2023	Carrying amount as of December 31, 2022	Carrying amount as of March 31, 2022
Land	\$ 500,473	\$ 507,948	\$ 526,362
Buildings and structures	11,033	1,018	35,467
Transportation equipment (company vehicles)	14,418	16,241	16,616
Other equipment	42,041	25,404	26,140
	<u>\$ 567,965</u>	<u>\$ 550,611</u>	<u>\$ 604,585</u>

	January 1 to March 31, 2023	January 1 to March 31, 2022
	Depreciation	Depreciation
Land	\$ 6,427	\$ 6,115
Buildings and structures	4,083	1,745
Transportation equipment (company vehicles)	2,740	2,067
Other equipment	780	593
	<u>\$ 14,030</u>	<u>\$ 10,520</u>

4. For the three months ended March 31, 2023, and 2022, the increase (decrease) in right-of-use assets were \$22,545 and (\$37,547), respectively.
5. The information on profit or loss items related to lease contracts is as follows:

	January 1 to March 31, 2023	January 1 to March 31, 2022
<u>Items affecting current profit and loss</u>		
Interest expenses on lease liabilities	\$ 1,851	\$ 1,805
Expenses for short-term lease contracts	673	526
Lease of low-value assets	1,334	76

6. For the three months ended March 31, 2023, and 2022, the Group's total cash outflow for leases were \$13,117 and \$11,983, respectively.
7. Options to extend or terminate leases

In determining lease terms, the Group takes into consideration all facts and circumstances that create economic incentives to exercise an option to extend or terminate leases. The assessment of lease period is reviewed if a significant event occurs which affects the assessment of options to extend or options not to terminate.

(IX) Leasing arrangements - lessor

1. The Group leases out assets such as buildings. The lease contracts are typically made for periods of 1 to 2 years. The terms of lease contracts are negotiated separately and include various terms and conditions. In order to preserve the condition of leased assets, the Group usually requires lessees not to pledge the underlying leased assets.
2. For the three months ended March 31, 2023, and 2022, the Group recognized rental income of \$5,183 and \$6,293, respectively, based on operational lease agreements, for which no variable lease payments were made.
3. The maturity analysis of the undiscounted lease payments under the operating leases is as follows:

	<u>March 31, 2023</u>	<u>December 31, 2022</u>	<u>March 31, 2022</u>
2022	\$ -	\$ -	\$ 12,116
2023	10,503	14,476	4,793
2024	524	786	-
	<u>\$ 11,027</u>	<u>\$ 15,262</u>	<u>\$ 16,909</u>

(X) Real estate investment

	<u>Buildings and structures</u>
January 1, 2023	
Cost	\$ 184,105
Accumulated depreciation	( 13,759)
	<u>\$ 170,346</u>
<u>2023</u>	
January 1	\$ 170,346
Depreciation	( 818)
March 31	<u>\$ 169,528</u>
Depreciation	\$ 184,105
March 31	( 14,577)
March 31, 2023	<u>\$ 169,528</u>
	<u>Buildings and structures</u>
January 1, 2022	
Cost	\$ 184,105
Accumulated depreciation	( 10,491)
	<u>\$ 173,614</u>
<u>2022</u>	
January 1	\$ 173,614
Depreciation	( 817)
March 31	<u>\$ 172,797</u>
March 31, 2022	\$ 184,105
Cost	( 11,308)
Accumulated depreciation	<u>\$ 172,797</u>

1. Rental income and direct operating expenses of investment real estate:

	January 1 to March 31, 2023	January 1 to March 31, 2022
Rental income from investment property	\$ 4,235	\$ 4,067
Direct operating expenses incurred by investment properties that generate rent income in the period	\$ 792	\$ 644

2. The fair value of investment property held by the Group as of March 31, 2023, December 31, 2022 and March 31, 2022 were \$124,212, \$165,392 and \$165,969, respectively, which were measured using income approach and were classified as Level 3 fair value with the following key assumptions:

	March 31, 2023	December 31, 2022	March 31, 2022
Discount rate	1.96%~4.23%	7.09%	3.90%
Annual rent (net income)	\$ 5,261	\$ 11,285	\$ 17,353
Number of years	45~50	45~50	2~20

3. For the three months ended March 31, 2023, and 2022, no interest was capitalized.

4. As of March 31, 2023, December 31, 2022 and March 31, 2022, the investment property was pledged as collaterals, please refer to Note 8.

(XI) Intangible assets

	2023				
	Trademark and concession	Computer software	Patents	Goodwill	Total
January 1					
Cost	\$ 272,017	\$ 114,747	\$ 9,592	\$ 220,774	\$ 617,130
Accumulated amortization and impairments	(47,408)	(64,846)	(7,696)	-	(119,950)
	<u>\$ 224,609</u>	<u>\$ 49,901</u>	<u>\$ 1,896</u>	<u>\$ 220,774</u>	<u>\$ 497,180</u>
January 1	\$ 224,609	\$ 49,901	\$ 1,896	\$ 220,774	\$ 497,180
Consolidated transfer in	-	-	-	119,922	119,922
Reclassification	( 1,445)	1	1,444	-	-
Amortization expense	( 5,679)	( 4,333)	( 1,558)	-	(11,570)
March 31	<u>\$ 217,485</u>	<u>\$ 45,569</u>	<u>\$ 1,782</u>	<u>\$ 340,696</u>	<u>\$ 605,532</u>
March 31					
Cost	\$ 267,196	\$ 152,939	\$ 13,955	\$ 340,696	\$ 774,786
Accumulated amortization and impairments	(49,711)	(107,370)	(12,173)	-	(169,254)
	<u>\$ 217,485</u>	<u>\$ 45,569</u>	<u>\$ 1,782</u>	<u>\$ 340,696</u>	<u>\$ 605,532</u>
	2022				
	Trademark and concession	Computer software	Patents	Goodwill	Total
January 1					
Cost	\$ 272,017	\$ 68,980	\$ 9,592	\$ 220,774	\$ 571,363
Accumulated amortization and impairments	( 9,506)	(59,318)	(5,735)	-	(74,559)
	<u>\$ 262,511</u>	<u>\$ 9,662</u>	<u>\$ 3,857</u>	<u>\$ 220,774</u>	<u>\$ 496,804</u>
January 1	\$ 262,511	\$ 9,662	\$ 3,857	\$ 220,774	\$ 496,804
Addition - From separate acquisition					
Acquired	-	420	-	-	420
Reclassification	-	229	-	-	229
Amortization expense	( 2,527)	( 1,556)	( 213)	-	( 4,296)
March 31	<u>\$ 259,984</u>	<u>\$ 8,755</u>	<u>\$ 3,644</u>	<u>\$ 220,774</u>	<u>\$ 493,157</u>
March 31					
Cost	\$ 272,017	\$ 69,399	\$ 9,592	\$ 220,774	\$ 571,782
Accumulated amortization and impairments	(12,033)	(60,644)	( 5,948)	-	(78,625)
	<u>\$ 259,984</u>	<u>\$ 8,755</u>	<u>\$ 3,644</u>	<u>\$ 220,774</u>	<u>\$ 493,157</u>

Due to business mergers, as detailed in Note 6(31), the Group's goodwill increased by \$119,922 for the three months ended March 31, 2023.

(XII) Other Non-Current Assets

	March 31, 2023	December 31, 2022	March 31, 2022
Prepayments for equipment	\$ 669,336	\$ 1,293,001	\$ 1,060,107
Refundable Deposit	63,364	52,758	25,265
Others	1,899	3,378	4,639
Total	<u>\$ 734,599</u>	<u>\$ 1,349,137</u>	<u>\$ 1,090,011</u>

(XIII) Short Term Loans

Type of borrowings	March 31, 2023	Range of interest rate	Collateral
Bank borrowings			
Credit loan	\$ 2,050,349	1.62%~4.00%	None
Secured borrowings	3,523,512	1.69%~2.81%	Certificates of deposit, reserve accounts, stocks of listed and OTC companies and treasury stock
	<u>\$ 5,573,861</u>		

Type of borrowings	December 31, 2022	Range of interest rate	Collateral
Bank borrowings			
Credit loan	\$ 1,618,197	1.06%~2.675%	None
Secured borrowings	3,006,328	1.25%~2.75%	Certificates of deposit, reserve accounts, stocks of listed and OTC companies, treasury stock and investment properties.
	<u>\$ 4,624,525</u>		

Type of borrowings	March 31, 2022	Range of interest rate	Collateral
Bank borrowings			
Credit loan	\$ 1,715,932	1.00%~2.60%	None
Secured borrowings	3,030,967	1.04%~2.45%	Certificates of deposit, reserve accounts, stocks of listed and OTC companies, treasury stock and investment properties.
	<u>\$ 4,746,899</u>		

Interest expense recognized in profit or loss was \$27,401 and \$7,516 for the three months ended March 31, 2023, and 2022, respectively.

(XIV) Other Payables

	March 31, 2023	December 31, 2022	March 31, 2022
Payroll and bonus payable	\$ 65,229	\$ 111,894	\$ 82,473
Remunerations payable to employees and directors	165,158	129,630	186,581
Payable on equipment	808,417	111,919	71,676
Machine maintenance payable	13,981	51,362	32,897
Dividends Payable	604,903	-	-
Others	323,665	432,408	277,131
	<u>\$ 1,981,353</u>	<u>\$ 837,213</u>	<u>\$ 650,758</u>

(XV) Corporate bonds payable

	<u>March 31, 2023</u>	<u>December 31, 2022</u>	<u>March 31, 2022</u>
Corporate bonds payable	\$ 3,000,000	\$ 3,000,000	\$ 2,000,000
Less: Amount of exercised conversion options	( 324,400)	( 324,400)	( 258,700)
Less: Discount on corporate bonds payable	( 62,043)	( 66,556)	( 79,763)
	<u>2,613,557</u>	<u>2,609,044</u>	<u>1,661,537</u>
Less: Corporate bonds matured in one year or a business cycle or have the put option exercised	-	-	-
	<u>\$ 2,613,557</u>	<u>\$ 2,609,044</u>	<u>\$ 1,661,537</u>

1. The terms of issuance for the Group's 3rd domestic unsecured convertible bonds are as follows:

- (1) The Group has been approved by the competent authority to raise and issue \$2,000,000 of the 3rd domestic unsecured convertible bonds, with a coupon rate of 0% and an issuance period of 5 years from August 3, 2021 to August 3, 2026. The convertible bonds are repayable in cash at par value on maturity. The convertible bonds were listed for trading on August 3, 2021
- (2) The bondholders may request the conversion of the convertible bonds into the Group's common shares at any time from the day after the expiration of three months from the date of issuance of the corporate bonds to the maturity date, except during the period when the transfer of the corporate bonds is suspended in accordance with the regulations or laws, and the rights and obligations of the converted common shares are the same as those of the original issued common shares.
- (3) The conversion price of the convertible bonds is determined in accordance with the pricing model stipulated in the Measures, and the conversion price will be adjusted in accordance with the pricing model stipulated in the Conversion Measures in the event that the Group is subject to anti-dilution provisions. The conversion price will be reset on the base date set by the Regulations in accordance with the pricing model stipulated in the Conversion Measures. As of March 31, 2023, the conversion price was NT\$85 per share.
- (4) If the closing price of the Company's common stock exceeds 30% of the then conversion price for 30 consecutive business days from the day following the third month of the issuance of the convertible bonds to the 40th business day prior to the expiration of the issuance period, the Company may redeem the outstanding corporate bonds within the next 30 business days at the par value of the corporate bonds in cash.
- (5) If the outstanding balance of the convertible bonds is less than 10% of the total par value of the corporate bonds issued, the Company may redeem the convertible bonds at any time thereafter for cash at the par value of the corporate bonds, from the day following the third month of the issuance of the corporate bonds to the 40th business day prior to the expiration of the issuance period.
- (6) As of March 31, 2023, a total of \$324,400 in face value had been converted into 3,733 thousand shares of common stock.

2. Upon issuance of convertible bonds, the Group separated the conversion options from the

components of liabilities in accordance with IAS 32, "Financial Instruments: Presentation," and recorded "capital surplus - stock options" at \$406,616. The embedded repurchase and repurchase rights are separated from the principal contractual debt instruments in accordance with IFRS 9, "Financial Instruments", because they are not closely related to the economic characteristics and risks of the principal contractual debt instruments, and are recorded as "financial assets or liabilities at fair value through profit or loss" on a net basis. The effective interest rate of the master contract debt after the separation was 0.0902%.

### 3. First series domestic secured corporate bonds

In order to raise the Group's working capital, the board of directors resolved to approve on August 5, 2022 the issue of the first series domestic secured corporate bond. The issue has been reported to and approved by the Taipei Exchange, and the terms are as follows:

- (1) Total amount of issue: According to the different issue conditions, there are two types of bonds, A and B, of which A is issued with an amount of \$300,000, and B is issued with an amount of \$200,000, totaling \$500,000.
- (2) Issue period: Five years, issued on September 28, 2022, and matured on September 28, 2027.
- (3) Coupon rate and repayment method of principal and interest: Both Bond A and Bond B have a fixed annual coupon rate of 1.80%. Simple interest is calculated and paid once a year, and the principal is repaid in cash at the face value of the bond at maturity.
- (4) Guarantee method: The Company's bonds are guaranteed by the joint delegation guarantee contract signed and the obligation and the contract of guarantee for the performance of corporate bonds signed by major banks.

### 4. Second series domestic secured convertible corporate bonds

In order to raise the Group's working capital, the board of directors resolved to approve on August 5, 2022 the issue of the second series domestic secured convertible corporate bond. The issue has been reported to and approved by the Taipei Exchange, and the terms are as follows:

- (1) Total amount of issuance: According to the different issue conditions, there are two types of bonds, A and B, of which A is issued with an amount of \$200,000, and B is issued with an amount of \$300,000, totaling \$500,000.
- (2) Issue period: Five years, issued on December 27, 2022, and matured on December 27, 2027.
- (3) Coupon rate and repayment method of principal and interest: Bond A has a fixed annual coupon rate of 2.20% and Bond B has a fixed annual coupon rate of 2.38%. Simple interest is calculated and paid once a year, and the principal is repaid in cash at the face value of the bond at maturity.
- (4) Guarantee method: The Company's bonds are guaranteed by the joint delegation guarantee contract signed and the obligation and the contract of guarantee for the performance of corporate bonds signed by major banks.

(XVI) Long-term borrowings

Type of borrowings	Borrowing period and payment method	Range of interest rate	Collateral	March 31, 2023
Long-term bank borrowings				
Secured borrowings	From December 28, 2021 to January 28, 2027, repayable in portions and in installments during the term specified in the agreement	2.55%	Buildings and structures, machinery equipment and investment property	\$ 1,000,000
Secured borrowings	Repayable in portions and in installments during the term specified in the agreement from June 15, 2020 to December 9, 2027	2.225%~ 2.595%	Buildings and structures	250,122
Secured borrowings	Repayable in portions and in installments during the term specified in the agreement from June 27, 2018 to December 25, 2026	2.150%~ 3.250%	Machinery and equipment	1,037,641
Secured borrowings	From December 28, 2022 to December 27, 2032, repayable in portions and in installments during the term specified in the agreement	2.195%	Buildings and structures and investment properties	850,000
Secured borrowings	From January 24, 2022 to January 24, 2027, monthly interest payments with principle and interestNone (responsible person's guarantee)	1.500%~ 2.875%		7,769
Other long-term borrowings				
Secured borrowings	Repayment of principal in monthly installments from October 29, 2021 to September 16, 2028	4.110%	Machinery and equipment	74,941
Secured borrowings	Repayment of principal and interest in monthly installments from March 25, 2022 to July 29, 2027	2.450%~ 8.200%	Machinery and equipment	79,559
Credit loan	From December 30, 2021 to April 30, 2024, repayment of principal and interest	7.61%	None	12,050
Secured borrowings	Repayment of principal and interest in monthly installments from June 10, 2022 to July 25, 2027	4.460%~ 7.000%	Machinery and equipment	225,067
Secured borrowings	Repayment of principal and interest in monthly installments from January 22, 2023 to December 22, 2025	4.750%	Plant and land	18,518
				3,555,667
Less: Long-term borrowings due within one year or one business cycle)				( 645,604)
				\$ 2,910,063

Type of borrowings	Borrowing period and payment method	Range of interest rate	Collateral	December 31, 2022
Long-term bank borrowings				
Secured borrowings	From December 28, 2021 to January 28, 2027, repayable in portions and in installments during the term specified in the agreement	2.425%	Buildings and structures and machine and equipment	\$ 1,250,000
Secured borrowings	From December 27, 2021 to December 27, 2024, repayable in portions and in installments during the term specified in the agreement	2.410%	Buildings and structures	250,000
Secured borrowings	Repayable in portions and in installments during the term specified in the agreement from June 12, 2018 to December 15, 2026	1.730%~ 3.125%	Machinery and equipment	1,050,407
Secured borrowings	From December 28, 2022 to December 27, 2032, repayable in portions and in installments during the term specified in the agreement	2.070%	Buildings and structures and investment properties	850,000
Secured borrowings	From January 24, 2022 to January 24, 2027, monthly interest payments with principle and interest	1.500%~ 2.875%	None (responsible person's guarantee)	8,247
Other long-term borrowings				
Secured borrowings	Repayment of principal in monthly installments from October 29, 2021 to September 16, 2027	3.970%	Machinery and equipment	89,655
Secured borrowings	Repayment of principal and interest in monthly installments from March 25, 2021 to July 29, 2027	2.450%~ 8.201%	Machinery and equipment	90,068
Credit loan	From December 30, 2021 to April 30, 2024, repayment of principal and interest	7.613%	None	14,240
Secured borrowings	Repayment of principal and interest in monthly installments from July 10, 2022 to June 10, 2027	4.250%	Machinery and equipment	176,830
				3,779,447
Less: Long-term borrowings due within one year or one business cycle)				( 611,473)
				\$ 3,167,974

Type of borrowings	Borrowing period and payment method	Range of interest rate	Collateral	March 31, 2022
Long-term bank borrowings				
Secured borrowings	Repaid in instalments and different amounts according to the agreed period between December 28, 2021 and January 28, 2027.	1.870%~ 2.050%	Buildings and structures, machinery equipment and investment property	\$ 1,250,000
Secured borrowings	Repaid in instalments and different amounts according to the agreed period between December 27, 2021 and December 27, 2024.	1.580%~ 1.810%	Buildings and structures	250,000
Secured borrowings	Repaid in instalments and different amounts according to the agreed period between December 27, 2021 and December 15, 2026.	1.300%~ 1.550%	Machinery and equipment	285,000
Secured borrowings	Repayable in portions and in installments during the term specified in the agreement from November 9, 2020 and November 9, 2023	1.022%	Buildings and structures and investment properties	850,000
Secured borrowings	Repayable in portions and in installments during the term specified in the agreement from September 27, 2017 and December 29, 2026	1.000%~ 3.730%	Machinery and Reserve account	97,752
				2,732,752
Less: Long-term borrowings due within one year or one business cycle)				( 81,581)
				\$ 2,651,171

Note: According to the loan contract provisions of some banks, the Group shall maintain a specific debt-to-equity ratio and interest solvency every six months during the loan duration.

(XVII) Pensions

1. (1) The Company and its domestic subsidiaries operate a defined benefit pension plan in accordance with the Labor Standards Act, which cover all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Labor Standards Act. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last six months prior to retirement. The Company and its domestic subsidiaries contribute a monthly amount equal to 2% of employees' monthly salaries and wages to a retirement fund at the Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. Also, the Company and its domestic subsidiaries would assess the balance in the aforementioned labor pension reserve account by December 31, every year. If the account balance is not enough to pay the pension calculated by the aforementioned method to the employees expected to qualify for retirement in the following year, the Company and its domestic subsidiaries will make contribution for the deficit by the end of next March.

- (2) For the three months ended March 31, 2023, and 2022, the pension costs under defined contribution pension plans of the Group were \$533 and \$0, respectively.
- (3) The expected contributions to the defined benefit pension plans of the Group for the year ending December 31, 2024 are \$2,133.
2. (1) Effective July 1, 2005, the Company and its domestic subsidiaries have established a defined contribution pension plan (hereinafter referred to as the “New Plan”) under the Labor Pension Act (hereinafter referred to as the “Act”), covering all regular employees with domestic citizenship. Under the New Plan, the Company and its domestic subsidiaries contribute an amount based on 6% of the employees’ monthly salaries and wages to the employees’ individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.
- (2) For the three months ended March 31, 2023, and 2022, the pension costs under defined contribution pension plans of the Group were \$12,392 and \$8,130, respectively.

(XVIII) Capital

1. As of March 31, 2023, the Company's authorized capital was \$5,000,000, consisting of 500,000 thousand shares (including 20,000 thousand shares which can be subscribed to as employee stock options). The paid-in capital was \$2,564,465 with a par value of NT\$10. All proceeds from shares issued have been collected.

The movements in the number of the Company's common stocks outstanding are as follows:

	2023	Unit: Thousand shares 2022
January 1	205,230	214,107
Treasury stock donation	-	350
March 31	<u>205,230</u>	<u>214,457</u>

2. Treasury stock

- (1) Reasons for repurchase of shares and changes in the quantity:

		March 31, 2023	
Company name of the shareholding	Reasons for buyback	Number of shares (thousand shares)	Book value
Subsidiary -			
Youe Chung Capital Corporation	Subsidiary holds the company's stock	36,731	\$ 522,698
The Company	Transfer shares to employees	14,485	1,256,281
		<u>51,216</u>	<u>\$1,778,979</u>
		December 31, 2022	
Company name of the shareholding	Reasons for buyback	Number of shares (thousand shares)	Book value
Subsidiary -			
Youe Chung Capital Corporation	Subsidiary holds the company's stock	36,731	\$ 522,698
The Company	Transfer shares to employees	14,485	1,256,281
		<u>51,216</u>	<u>\$1,778,979</u>

Company name of the shareholding	Reasons for buyback	March 31, 2022	
		Number of shares (thousand shares)	Book value
Subsidiary - Youe Chung Capital Corporation	Subsidiary holds the company's stock	36,731	\$ 522,698
The Company	Transfer shares to employees	4,485	413,745
		<u>41,216</u>	<u>\$ 936,443</u>

- (2) For the three months ended March 31, 2023, and 2022, the Group's share-based payment arrangements were as follows:

Type of arrangement	Grant date	Quantity granted	Contract Period	Vesting conditions
Transfer of treasury stocks to employees	2022.01.26	4,485	Immediate vesting	Note

Note: The Company grants treasury stocks to employees of the Company and its subsidiaries.

- (3) For the three months ended March 31, 2023, and 2022, the Group incurred compensation costs of \$0 and \$19,061, respectively, related to the transfer of treasury stocks.
- (4) The Securities and Exchange Act stipulates that the percentage of the Company's repurchase of outstanding shares shall not exceed 10% of the Company's total issued shares, and the total value of shares purchased shall not exceed the retained earnings plus the premium of issued shares and the amount of realized capital reserve.
- (5) The treasury stocks bought back by the Company in accordance with the Securities and Exchange Act shall not be pledged. Before transfer, shareholders are not entitled to the shareholders' rights.
- (6) According to the provisions of the Securities and Exchange Act, the share repurchased to be transferred to employees shall be transferred within 5 years from the date of the purchase. If the transfer is not made within the time limit, the shares are deemed as unissued shares and a change of registration shall be made to cancel the shares. In order to maintain the Company's credit and shareholders equity, the shares bought back should have the registration changed to cancel the shares within six months from the date of the purchase.
- (7) The Company's stock held by the subsidiary Youe Chung Capital is treated as treasury stock. As of March 31, 2023, December 31, 2022 and March 31, 2022, Youe Chung Capital Corporation held 36,731 thousand shares, 36,731 thousand shares, and 36,731 thousand shares of the Company, with an average book value of \$14.23 per share, and a fair value of \$92.5, \$84.7, and \$96.9 per share, respectively. The cost of transferring treasury stocks is calculated based on the book value of the Company's stock held by Youe Chung Capital and the Company's indirect ownership ratio during each period.
- (8) On November 3, 2021, the Board of Directors resolved to purchase 6,000 thousand shares of the Company's stock in the centralized trading market and transfer them to employees. This amount represented 2.37% of the total number of issued shares of the Company. The repurchase of 4,485 thousand shares was completed between

November 4, 2021 and January 3, 2022. On January 21, 2022, the Board of Directors approved the transfer of 4,485 thousand shares to employees.

- (9) On May 6, 2022, the Board of Directors resolved to purchase 10,000 thousand shares of the Company's stock in the centralized trading market and transfer them to employees. This amount represented 3.91% of the total number of issued shares of the Company. The repurchase of 10,000 thousand shares was completed between May 9, 2022 and July 8, 2022. On April 14, 2023, the Board of Directors approved the transfer of 10,000 thousand shares to employees.

(XIX) Capital surplus

In accordance with the Company Act, any capital surplus arising from paid-in capital in excess of the par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the Securities and Exchange Act requires that the amount of capital surplus to be capitalized, as above, should not exceed 10% of paid-in capital each year. Capital reserves should not be used to cover accumulated deficit unless the legal reserve is insufficient. The following is a breakdown of the capital reserve:

	Issue premiums	Trading of treasury stock	Changes in ownership interests in subsidiaries recognized	stock option	Equity changes in affiliates	Others	Total
January 1, 2023	\$ 96,650	\$ 768,509	\$ 17,788	\$ 295,848	\$ 68,427	\$ 4,459	\$ 1,251,681
Distribution of cash from capital surplus	( 48,392)	-	-	-	-	-	( 48,392)
Payment of overdue unclaimed dividends to shareholders	-	-	-	-	-	( 6)	( 6)
March 31, 2023	<u>\$ 48,258</u>	<u>\$ 768,509</u>	<u>\$ 17,788</u>	<u>\$ 295,848</u>	<u>\$ 68,427</u>	<u>\$ 4,453</u>	<u>\$ 1,203,283</u>

	Issue premiums	Trading of treasury stock	Changes in ownership interests in subsidiaries recognized	stock option	Equity changes in affiliates	Others	Total
January 1, 2022	\$ 269,010	\$ 695,046	\$ 4,919	\$ 295,074	\$ 47,320	\$ 4,459	\$ 1,315,828
Changes in shares of affiliates recognized under the equity method	-	( 101)	-	-	( 19)	-	( 120)
Share-based payment transaction	-	-	-	16,831	-	-	16,831
March 31, 2022	<u>\$ 269,010</u>	<u>\$ 694,945</u>	<u>\$ 4,919</u>	<u>\$ 311,905</u>	<u>\$ 47,301</u>	<u>\$ 4,459</u>	<u>\$ 1,332,539</u>

(XX) Retained earnings

1. According to the Articles of Incorporation, any surplus from profit concluded at the end of year by the Company is first subject to reimbursement of previous losses and payment of taxes, followed by 10% provision for legal reserve and provision or reversal of special reserve as the laws may require. Any earnings remaining shall be distributed as shareholders' dividends in whole or partially.
2. The Company takes into account the overall business environment, industrial growth, and the Company's long-term financial planning for stable operation and development to adopt a residual dividend policy, which is mainly based on the Company's future capital budgeting plan to measure the annual capital needs. After using the retained earnings for funding, the remaining surplus will be distributed in the form of dividends, and the distribution steps are shown as follows:

- (1) Decide on the best capital budgeting.
  - (2) Decide on the financing required for one of the capital budgeting items.
  - (3) Decide on the amount of the financing to be supported by retained earnings (methods such as cash capital increase or corporate bonds and so on can be adopted as support).
  - (4) After retaining the portion required for operation needs out of the earnings remainder, the rest should be distributed to shareholders in the form of dividends. Cash dividends distribution proportion should not be lower than 20% of the total amount of dividends for the distribution proportion of the Company's dividends.
3. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of the legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the distribution of the reserve is limited to the portion in excess of 25% of the Company's paid-in capital.
  4. In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.
  5. The Company's Board meeting resolved on March 3, 2023 to distribute a cash dividend of NT\$2.3 per common share from the 2022 earnings, with a total dividend of \$556,511. In addition, a cash distribution of NT\$0.2 per share was made from capital surplus for a total of NT\$48,392. The above motion will be reported at the Annual Shareholder's Meeting.
  6. The Company's board of directors resolved on May 26, 2022 to distribute a cash dividend of NT\$1.00 per ordinary share from the 2021 surplus with a total dividend of \$255,674. NT\$1.00 per share is to be distributed from the capital surplus, with a total of \$255,674. In addition, as the Company implemented the transfer of 14,485 thousand shares of treasury stock to employees, which changed the number of outstanding shares to 241,189 thousand shares, so the cash dividend was adjusted to \$241,189 to be distributed from the capital surplus of \$241,189.

(XXI) Other equity interests

	2023		
	Unrealized gains and losses	Foreign currency translation	Total
January 1	(\$ 2,666)	\$ 13,174	\$ 10,508
Difference in foreign currency translation:			
- Group	-	2,162	2,162
March 31	(\$ 2,666)	\$ 15,336	\$ 12,670
	2022		
	Unrealized gains and losses	Foreign currency translation	Total
January 1	(\$ 2,666)	\$ 6,698	\$ 4,032
Difference in foreign currency translation:			
- Group	-	14,616	14,616
March 31	(\$ 2,666)	\$ 21,314	\$ 18,648

(XXII) Operating income

	January 1 to March 31, 2023	January 1 to March 31, 2022
Revenue from contracts with customers	\$ 1,563,590	\$ 1,707,492

1. Segmentation of revenue from contracts with customers

The Group's corporate derives its revenue from the transfer of goods and services either over time or at a point in time. The revenue can be divided into the following main product lines:

January 1 to March 31, 2023	Photomask and semiconductor segment	Medical segment	Total
Revenue from contracts with external customers	\$ 1,541,794	\$ 21,796	\$ 1,563,590
Cut-off point of income recognition			
Income recognized at a particular point in time	\$ 1,379,399	\$ 21,796	\$ 1,401,195
Income recognized gradually over time	162,395	-	162,395
	\$ 1,541,794	\$ 21,796	\$ 1,563,590
January 1 to March 31, 2022	Photomask and semiconductor segment	Medical segment	Total
Revenue from contracts with external customers	\$ 1,698,443	\$ 9,049	\$ 1,707,492
Cut-off point of income recognition			
Income recognized at a particular point in time	\$ 1,418,491	\$ 9,049	\$ 1,427,540
Income recognized gradually over time	279,952	-	279,952
	\$ 1,698,443	\$ 9,049	\$ 1,707,492

2. Contract Asset and Contract Liability

(1) The Group has recognized the following revenue-related contract assets and contract liabilities:

	March 31, 2023	December 31, 2022	March 31, 2022	January 1, 2022
Contract Assets	\$ 116,842	\$ 140,231	\$ 118,094	\$ 155,763
Contract Liabilities	\$ 178,788	\$ 232,778	\$ 288,455	\$ 179,315

(2) Contract liabilities at the beginning of the period recognized as revenue of the period:

	January 1 to March 31, 2023	January 1 to March 31, 2022
Beginning balance of contract liabilities		
Revenue recognized for this period	\$ 230,589	\$ 7,276

(XXIII)	<u>Interest income</u>	January 1 to March 31, 2023	January 1 to March 31, 2022
	Interest from bank deposits	\$ 7,751	\$ 1,736
	Interest income from financial assets measured at amortized cost	1,978	31
	Other interest incomes	37	-
		<u>\$ 9,766</u>	<u>\$ 1,767</u>

(XXIV)	<u>Other Incomes</u>	January 1 to March 31, 2023	January 1 to March 31, 2022
	Rental income	\$ 5,183	\$ 6,293
	Other income -- Others	5,061	5,977
		<u>\$ 10,244</u>	<u>\$ 12,270</u>

(XXV)	<u>Other Gains and Losses</u>	January 1 to March 31, 2023	January 1 to March 31, 2022
	Disposal of interests in property, plant and equipment	\$ 57	\$ 5,942
	Gain (loss) on disposal of investments	64,164 (	107,836)
	Foreign currency exchange gains (losses)	( 6,382)	28,632
	Loss (gain) on financial assets at fair value through profit or loss	24,058 (	413,171)
	Other losses -- Depreciation of investment properties	( 818)	( 817)
	Other Gains and Losses	( 2,676)	( 341)
		<u>\$ 78,403</u>	<u>(\$ 487,591)</u>

(XXVI)	<u>Financial Costs</u>	January 1 to March 31, 2023	January 1 to March 31, 2022
	Interest Expenses:		
	Bank borrowings	\$ 50,978	\$ 28,445
	Convertible bonds	4,513	4,488
	Lease liabilities	1,851	1,805
		<u>\$ 57,342</u>	<u>\$ 34,738</u>

(XXVII)	<u>Expenses by nature</u>	January 1 to March 31, 2023	January 1 to March 31, 2022
	Employee benefits expenditure	\$ 303,369	\$ 249,489
	Depreciation	199,199	133,840
	Amortization	11,570	4,296

(XXVIII) Employee benefits expenditure

	January 1 to March 31, 2023	January 1 to March 31, 2022
Payroll expenses	\$ 255,282	\$ 194,587
Share-based payment to employees	-	19,061
Labor and health insurance fees	21,684	17,348
Pension expense	12,925	8,130
Other personnel expenses	13,478	10,363
	<u>\$ 303,369</u>	<u>\$ 249,489</u>

1. According to the Articles of Incorporation, the Company shall distribute not less than 10% of the current year's profit situation for employee remuneration and not more than 2% of current year's profit situation for director remuneration. However, profits must first be taken to offset against cumulative losses, if any.
2. For the three months ended March 31, 2023, and 2022, the estimated amount of employee remuneration was \$30,000 and \$0 respectively; the estimated amount of director remuneration was \$4,500 and \$0 respectively. The above-mentioned amount was recognized as salary expenses.

For the three months ended March 31, 2023, the employee remuneration and director remuneration were estimated at 10.01% and 1.46% respectively based on the profit up to the current period; for the three months ended March 31, 2022, the employee remuneration and director remuneration were not estimated due to the loss.

Information about employees remuneration and director remuneration of the Company as resolved by the Board of Directors will be posted in the "Market Observation Post System".

(XXIX) Income tax

1. Income tax expense

Components of income tax expense:

	January 1 to March 31, 2023	January 1 to March 31, 2022
Current tax:		
Current tax on profits for the year	\$ 79,665	\$ 10,366
Over provision of prior year's income tax	-	-
Total current tax	<u>79,665</u>	<u>10,366</u>
Deferred income tax:		
Origination and reversal of temporary differences	843	( 5,534)
Total Deferred Income Tax	<u>843</u>	<u>( 5,534)</u>
Income Tax Expense	<u>\$ 80,508</u>	<u>\$ 4,832</u>

2. The Company's income tax returns through 2021 have been assessed and approved by the tax authority.



(XXXI) Business combination

1. The Group acquired 58.33% of shares of Pilot Battery Co., Ltd. on March 1, 2023 for \$178,500 through a cash capital increase and gained control over Pilot Battery Co.,Ltd.

(1) The fair value of the assets acquired and liabilities assumed from Pilot Battery Co., Ltd. at the date of acquisition and the non-controlling interest as a percentage of the acquiree's identifiable net assets at the date of acquisition were as follows:

	<u>March 1, 2023</u>
Acquisition consideration	
Cash	\$ 178,500
Share of non-controlling interests in the identifiable net assets of the acquiree	<u>58,775</u>
	<u>237,275</u>
Fair value of acquired identifiable assets and assumed liabilities	
Cash	189,429
Notes Receivables	84
Accounts Receivables	2,297
Inventories	35,488
Prepayments	2,543
Other Current Assets	1,951
Property, plant and equipment	42,954
Deferred Income Tax Assets	5,678
Right-of-use Asset	3,148
Other Non-Current Assets	29,081
Short Term Loans	( 99,154)
Contract Liabilities	( 8,649)
Notes Payable	( 3,869)
Accounts Payable	( 17,157)
Lease liabilities	( 3,148)
Other Payables	( 7,496)
Other Current Liabilities	( 568)
Long-term borrowings	( 31,140)
Deferred Income Tax Liabilities	( 412)
Total identifiable net assets	<u>141,060</u>
Goodwill	<u>\$ 96,215</u>

(2) Non-controlling interest is measured by the proportion of the acquiree's net identifiable assets to the non-controlling interest.

(3) The assessment of the fair value of acquired identifiable assets and assumed liabilities is in progress. At present, it is recorded at the initial valuation, and the relevant acquisition price allocation will be completed within one year.

(4) Since March 1, 2023, the Group has merged with Pilot Battery Co., Ltd., Pilot Battery Co., Ltd. has contributed operating income and net loss before tax of \$4,106 and (\$536), respectively. If Pilot Battery Co.,Ltd. had been included in the Group since January 1, 2023, the Group's operating income and net income before tax would have been \$1,568,658 and \$217,045, respectively.

2. The Group acquired 53.33% of shares of Moment Semiconductor, Inc. on March 17, 2023 for \$40,000 through a cash capital increase and gained control over Moment Semiconductor, Inc.

- (1) The fair value of the assets acquired and liabilities assumed from Moment Semiconductor, Inc. at the date of acquisition and the non-controlling interest as a percentage of the acquiree's identifiable net assets at the date of acquisition were as follows:

	<u>March 17, 2023</u>
Acquisition consideration	
Cash	\$ 40,000
Share of non-controlling interests in the identifiable net assets of the acquiree	<u>14,256</u>
	<u>54,256</u>
Fair value of acquired identifiable assets and assumed liabilities	
Cash	63,085
Accounts Receivables	13,911
Inventories	33,038
Prepayments	3,098
Property, plant and equipment	447
Other Non-Current Assets	216
Contract Liabilities	( 837)
Notes Payable	( 75,851)
Accounts Payable	( 1,734)
Other Payables	( 24)
Other Current Liabilities	( 4,800)
Total identifiable net assets	<u>30,549</u>
Goodwill	<u>\$ 23,707</u>

- (2) Non-controlling interest is measured by the proportion of the acquiree's net identifiable assets to the non-controlling interest.
- (3) The assessment of the fair value of acquired identifiable assets and assumed liabilities is in progress. At present, it is recorded at the initial valuation, and the relevant acquisition price allocation will be completed within one year.
- (4) Since March 17, 2023, the Group has merged with Moment Semiconductor, Inc., Moment Semiconductor, Inc. has contributed operating income and net loss before tax of \$26,173 and (\$3,530), respectively. If Moment Semiconductor, Inc. had been included in the Group since January 1, 2023, the Group's operating income and net income before tax would have been \$1,611,587 and \$213,976, respectively.

(XXXII) Supplemental cash flow information

1. Investing activities with partial cash payments:

	January 1 to March 31, 2023	January 1 to March 31, 2022
Purchase of property, plant and equipment	\$ 2,611,632	\$ 406,676
Add: Prepayments for equipment at the end of the period	669,336	1,060,107
Beginning balance of payable on equipment	111,919	85,822
Less: Prepayments for equipment at the beginning of the period	( 1,293,001)	( 671,105)
Ending balance of payable on equipment	( 808,417)	( 71,676)
Cash Paid During for the Period	<u>\$ 1,291,469</u>	<u>\$ 809,824</u>

2. Financing activities with no cash flow effects:

	January 1 to March 31, 2023	January 1 to March 31, 2022
Dividends Payable	<u>\$ 604,903</u>	<u>\$ -</u>

(XXXIII) Changes in liabilities arising from financing activities

	Short Term Loans	Corporate bonds payable	Long-term borrowings (including current portion)	Lease liabilities	Guarantee Deposits Received	Dividends Payable	Total liabilities arising from financing activities
January 1, 2023	\$ 4,624,525	\$ 2,609,044	\$ 3,779,447	\$ 559,669	\$ 34,754	\$ -	\$ 11,607,439
Change in cash flow from financing activities	850,182	-	( 254,920)	( 9,595)	17,744	-	603,411
Interest Expenses	-	4,513	-	1,851	-	-	6,364
Interest Paid	-	-	-	( 1,851)	-	-	( 1,851)
Distribution of cash dividends announced	-	-	-	-	-	604,903	604,903
Other Non-Cash Transactions	99,154	-	31,140	27,784	-	-	158,078
March 31, 2023	<u>\$ 5,573,861</u>	<u>\$ 2,613,557</u>	<u>\$ 3,555,667</u>	<u>\$ 577,858</u>	<u>\$ 52,498</u>	<u>\$ 604,903</u>	<u>\$ 12,978,344</u>

	Short Term Loans	Corporate bonds payable	Long-term borrowings (including current portion)	Lease liabilities	Guarantee Deposits Received	Total liabilities arising from financing activities
January 1, 2022	\$ 4,376,766	\$ 1,657,049	\$ 2,722,199	\$ 655,641	\$ 6,908	\$ 9,418,563
Change in cash flow from financing activities	370,133	-	10,553	( 9,576)	33,754	404,864
Interest Expenses	-	4,488	-	1,805	-	6,293
Interest Paid	-	-	-	( 1,805)	-	( 1,805)
Other Non-Cash Transactions	-	-	-	(34,683)	-	( 34,683)
March 31, 2022	<u>\$ 4,746,899</u>	<u>\$ 1,661,537</u>	<u>\$ 2,732,752</u>	<u>\$ 611,382</u>	<u>\$ 40,662</u>	<u>\$ 9,793,232</u>

## VII. Related Party Transactions

### (I) Related parties' names and relationship

<u>Name of the related parties</u>	<u>Relationship with the Group</u>
Weida Hi-Tech Co., Ltd.	Affiliates
Image Match Design Inc.	Other related party
BKS Tec Corp.	Other related party
Pilot Battery Co., Ltd.	Other related party (Note)
Taiwan Mask Charity Foundation	Other related party

Note: In March 2023, the Group acquired 58.33% of the shares of Pilot Battery Co., Ltd. and gained control over the company, which has been included in the consolidated financial statements as a consolidated entity since the acquisition of control.

### (II) Significant transactions with the related parties

#### 1. Operating revenue

	<u>January 1 to March 31, 2023</u>	<u>January 1 to March 31, 2022</u>
Product sales:		
Affiliates	\$ 394	\$ 3,314
Other related party	2,104	14,493
Total	<u>\$ 2,498</u>	<u>\$ 17,807</u>

There are no major abnormalities in the transaction prices and payment terms of the related party compared to that of non-related parties.

#### 2. Purchase

	<u>January 1 to March 31, 2023</u>	<u>January 1 to March 31, 2022</u>
Purchase of merchandise:		
Other related party	<u>\$ 74</u>	<u>\$ -</u>

#### 3. Account receivable from related parties.

	<u>March 31, 2023</u>	<u>December 31, 2022</u>	<u>March 31, 2022</u>
Accounts Receivables:			
Affiliates	\$ 739	\$ 325	\$ 988
Other related party	796	2,021	19,976
Subtotal	<u>\$ 1,535</u>	<u>\$ 2,346</u>	<u>\$ 20,964</u>
Other Receivables:			
Other related party	306	-	-
Total	<u>\$ 1,841</u>	<u>\$ 2,346</u>	<u>\$ 20,964</u>

#### 4. Related-party payables

	<u>March 31, 2023</u>	<u>December 31, 2022</u>	<u>March 31, 2022</u>
Accounts payable:			
Other related party	<u>\$ -</u>	<u>\$ 284</u>	<u>\$ -</u>

## 5. Acquisition of financial assets

Pilot Battery Co., Ltd. was other related party to the Group. On March 1, 2023, the Group invested \$178,500 to acquire 7,000 thousand shares of Pilot Battery Co.,Ltd., a 58.33% shareholding, to gain control and include the company as a consolidated entity in the consolidated financial statements. Please refer to Note 6(31) for details of the business merger transaction.

## 6. Others

### (1) Rental income

	January 1 to March 31, 2023	January 1 to March 31, 2022
Other related party	\$ 367	\$ 175

(2) For the three months ended March 31, 2022, the Company's subsidiary, Youe Chung Capital Corporation, donated 350,000 shares of the Company's stock, totaling \$4,980, to the Taiwan Mask Charitable Foundation.

(3) For the three months ended March 31, 2023, the Company's subsidiary, Youe Chung Capital Corporation, donated \$134 to the Taiwan Mask Charitable Foundation.

### (III) Compensation of key management personnel

	January 1 to March 31, 2023	January 1 to March 31, 2022
Salary and short-term employee benefits	\$ 10,314	\$ 5,354
Post-employment benefits	54	-
Other long-term employee benefits	850	80
Total	\$ 11,218	\$ 5,434

## VIII. Pledged Assets

Assets pledged by the Group as collateral are as follows:

Assets	Book value			Purpose
	March 31, 2023	December 31, 2022	March 31, 2022	
Demand Deposit (Recognized as Financial Assets at Amortized Cost)	\$ 156,667	\$ 124,883	\$ 15,338	Long- and short-term borrowings Reserve account
Time Deposit (Recognized as Financial Assets at Amortized Cost)	582,135	490,190	48,759	Short Term Loans and Cargo Value Guarantee
Stocks of publicly traded and OTC companies (recognized as "Financial assets at fair value through profit or loss")	2,810,495	2,682,150	3,094,134	Short Term Loans
Shares of the Company (recorded as "treasury stock" Note)	511,569	504,454	416,512	Short Term Loans
Buildings and structures (including land)	1,206,647	1,169,267	1,654,353	Long-term borrowings
Machinery and equipment and equipment under acceptance	2,540,852	2,638,893	1,566,105	Long- and short-term borrowings
Real estate investment	169,528	170,346	172,797	Long- and short-term borrowings
Office equipment	2,152	2,401	-	- Long- and short-term borrowings
Other equipment	4,162	4,470	-	- Long- and short-term borrowings
Intangible assets	271	508	-	- Long-term borrowings
	<u>\$ 7,984,478</u>	<u>\$ 7,787,562</u>	<u>\$ 6,967,998</u>	

Note: The cost of pledged treasury stocks was \$511,569 and its fair value was \$3,325,375 as of March 31, 2023.

## IX. Significant Contingent Liabilities and Unrecognized Contract Commitments

### (I) Contingencies

None.

### Commitments

#### 1. Machine equipment maintenance contracts that have been signed but not yet paid

	March 31, 2023	December 31, 2022	March 31, 2022
Machine maintenance	<u>\$ 13,981</u>	<u>\$ 51,362</u>	<u>\$ 32,897</u>

#### 2. Capital expenditures that have been signed but not yet incurred

	March 31, 2023	December 31, 2022	March 31, 2022
Property, plant and equipment	<u>\$ 2,033,545</u>	<u>\$ 2,065,912</u>	<u>\$ 211,386</u>

#### 3. Lease agreement

Please see Note 6 (8) and (9)

X. Losses due to Major Disasters

None.

XI. Major Events after Financial Statement Date

None.

XII. Others

(I) Capital management

There was no significant change in the reporting period. Please refer to Note 12 in the 2022 consolidated financial statements.

(II) Financial instruments

1. Types of financial instrument

	March 31, 2023	December 31, 2022	March 31, 2022
<u>Financial assets</u>			
Financial Assets at Fair Value Through Profit or Loss			
Mandatory financial assets at fair value through profit or loss	\$ 4,441,141	\$ 4,481,155	\$ 5,077,913
Financial assets measured at amortized cost			
Cash and Cash Equivalents	\$ 1,446,328	\$ 1,749,957	\$ 2,162,231
Financial assets measured at amortized cost	738,802	668,067	86,283
Notes Receivables	57	1,361	11,048
Accounts Receivables (Including related parties)	1,210,663	1,503,358	1,320,918
Other Receivables (Including related parties)	16,772	13,751	2,484
Refundable Deposit	63,364	52,758	25,265
	<u>\$ 3,475,986</u>	<u>\$ 3,989,252</u>	<u>\$ 3,608,229</u>
<u>Financial liabilities</u>			
Financial Liabilities at Fair Value Through Profit or Loss			
Financial liabilities mandatorily measured at fair value through profit or loss	\$ 2,011	\$ 5,697	\$ 2,786
Financial liabilities measured at amortized cost			
Short Term Loans	\$ 5,573,861	\$ 4,624,525	\$ 4,746,899
Notes Payable	71	81	34,850
Accounts payable (Including related parties)	324,140	417,459	451,586
Other payables (Including related parties)	1,981,353	837,213	650,758
Corporate bonds payable	2,613,557	2,609,044	1,661,537
Long-term borrowings (including due within one year or one business cycle)	3,555,667	3,779,447	2,732,752
Guarantee Deposits Received	52,498	34,754	40,662
	<u>\$ 14,101,147</u>	<u>\$ 12,302,523</u>	<u>\$ 10,319,044</u>
Lease liabilities	<u>\$ 577,858</u>	<u>\$ 559,669</u>	<u>\$ 611,382</u>

## 2. Risk management policies

- (1) The Group's activities expose it to a variety of financial risks, including market risk (exchange rate, interest rate and price), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial position and performance.
- (2) Risk management is carried out by a central finance department (Group finance) under policies approved by the Board of Directors. Group finance identifies, evaluates and hedges financial risks in close collaboration with the Group's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas and matters, such as currency exchange risk, interest rate risk, credit risk, the use of derivatives and non-derivative financial instruments and investment of excess liquidity.

## 3. Significant financial risks and degrees of financial risks

### (1) Market risk

#### A. Foreign exchange risk

The Group's operations involve certain non-functional currencies (the Company's and certain subsidiaries' functional currency is the New Taiwan dollar (NTD), and for other certain subsidiaries, the functional currency is the US Dollars, Japanese Yen and China's Renminbi (RMB)), so it is subject to the impact of exchange rate fluctuation. The details of assets and liabilities denominated in foreign currencies whose values that would be materially affected by exchange rate fluctuations are as follows:

<b>(Foreign currency: Functional currency)</b>	March 31, 2023		
	<u>Foreign currency (in thousands)</u>	<u>Exchange rate</u>	<u>Book value (in thousands of NTD)</u>
Financial assets			
<u>Monetary items</u>			
USD : NTD	USD 46,574	30.450	\$ 1,418,174
RMB : NTD	CNY 31,301	4.431	138,696
JPY : NTD	JPY 66,293	0.229	15,168
Financial liabilities			
<u>Monetary items</u>			
USD : NTD	USD 70,744	30.450	2,154,168
JPY : NTD	JPY 1,014,470	0.229	232,111

December 31, 2022			
(Foreign currency: Functional currency)	Foreign currency (in thousands)	Exchange rate	Book value (in thousands of NTD)
Financial assets			
<u>Monetary items</u>			
USD : NTD	USD 67,712	30.71	\$ 2,079,436
RMB : NTD	CNY 30,598	4.408	134,876
JPY : NTD	JPY 47,877	0.232	11,127
Financial liabilities			
<u>Monetary items</u>			
USD : NTD	USD 11,803	30.71	362,470
JPY : NTD	JPY 283,739	0.232	65,941
March 31, 2022			
(Foreign currency: Functional currency)	Foreign currency (in thousands)	Exchange rate	Book value (in thousands of NTD)
Financial assets			
<u>Monetary items</u>			
USD : NTD	USD 38,376	28.625	\$ 1,098,513
RMB : NTD	CNY 147,076	4.506	662,724
JPY : NTD	JPY 38,315	0.235	9,004
Financial liabilities			
<u>Monetary items</u>			
USD : NTD	USD 13,909	28.625	398,145
RMB : NTD	CNY 17,999	4.506	81,103
JPY : NTD	JPY 200,126	0.235	47,030

- B. Total exchange gains/losses, including realized and unrealized arising from significant foreign exchange variation on the monetary items held by the Group for the three months ended March 31, 2023, and 2022, amounted to (\$6,382) and \$28,632, respectively.



### Cash flow and fair value interest rate risk

- A. The Group's interest rate risk mainly comes from long-term borrowings issued at floating rates, which exposes the Group to cash flow interest rate risk. The Group's borrowings issued at floating interest rates were mainly denominated in New Taiwan dollars and U.S. dollars for the three months ended March 31, 2023, and 2022.
- B. The Group's borrowings are measured at amortized cost, and the annual interest rate is re-priced according to the contract, which exposes the Group to the risk of future market interest rate changes.
- C. If the borrowing interest rate had increased/decreased by 0.25% with all other variables held constant, net income after tax for the three months ended March 31, 2023, and 2022, would have increased/decreased by \$4,565 and \$3,740, respectively due to the change in interest expenses as a result of borrowings with floating interest rates.

### (2) Credit risk

- A. Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments under contract obligations, and the defaults are accounts receivable and the contract cash flow from debt instruments measured at amortized cost, measured at fair value through other comprehensive income and at fair value through profit or loss.
- B. The management of credit risk is established with a Group perspective. Only the banks and financial institutions with an independent credit rating of at least "A" can be accepted as transaction partners of the Group. According to the Group's credit policy, each local entity in the Group is responsible for managing and analyzing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board of Directors. The utilization of credit limits is regularly monitored.
- C. The Group considers a contract payment overdue in accordance with the agreed payment terms a breach of contract.
- D. The Group uses IFRS 9 to provide the following assumption as a basis for determining whether there is a significant increase in the credit risk of financial instruments after the original recognition:
  - (A) If the contract payment is overdue for more than 30 days in accordance with the agreed payment terms, the credit risk of the financial asset is significantly increased since the original recognition.
  - (B) For bond investments in Taipei Exchange, if any external rating agency rates it as an investment grade on the balance sheet date, the credit risk of the financial asset is considered low.
- E. The Group uses the following indicators to determine the status of credit impairments of debt instruments:
  - (A) The issuer has suffered significant financial difficulties or is likely to enter bankruptcy or other financial restructuring.

- (B) The issuer has suffered significant financial difficulties or is likely to enter bankruptcy or other financial restructuring.
- (C) The issuer delays or does not pay for the interest or principal.
- (D) Unfavorable changes in the national- or regional-level economic situation resulting in the issuer's default.
- F. The Group categorizes the accounts receivable from customers based on the characteristics of trade credit risks. The simplified approach is adopted for estimating the expected credit loss based on the provision matrix.
- G. The Group may write off the amount of financial assets that cannot be reasonably expected to be recovered after recourse. However, the Group will continue the recourse to protect the rights of the claims.
- H. The allowance for losses on accounts receivable are estimated by reference to loss rate based on historical and current information for a specific period, adjusted for the Group's future considerations. A provision matrix as of March 31, 2023, December 31, 2022 and March 31, 2022 is as follows.

	Not past due	Up to 30 days	31-90 days	91-180 days	More than 181 days past due	Total
<u>March 31, 2023</u>						
Expected loss rate	0.01~1%	0.05~1.95%	1.88~5.7%	5.24~18.19%	57.71~100%	
Total book value	\$ 946,717	\$ 151,343	\$ 108,758	\$ 8,949	\$ 11,978	\$ 1,227,745
Loss allowance	-	-	( 3,761)	( 2,668)	( 10,653)	( 17,082)
<u>December 31, 2022</u>						
Expected loss rate	0.01~1%	0.05~1.95%	1.85%~5.53%	5.23~17.66%	56.58~100%	
Total book value	\$1,188,466	\$ 224,106	\$ 85,210	\$ 14,582	\$ 11,591	\$1,523,955
Loss allowance	-	( 619)	( 2,267)	( 7,392)	( 10,319)	( 20,597)
<u>March 31, 2022</u>						
Expected loss rate	0.01~1%	0.01~1.94%	1.95~6.10%	5.40~19.42%	59.71~100%	
Total book value	\$1,184,994	\$ 102,080	\$ 25,741	\$ 1,189	\$ 18,412	\$1,332,416
Loss allowance	-	( 24)	( 980)	( 416)	( 10,078)	( 11,498)

I. The Group adopts a simplified method in which the loss allowance for the accounts receivable is shown as follows:

	2023
	<u>Accounts Receivables</u>
January 1	\$ 20,597
Reverse impairment loss	( 3,515)
March 31	<u>\$ 17,082</u>

  

	2022
	<u>Accounts Receivables</u>
January 1	\$ 10,039
Recognize impairment loss	1,458
Impact from exchange rate	1
March 31	<u>\$ 11,498</u>

(3) Liquidity risk

- A. Cash flow forecasting is performed by the operating entities of the Corporate Group and aggregated by the Group's treasury department. It monitors rolling forecasts of liquidity requirements to ensure the Group has sufficient cash to meet operational needs.
- B. The remaining cash held by each operating entity will be transferred back to the Group's finance department. The finance department of the Group invests the remaining funds in interest-bearing demand deposits, time deposits, financial assets at fair value through profit or loss, financial assets at amortized cost and bond investment without an active market (time deposits with a maturity of more than 3 months and less than 12 months), as the instruments chosen have appropriate maturities or sufficient liquidity to provide sufficient headroom as determined by the abovementioned forecasts. Money market positions of \$2,184,889, \$2,417,912 and \$2,248,686, respectively, held by the Group as of March 31, 2023, December 31, 2022, and March 31, 2022 are expected to generate immediate cash flows to manage liquidity risks.
- C. The Group's unutilized borrowings are shown as follows:

	<u>March 31, 2023</u>	<u>December 31, 2022</u>	<u>March 31, 2022</u>
Floating rate			
Short-term credit limits	\$ 932,708	\$ 645,878	\$ 400,000
Medium to long-term credit limits	600,000	60,014	15,000
Fixed rate			
Medium to long-term credit limits	8,420	11,045	-
	<u>\$ 1,541,128</u>	<u>\$ 716,937</u>	<u>\$ 415,000</u>

- D. The following table shows the Group's non-derivative financial liabilities and derivative financial liabilities settled on a net or total amount, grouped according to the relevant maturity date. Non-derivative financial liabilities are analyzed based on the remaining period from the balance sheet date to the contract maturity

date. The amounts disclosed in the table are the contractual undiscounted cash flows.

**Non-derivative financial liabilities:**

	<u>Within 1 year</u>	<u>1 to 2 years</u>	<u>2 to 5 years</u>	<u>Over 5 years</u>
March 31, 2023				
<u>Non-derivative financial liabilities:</u>				
Short Term Loans	\$ 5,601,262	\$ -	\$ -	\$ -
Notes Payable	71	-	-	-
Accounts payable (Including related parties)	324,140	-	-	-
Other payables (Including related parties)	1,981,353	-	-	-
Lease liabilities	41,735	34,948	97,285	462,458
Corporate bonds payable	20,540	20,540	2,737,220	-
Long-term borrowings (including current portion)	663,152	1,018,891	1,490,887	514,305
Guarantee Deposits Received	-	52,498	-	-
	<u>Within 1 year</u>	<u>1 to 2 years</u>	<u>2 to 5 years</u>	<u>Over 5 years</u>
December 31, 2022				
<u>Non-derivative financial liabilities:</u>				
Short Term Loans	\$ 4,702,123	\$ -	\$ -	\$ -
Notes Payable	81	-	-	-
Accounts payable (Including related parties)	417,459	-	-	-
Other payables (Including related parties)	837,213	-	-	-
Lease liabilities	38,246	78,734	224,177	221,011
Corporate bonds payable	-	-	2,696,140	-
Long-term borrowings (including current portion)	680,126	919,483	352,448	217,645
Guarantee Deposits Received	-	34,754	-	-
	<u>Within 1 year</u>	<u>1 to 2 years</u>	<u>2 to 5 years</u>	<u>Over 5 years</u>
March 31, 2022				
<u>Non-derivative financial liabilities:</u>				
Short Term Loans	\$ 4,754,415	\$ -	\$ -	\$ -
Notes Payable	34,850	-	-	-
Accounts Payable	451,586	-	-	-
Other payables (Including related parties)	650,758	-	-	-
Lease liabilities	307,070	131,736	273,137	-
Corporate bonds payable	-	-	1,741,300	-
Long-term borrowings (including current portion)	84,623	805,441	1,859,994	-
Guarantee Deposits Received	-	40,662	-	-

**(III) Fair value information**

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

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

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability. The fair value of the Group's investment in stocks of non-publicly traded or non-OTC firms and private

equity fund is included in Level 3.

2. Financial instruments not measured at fair value

Cash, notes receivable, accounts receivable, other receivable, short-term borrowings, notes payable, accounts payable and other payable as reasonable approximation of fair value.

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

March 31, 2023	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
<u>Recurring fair value measurements</u>				
Financial Assets at Fair Value Through Profit or Loss				
Equity securities	\$ 4,305,959	\$ 77,700	\$ 56,982	\$ 4,440,641
Beneficiary certificates	500	-	-	500
	<u>\$ 4,306,459</u>	<u>\$ 77,700</u>	<u>\$ 56,982</u>	<u>\$ 4,441,141</u>
<b>Liabilities</b>				
<u>Recurring fair value measurements</u>				
Financial Liabilities at Fair Value Through Profit or Loss				
Convertible bond call/put options	\$ -	\$ -	\$ 2,011	\$ 2,011
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,011</u>	<u>\$ 2,011</u>
December 31, 2022	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
<u>Recurring fair value measurements</u>				
Financial Assets at Fair Value Through Profit or Loss				
Equity securities	\$ 4,344,484	\$ 79,300	\$ 56,871	\$ 4,480,655
Beneficiary certificates	500	-	-	500
	<u>\$ 4,344,984</u>	<u>\$ 79,300</u>	<u>\$ 56,871</u>	<u>\$ 4,481,155</u>
<b>Liabilities</b>				
<u>Recurring fair value measurements</u>				
Financial Liabilities at Fair Value Through Profit or Loss				
Convertible bond call/put options	\$ -	\$ -	\$ 5,697	\$ 5,697
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,697</u>	<u>\$ 5,697</u>
March 31, 2022	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
<u>Recurring fair value measurements</u>				
Financial Assets at Fair Value Through Profit or Loss				
Equity securities	\$ 4,943,313	\$ 80,700	\$ 53,400	\$ 5,077,413
Beneficiary certificates	500	-	-	500
	<u>\$ 4,943,813</u>	<u>\$ 80,700</u>	<u>\$ 53,400</u>	<u>\$ 5,077,913</u>
<b>Liabilities</b>				
<u>Recurring fair value measurements</u>				
Financial Liabilities at Fair Value Through Profit or Loss				
Convertible bond call/put options	\$ -	\$ -	\$ 2,786	\$ 2,786
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,786</u>	<u>\$ 2,786</u>

4. The methods and assumptions adopted by the Group for assessing the fair value are as follows:

(1) The Group adopt market pricing as the input of fair value (i.e. Level 1), and the breakdown of the characteristics of the instrument is as follows:

	Shares of listed and OTC company	Open-end funds
Market price	Closing price	Net Value

(2) Except for the abovementioned financial instruments with active markets, the fair value of the remaining financial instruments is obtained using valuation techniques.

The fair value obtained through valuation techniques can refer to the current fair value of other financial instruments with similar substantive conditions and characteristics, discounted cash flow method, or other valuation techniques, including the use of market information available on the date of the consolidated balance sheet (for example, the Taipei Exchange refers to the yield curve, the Reuters adopts the average quotation of interest rate of commercial promissory notes).

- (3) The output of the valuation model is the estimated value, and the valuation technique may not reflect all the relevant factors of the financial instruments and non-financial instruments held by the Group. Therefore, the estimated value of the valuation model will be appropriately adjusted according to additional parameters, such as model risk or liquidity risk. According to the Group's fair value valuation model management policies and related control procedures, the management believes that in order to properly express the fair value of financial instruments and non-financial instruments in the consolidated balance sheet, valuation adjustments are appropriate and necessary. The price information and parameters used in the valuation process are carefully assessed and appropriately adjusted according to current market conditions.
- (4) The Group incorporates credit risk valuation adjustments into the consideration of the fair value of financial instruments and non-financial instruments to reflect counterparty credit risk and the credit quality of the Group, respectively.
5. For the three months ended March 31, 2023 and 2022, there was no transfer between level 1 and level 2.
6. For the three months ended March 31, 2023, and 2022, the following chart is the movement of Level 3:

	Equity securities
January 1, 2023	\$ 51,174
Recognized in profit or loss of the period	3,686
Impact from exchange rate	111
March 31, 2023	<u>\$ 54,971</u>

	Equity securities
January 1, 2022	\$ 57,622
Recognized in profit or loss of the period	( 7,786)
Impact from exchange rate	778
March 31, 2022	<u>\$ 50,614</u>

7. The quantitative information about the significant unobservable input value of the valuation model and the sensitivity analysis of the significant unobservable input value change used in Level 3 fair value measurements are explained as follows:

<u>March 31, 2023</u>					
	Fair value	Valuation technique	Significant unobservable inputs	Range (weighted average)	Relationship between inputs and fair value
Non-derivative equity instruments:					
	\$ 54,971		Net asset value	-	The higher the net asset value, the higher the fair value
Shares of non-listed and non-OTC company		Net asset value method			

<u>December 31, 2022</u>					
	Fair value	Valuation technique	Significant unobservable inputs	Range (weighted average)	Relationship between inputs and fair value
Non-derivative equity instruments:					
Shares of non-listed and non-OTC company	\$ 51,174	Net asset value method	Net asset value	-	The higher the net asset value, the higher the fair value
<u>March 31, 2022</u>					
	Fair value	Valuation technique	Significant unobservable inputs	Range (weighted average)	Relationship between inputs and fair value
Non-derivative equity instruments:					
Shares of non-listed and non-OTC company	\$ 50,614	Net asset value method	Net asset value	-	The higher the net asset value, the higher the fair value

8. The Group has carefully assessed the valuation models and parameters used to measure fair value. However, use of different valuation models or parameters may result in different measurement. For financial assets or liabilities classified in Level 3, changes in valuation parameters have the following impacts on the income or other comprehensive income of the period:

<u>March 31, 2023</u>						
		<u>Recognized in profit or loss</u>		<u>Recognized in other comprehensive income</u>		
<u>Inputs</u>	<u>Changes</u>	<u>Favorable changes</u>	<u>Adverse changes</u>	<u>Favorable changes</u>	<u>Adverse changes</u>	
Financial assets						
Equity instruments	Net asset value $\pm$ 1%	\$ 550	(\$ 550)	\$ -	\$ -	
<u>December 31, 2022</u>						
		<u>Recognized in profit or loss</u>		<u>Recognized in other comprehensive income</u>		
<u>Inputs</u>	<u>Changes</u>	<u>Favorable changes</u>	<u>Adverse changes</u>	<u>Favorable changes</u>	<u>Adverse changes</u>	
Financial assets						
Equity instruments	Net asset value $\pm$ 1%	\$ 512	(\$ 512)	\$ -	\$ -	
<u>March 31, 2022</u>						
		<u>Recognized in profit or loss</u>		<u>Recognized in other comprehensive income</u>		
<u>Inputs</u>	<u>Changes</u>	<u>Favorable changes</u>	<u>Adverse changes</u>	<u>Favorable changes</u>	<u>Adverse changes</u>	
Financial assets						
Equity instruments	Net asset value $\pm$ 1%	\$ 506	(\$ 506)	\$ -	\$ -	

### XIII. Supplementary Disclosure

#### (I) Significant transactions information

1. Loans to others: Please refer to Table 1.
2. Provision of endorsements and guarantees to others: Please refer to Table 2.
3. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Please refer to Table 3.
4. Acquisition or sale of the same security with the accumulated cost exceeding \$300 million or 20% of the Company's paid-in capital: None.
5. Acquisition of real estate exceeding \$300 million or 20% of paid-in capital or more: None.
6. Disposal of real estate exceeding \$300 million or 20% of paid-in capital or more: None.
7. Purchases or sales of goods from or to related parties reaching \$100 million or 20% of paid-in capital or more: None.
8. Receivables from related parties reaching NT\$100 million or 20% of paid-in capital or more: None.
9. Engaged in derivative trading: None.
10. Significant inter-company transactions during the reporting periods: Please refer to Table 4.

#### (II) Information on Reinvested Businesses

Names, locations and other information of investee companies (not including investees in Mainland China): Please refer to Table 5.

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

1. Basic information: Please refer to Table 6.
2. Significant transactions, either directly or indirectly through a third area, with investee companies in Mainland China: None.

#### (IV) Information on Major Shareholders

Information on major shareholders: Please refer to Table 7.

#### XIV. Segments Information

##### (I) General information

Management has determined the reportable operating segments based on reports reviewed by the president and used to make strategic decisions.

The Group's corporate structure, the basis for division of segments, and the basis for measurement of segment information have not changed significantly during the current period.

##### (II) Segments Information

Information on the reporting segments provided to the chief operating decision maker is shown as follows:

###### January 1 to March 31, 2023:

	Photomask and semiconductor segment	Medical segment	Total
Revenue from external clients	\$ 1,541,794	\$ 21,796	\$ 1,563,590
Segment revenue	(\$ 113,519)	\$ -	(\$ 113,519)
Segment margin	\$ 259,295	(\$ 39,909)	\$ 219,386
Segment margin include:			
Depreciation	(\$ 191,594)	(\$ 7,605)	(\$ 199,199)
Amortization expense	(\$ 11,368)	(\$ 202)	(\$ 11,570)
Financial Costs	(\$ 53,857)	(\$ 3,485)	(\$ 57,342)
Interest income	\$ 9,759	\$ 7	\$ 9,766
Investments income recognized by using equity method	(\$ 12,963)	\$ -	(\$ 12,963)
Segment assets	\$ 18,850,733	\$ 474,887	\$ 19,325,620

###### January 1 to March 31, 2022:

	Photomask and semiconductor segment	Medical segment	Total
Revenue from external clients	\$ 1,698,443	\$ 9,049	\$ 1,707,492
Segment revenue	(\$ 37,545)	\$ -	(\$ 37,545)
Segment margin	(\$ 290,623)	(\$ 17,971)	(\$ 308,594)
Segment margin include:			
Depreciation	\$ 128,190	(\$ 5,650)	\$ 133,840
Amortization expense	\$ 2,235	(\$ 2,061)	\$ 4,296
Financial Costs	(\$ 34,146)	(\$ 592)	(\$ 34,738)
Interest income	\$ 1,767	\$ -	\$ 1,767
Investments income recognized by using equity method	(\$ 10,129)	\$ -	(\$ 10,129)
Segment assets	\$ 15,912,417	\$ 359,589	\$ 16,272,006

##### (III) Reconciliation for segment income

Sales between segments are conducted according to the principle of transactions at fair value. The operating revenue from external customers reported to the operating decision maker is measured in a manner consistent with that in the income statement.

The consolidated income, assets and liabilities of related segments are consistent with the consolidated income, consolidated assets and consolidated liabilities, so there is no reconciliation information.

Taiwan Mask Corporation and Subsidiaries

Loans to Others

January 1 to March 31, 2023

Table 1

Unit: NT\$ Thousand  
(Unless otherwise specified)

No. (Note 1)	Company that lent funds	Borrowing party	General ledger account	Related party?	Maximum Balance for the Period	Ending balance	Amount Actually Drawn	Range of interest rate	Nature of loan	Amount of transaction with borrower	Reason for short-term financing	Amount of recognized impairment loss	Limit on loans granted to a single party			Ceiling on total loan granted		Note
													Collateral Name	Value	party	loan granted	Note	
1	ADL Energy Corp	Aptos Technology INC.	Other Receivables - Related Parties	Y	\$ 7,200	\$ -	\$ -	2.7%	Short-term financing	-	Business operations	-	Promissory note	\$ -	\$ 19,166	\$ 19,166		Note 3
2	Miracle Technology CO., LTD.	Aptos Technology INC.	Other Receivables - Related Parties	Y	170,000	170,000	170,000	2.7%	Short-term financing	-	Working Capital Turnover	-	Promissory note	170,000	173,690	173,690		Note 4
3	Youe Chung Capital Corporation	Aptos Technology INC.	Other Receivables - Related Parties	Y	370,000	270,000	270,000	2.7%	Short-term financing	-	Working Capital Turnover	-	Promissory note	270,000	1,776,131	1,776,131		Note 6
3	Youe Chung Capital Corporation	Xsense Technology Corporation (B.V.I.)	Other Receivables - Related Parties	Y	270,000	270,000	270,000	2.7%	Short-term financing	-	Working Capital Turnover	-	Promissory note	270,000	1,776,131	1,776,131		Note 6
3	Youe Chung Capital Corporation	Innova Vision INC.	Other Receivables - Related Parties	Y	90,000	90,000	90,000	2.7%	Short-term financing	-	Working Capital Turnover	-	Promissory note	90,000	1,776,131	1,776,131		Note 6
4	Pilot Battery Co., Ltd.	Xsense Technology Corporation (B.V.I.)	Other Receivables - Related Parties	Y	50,000	50,000	50,000	2.7%	Short-term financing	-	Working Capital Turnover	-	Promissory note	50,000	56,424	56,424		Note 7

Note 1: The description of the number columns are as follows:

- (1) Fill in "0" for the issuer.
- (2) The investee company is numbered in sequence starting from the Arabic numeral 1 according to company type.

Note 2: Amendment to the Procedures for Lending Funds to Others:

- (1) Total amount of loans: The total amount of the Company's loans shall not exceed 40% of the Company's net value.
- (2) For companies or businesses that have business dealings with the Company, the loan amount of each individual borrower shall not exceed the amount of transactions between the two parties in the most recent year and not exceed 40% of the Company's net value.
- (3) For companies or businesses that have a short-term financing need, the loan amount of each individual borrower shall not exceed the amount of transactions between the two parties in the most recent year and not exceed 40% of the Company's net value.
- (4) Inter-company loans of funds between overseas companies in which the Company owns, directly or indirectly, 100% of the voting shares, are not restricted by the abovementioned paragraphs. However, the total amount of loans and the amount of loans to a single party shall not exceed 50% of the Company's net value.

Note 3: Subsidiary - ADL Energy Corp Procedures for Lending Funds to Others:

- (1) The total loan amount shall not exceed 50% of the Company's net value. However, for companies or businesses that have a short-term financing need, the loan amount of each individual borrower shall not exceed 40% of the Company's net value.
- (2) In addition to the provisions in (1), the loan amount of each individual borrower of companies or businesses that have business dealings with the Company shall not exceed the amount of transactions between the two parties. The amount of business transactions refers to the higher of the amount of goods purchased or sold between the parties.
- (3) In addition to the provisions in (1), in which companies or businesses have a short-term financing need, and the loan amount of each individual borrower not exceeding 40% of the Company's net value, the financing amount refers to the accumulated balance of the company's short-term financing.
- (4) Inter-company loans of funds between overseas companies in which the Company owns, directly or indirectly, 100% of the voting shares, or loans to the Company from any overseas companies in which the Company holds, directly or indirectly, 100% of the voting shares are not restricted by the abovementioned paragraphs. However, the total loan amount, limits for each individual borrower, and the period of the loan should be specified.

The total amount of loans lent between the overseas companies or to the parent company and the limit for each limit are specified as follows:

- I. The total amount loans to enterprises shall not exceed 50% of the Company's net value. However, for companies or businesses that have a short-term financing need, the loan amount of each individual borrower shall not exceed 40% of the Company's net value.
- II. For overseas companies that have business dealings with each other, the individual loan amount shall not exceed the amount of transactions between the two parties. The amount of business transactions refers to the higher of the amount of goods purchased or sold between the parties.
- III. If there is a need for short-term financing, the loan amount of each individual borrower shall not exceed 40% of the company's net value, and the financing amount refers to the accumulated balance of the short-term financing between overseas companies.
- (5) The highest balance for the current period is the amount resolved by the board.

Note 4: Subsidiary - Miracle Technology Procedures for Lending Funds to Others:

- (1) Total amount of loans: The total amount of the Company's loans shall not exceed 40% of the Company's net value.
- (2) For companies or businesses that have business dealings with the Company, the loan amount of each individual borrower shall not exceed the amount of transactions between the two parties in the most recent year and not exceed 40% of the Company's net value.
- (3) For companies or businesses that have a short-term financing need, the loan amount of each individual borrower shall not exceed the amount of transactions between the two parties in the most recent year and not exceed 40% of the Company's net value.
- (4) Inter-company loans of funds between overseas companies in which the Company owns, directly or indirectly, 100% of the voting shares, are not restricted by the abovementioned paragraphs. However, the total amount of loans and the amount of loans to a single party shall not exceed 50% of the Company's net value.

Note 5: Subsidiary - Innova Vision Procedures for Lending Funds to Others:

- (1) Total amount of loans: The total amount of the Company's loans shall not exceed 40% of the Company's net value.
- (2) The loan amount of each individual borrower of companies or businesses that have business dealings with the Company shall not exceed the amount of transactions between the two parties in the past year. The amount of business transactions refers to the higher of the amount of goods purchased or sold between the parties, and shall not exceed 20% of the Company's net value.
- (3) For companies or businesses that have a short-term financing need, the loan amount of each individual borrower shall not exceed the amount of transactions between the two parties in the most recent year and not exceed 40% of the Company's net value.

Note 6: Subsidiary - Youe Chung Capital Corporation Procedures for Lending Funds to Others:

- (1) Total amount of loans: The total amount of the Company's loans shall not exceed 40% of the Company's net value.
- (2) For companies or businesses that have a short-term financing need, the loan amount of each individual borrower shall not exceed the amount of transactions between the two parties in the most recent year and not exceed 40% of the Company's net value.

Note 7: Subsidiary - Pilot Battery Co., Ltd. Procedures for Lending Funds to Others:

- The Company shall not loan funds to any of its shareholders or any other person except under the following circumstances:
- (1) Where an inter-company or inter-firm business transaction calls for a loan arrangement.
  - (2) Where an inter-company or inter-firm short-term financing facility is necessary, provided that such financing amount shall not exceed 40% of the lender's net worth.

Taiwan Mask Corporation and Subsidiaries  
Endorsements and Guarantees to Others  
January 1 to March 31, 2023

Table 2

													Unit: NT\$Thousand (Unless otherwise specified)		
No. (Note 1)	Endorser/guarantor	Guaranteed Party		endorsement and guarantee for a (Note 3, 4, 5, 6)	Maximum Balance		Amount Actually Drawn	Amount of Endorsement /Guarantee Collateralize	Ratio of Accumulated Endorsement/Guaran tee to Net Equity per	Endorsement/Guarante e Amount Allowable (Note 3, 4, 5, 6)	Guarantee Provided by Parent Company to	Guarantee Provided by Subsidiary to Parent	Guarantee Provided by Subsidiaries in Mainland	Note	
		Name of Company	Relationship (Note 2)		of Endorsement/Guar antee for the	Ending Balance of Endorsement/Guar antee									
0	Taiwan Mask Corporation	Miracle Technology CO., LTD.	2	\$ 229,550	\$ 213,360	\$ 213,150	\$ -	\$ -	5.13%	\$ 1,660,890	Y	N	N	Note 3	
1	ADL Energy Corp	Aptos Technology INC.	3	14,374	19,500	12,000	12,000	12,000	25.04%	19,166	N	Y	N	Note 4	
2	Miko-China Enterprise (Shanghai) Co., Ltd.	Miracle Technology CO., LTD.	3	359,035	226,695	225,981	225,981	225,981	62.94%	359,035	N	Y	N	Note 5	
3	Miracle Technology CO., LTD.	Xsense Technology Corporation (B.V.I.)	1	173,690	150,000	150,000	150,000	150,000	34.54%	173,690	N	N	N	Note 6	
3	Miracle Technology CO., LTD.	Aptos Technology INC.	1	173,690	20,000	20,000	20,000	20,000	4.61%	173,690	N	N	N	Note 6	
4	Pilot Battery Co., Ltd.	ADL Energy Corp	1	56,424	30,000	30,000	30,000	30,000	21.27%	56,424	N	N	N	Note 7	

Note 1: The description of the number columns are as follows:

- (1) Fill in "0" for the issuer.
- (2) The investee company is numbered in sequence starting from the Arabic numeral 1 according to company type.

Note 2: The relationship between the guarantor and the guarantee are one of the seven types indicated below:

- (1) A company with which it does business.
- (2) A company in which the Company directly and indirectly holds more than 50% of the voting shares.
- (3) A company that directly and indirectly holds more than 50% of the voting shares in the Company.
- (4) Companies in which the Company holds, directly or indirectly, 90% or more of the voting shares may make endorsements/guarantees for each other.
- (5) A company that is mutually insured by a contract between peers or co-founders based on the needs of the contracted work.
- (6) A company that is guaranteed by all contributing shareholders in proportion to their shareholdings due to a joint investment relationship.
- (7) Companies that are engaged in joint and several guarantees for the performance guarantee of pre-sale housing sales contracts in accordance with the regulations of the Consumer Protection Act.

Note 3: The Company's endorsement and guarantee practices for others provide that:

- (1) The total amount of the Company's external endorsement guarantee shall not exceed 30% of the Company's paid-in capital.
- (2) The amount of business transactions refers to the higher of the amount of goods purchased or sold between the parties.
- (3) Companies with which the Company has a parent-child relationship: The endorsement and guarantee for a single enterprise shall not exceed 10% of the Company's paid-in capital and the company's paid-in capital being endorsed and guaranteed.
- (4) The aggregate amount of the endorsement and guarantee of the Company and its subsidiaries as a whole shall not exceed 40% of the net worth of the Company, of which the endorsement and guarantee of a single subsidiary shall not exceed 20% of the net worth of the Company.

Note 4: Subsidiary - ADL Energy Corp Endorsement and Guarantee Procedures:

- (1) The aggregate amount of cumulative external endorsement guarantees shall not exceed 40% of the net value of the Company's most recent audited or reviewed financial statements.
- (2) The amount of the endorsement guarantee for a single enterprise shall not exceed 30% of the net value of the company's most recent audited or reviewed financial statements.
- (3) The Company and its subsidiaries shall state in the shareholders' meeting the necessity and reasonableness of any endorsement or guarantee of more than 50% of the net value of the Company's most recent audited or reviewed financial statements.

Note 5: Miko-China Enterprise (Shanghai) Co., Ltd. Endorsement and Guarantee Procedures:

The total amount of endorsement guarantee liability is limited to RMB 30 million, and the amount of endorsement guarantee for a single enterprise shall not exceed RMB 30 million; however, for the parent company that directly or indirectly holds, through a sub-

Note 6: Subsidiary - Miracle Technology Co., Ltd. Endorsement and Guarantee Procedures:

The aggregate amount of cumulative external endorsement guarantees shall not exceed 40% of the net value of the Company's most recent audited or reviewed financial statements.

Note 7: Subsidiary - Pilot Battery Co., Ltd. Endorsement and Guarantee Procedures:

The aggregate amount of cumulative external endorsement guarantees shall not exceed 40% of the net value of the Company's most recent audited or reviewed financial statements.

Taiwan Mask Corporation and Subsidiaries  
Ending holding of marketable securities (not including subsidiaries, associates and joint ventures)  
March 31, 2023

Table 3

Unit: NT\$Thousand  
(Unless otherwise specified)

Company name of the shareholding	Marketable securities	Relationship with the marketable securities issuer	General ledger account	End of period				
				Number of shares	Book value	Ownership	Fair value	Note
Taiwan Mask Corporation	Common stocks of United Microelectronics Corporation	None	Financial Assets at Fair Value Through Profit or Loss - Current	7,554,000	\$ 399,607	0.06%	\$ 399,607	
Taiwan Mask Corporation	Common stock of China Steel Structure Co., Ltd.	None	Financial Assets at Fair Value Through Profit or Loss - Non Current	14,334,000	842,839	7.17%	842,839	
Taiwan Mask Corporation	Common stocks of Avision Inc. through private placement.	None	Financial Assets at Fair Value Through Profit or Loss - Non Current	10,000,000	77,700	4.69%	77,700	
Youe Chung Capital Corporation	Common stocks of United Microelectronics Corporation	None	Financial Assets at Fair Value Through Profit or Loss - Current	1,900,000	100,510	0.02%	100,510	
Youe Chung Capital Corporation	Common stocks of Microtek International	None	Financial Assets at Fair Value Through Profit or Loss - Current	40,457,000	1,003,333	19.67%	1,003,333	
Youe Chung Capital Corporation	Common stocks of Taiwan Mask	Parent company	Financial Assets at Fair Value Through Profit or Loss - Non Current	36,731,440	3,397,658	14.32%	3,397,658	
Youe Chung Capital Corporation	Common stock of China Steel Structure Co., Ltd.	None	Financial Assets at Fair Value Through Profit or Loss - Non Current	24,999,000	1,469,941	12.50%	1,469,941	
Youe Chung Capital Corporation	Common stocks of EVERBRITE Technology	None	Financial Assets at Fair Value Through Profit or Loss - Non Current	12,122,000	489,729	18.94%	489,729	
Youe Chung Capital Corporation	Image Match Design Inc.	The Company is a director of that	Financial Assets at Fair Value Through Profit or Loss - Non Current	1,890,000	3,213	3.17%	3,213	
Youe Chung Capital Corporation	B Current Impact Investment	The Company is a director of that	Financial Assets at Fair Value Through Profit or Loss - Non Current	1,000,000	10,000	10.00%	10,000	
Youe Chung Capital Corporation	B Current Impact Investment Partnership	None	Financial Assets at Fair Value Through Profit or Loss - Non Current	250,000	2,500	-	2,500	
Youe Chung Capital Corporation	Intellectual Property Innovation Corporation Partnership Fund	None	Financial Assets at Fair Value Through Profit or Loss - Non Current	-	20,000	-	20,000	
Jing Hao Investment Co., Ltd.	G-TECH ELECTRONICS LTD.	None	Financial Assets at Fair Value Through Profit or Loss - Non Current	1,097,092	-	8.08%	-	
Jing Hao Investment Co., Ltd.	Memchip Technology Co., Ltd.	None	Financial Assets at Fair Value Through Profit or Loss - Non Current	187,915	-	3.13%	-	
Aptos Technology INC.	Common stocks of TOPFUN TECHNOLOGY INC.	None	Financial Assets at Fair Value Through Other Comprehensive Income - Non Current	100,000	-	12.27%	-	
ADL Energy Corp	Franklin Templeton SinoAm Asia Pacific Balanced Fund-Accu. Beneficiary Certificate	None	Financial Assets at Fair Value Through Profit or Loss - Current	50,000	500	-	500	
Miko-China Enterprise (Shanghai) Co., Ltd.	Common stocks of Shenzhen He Mei Jing Yi Semiconductor Technology Co., Ltd.	None	Financial Assets at Fair Value Through Profit or Loss - Non Current	400,000	21,269	0.31%	21,269	

Taiwan Mask Corporation and Subsidiaries  
Significant inter-company transactions during the reporting periods  
January 1 to March 31, 2023

Table 4

Unit: NT\$Thousand  
(Unless otherwise specified)

No. (Note 1)	Name of the counterparty	Counterparty	Relationship with the counterparty (Note 2)	Status of transaction		Percentage of consolidated total operating revenues or (Note 3)	
				General ledger account	Amount		
0	Taiwan Mask Corporation	Miracle Technology CO., LTD.	1	Other Receivables	18,398	Receipt and payment at an agreed time	0.10%
0	Taiwan Mask Corporation	Miracle Technology CO., LTD.	1	Sales	3,717	Net 60	0.24%
0	Taiwan Mask Corporation	Miracle Technology CO., LTD.	1	Endorsement and guarantee	213,150	Same with other customers	1.10%
0	Taiwan Mask Corporation	Miracle Technology CO., LTD.	1	Accounts Receivables	6,487	Net 60	0.03%
0	Taiwan Mask Corporation	Miracle International Enterprise(Shanghai) Co., Ltd.	1	Sales	3,594	Net 60	0.23%
0	Taiwan Mask Corporation	Miracle International Enterprise(Shanghai) Co., Ltd.	1	Accounts Receivables	4,529	Net 60	0.02%
0	Taiwan Mask Corporation	Aptos Technology INC.	1	Rental income	13,244	Same with other customers	0.85%
0	Taiwan Mask Corporation	Aptos Technology INC.	1	Other Receivables	16,529	Same with other customers	0.09%
0	Taiwan Mask Corporation	Innova Vision INC.	1	Rental income	3,741	Same with other customers	0.24%
0	Taiwan Mask Corporation	Innova Vision INC.	1	Other Receivables	4,932	Same with other customers	0.03%
0	Taiwan Mask Corporation	Xsense Technology Corporation (B.V.I.) Taiwan Branch	1	Rental income	12,184	Same with other customers	0.78%
0	Taiwan Mask Corporation	Xsense Technology Corporation (B.V.I.) Taiwan Branch	1	Other Receivables	9,916	Same with other customers	0.05%
1	Miracle Technology CO., LTD.	Aptos Technology INC.	3	Other receivables (loans of funds)	170,000	Receipt and payment at an agreed time	0.88%
1	Miracle Technology CO., LTD.	Aptos Technology INC.	3	Interest income	1,132	Receipt and payment at an agreed time	0.07%
1	Miracle Technology CO., LTD.	Xsense Technology Corporation (B.V.I.) Taiwan Branch	3	Endorsement and guarantee	150,000	Same with other customers	0.78%
1	Miracle Technology CO., LTD.	Miracle International Enterprise(Shanghai) Co., Ltd.	3	Sales	14,831	Net 30	0.95%
1	Miracle Technology CO., LTD.	Miracle International Enterprise(Shanghai) Co., Ltd.	3	Accounts Receivables	3,056	Net 30	0.02%
1	Miracle Technology CO., LTD.	Aptos Technology INC.	3	Endorsement and guarantee	20,000	Same with other customers	1.28%
2	Miko-China Enterprise (Shanghai) Co., Ltd.	Miracle Technology CO., LTD.	3	Endorsement and guarantee	225,981	Same with other customers	1.17%
3	Sichuan Miracle Power Technology Co., Ltd.	Miko-China Enterprise (Shanghai) Co., Ltd.	3	Sales	1,998	Net 30	0.13%
4	Youe Chung Capital Corporation	Aptos Technology INC.	3	Other receivables (loans of funds)	270,000	Receipt and payment at an agreed time	1.40%
4	Youe Chung Capital Corporation	Aptos Technology INC.	3	Interest income	1,656	Receipt and payment at an agreed time	0.11%
4	Youe Chung Capital Corporation	Xsense Technology Corporation (B.V.I.) Taiwan Branch	3	Other receivables (loans of funds)	270,000	Receipt and payment at an agreed time	1.40%
4	Youe Chung Capital Corporation	Xsense Technology Corporation (B.V.I.) Taiwan Branch	3	Interest income	1,783	Receipt and payment at an agreed time	0.11%
4	Youe Chung Capital Corporation	Innova Vision INC.	~65~	Other receivables (loans of funds)	90,000	Receipt and payment at an agreed time	0.47%

Taiwan Mask Corporation and Subsidiaries  
Significant inter-company transactions during the reporting periods  
January 1 to March 31, 2023

Table 4

Unit: NT\$Thousand  
(Unless otherwise specified)

No. (Note 1)	Name of the counterparty	Counterparty	Relationship with the counterparty (Note 2)	Status of transaction			Percentage of consolidated total operating revenues or (Note 3)
				General ledger account	Amount	Transaction terms	
5	Aptos Technology INC.	Moment Semiconductor, Inc.	3	Sales	1,791	Net 60	0.11%
5	Aptos Technology INC.	Moment Semiconductor, Inc.	3	Accounts Receivables	40,405	Net 60	0.21%
6	ADL Energy Corp	Aptos Technology INC.	3	Endorsement and guarantee	12,000	Same with other customers	0.06%
6	ADL Energy Corp	Taiwan Mask Corporation	3	Sales	9,728	Net 60	0.05%
7	Innova Vision INC.	Innova Vision Kabushiki Kaisha	3	Sales	3,798	Net 60	0.24%
7	Innova Vision INC.	Innova Vision Kabushiki Kaisha	3	Accounts Receivables	16,545	Receipt and payment at an agreed time	0.09%
8	Pilot Battery Co., Ltd.	Xsense Technology Corporation (B.V.I.) Taiwan Branch	3	Other receivables (loans of funds)	50,000	Receipt and payment at an agreed time	0.26%
8	Pilot Battery Co., Ltd.	ADL Energy Corp	3	Endorsement and guarantee	30,000	Same with other customers	0.16%
9	Digital-Can Tech. Co., Ltd.	Taiwan Mask Corporation	3	Sales	72,342	Net 60	0.40%

Note 1: The numbers filled in for the transaction company in respect of inter-company transactions are as follows:

- (1) Parent company is "0".
- (2) The subsidiaries are numbered in order starting from "1".

Note 2: Relationship between transaction company and counterparty is classified into the following three categories; fill in the number of category each case belongs to (If transactions between parent company and subsidiaries or between subsidiaries refer to the same transaction, it is not required to disclose twice. For example, if the parent company has already disclosed its transaction with a subsidiary, then the subsidiary is not required to disclose the transaction;

for transactions between two subsidiaries, if one of the subsidiaries has disclosed the transaction, then the other is not required to disclose the transaction):

- (1) Parent company to subsidiary.
- (2) Subsidiary to parent company.
- (3) Subsidiary to subsidiaries.

Note 3: Regarding percentage of transaction amount to consolidated total operating revenues or total assets, it is computed based on period-end balance of transaction to consolidated total assets for balance sheet accounts and based on accumulated transaction amount for the period to consolidated total operating revenues for income statement account.

Note 4: Only transactions with an amount of more than NT\$1 million will be disclosed, and transactions with related parties will not be disclosed separately.

Taiwan Mask Corporation and Subsidiaries  
Names, locations and other information of investee companies (not including investees in Mainland China)  
January 1 to March 31, 2023

Table 5

Unit: NT\$Thousand  
(Unless otherwise specified)

Name of Investor	Investee	Location	Main business activities	Initial investment amount		Shares held at the end of the period			Net profit (loss) of the investee for the current	Investment income (loss) recognized by the	Note
				Balance at the end of period	End of the previous year	Number of shares	Ownership	Book value			
Taiwan Mask Corporation	SunnyLake Park International Holdings, Inc.	British Virgin Islands	Re-investment	\$ 103,045	\$ 103,045	3,120,000	100%	\$ 5,710	\$ 13	\$ 13	
Taiwan Mask Corporation	Youe Chung Capital Corporation	Taiwan	Re-investment	1,260,000	1,260,000	534,877,568	100%	1,047,454	193,154 (	93,352)	
Taiwan Mask Corporation	Advagene Biopharma Co., Ltd.	Taiwan	Medical, R&D, manufacturing	165,691	165,691	12,549,652	25.43%	29,075 (	17,432) (	4,433)	
Taiwan Mask Corporation	Miracle Technology CO., LTD.	Taiwan	Electronics components manufacturing, electronics materials	192,968	211,332	22,955,033	100%	470,334	4,145	4,145	
Taiwan Mask Corporation	Weida Hi-Tech Co., Ltd.	Taiwan	Display panel control chip and other module's research, design,	293,371	293,371	12,176,880	28.20%	76,536 (	36,942) (	7,614)	
Taiwan Mask Corporation	Innova Vision INC.	Taiwan	Manufacturing, retail, wholesale and international trade of medical	578,321	578,321	36,793,135	91.53%	114,767 (	37,894) (	36,512)	
Youe Chung Capital Corporation	Advagene Biopharma Co., Ltd.	Taiwan	Medical, R&D, manufacturing	60,021	60,021	2,616,223	5.30%	6,061 (	17,432) (	916)	
Youe Chung Capital Corporation	Xsense Technology Corporation	British Virgin Islands	Precious metal coating	325,965	325,965	1	100.00%	6,310 (	9) (	9)	
Youe Chung Capital Corporation	Xsense Technology Corporation (B.V.I.)	Taiwan	Precious metal coating	-	-	12,189,191	53.00% (	25,899) (	36,884) (	20,430)	
Youe Chung Capital Corporation	Aptos Technology INC.	Taiwan	Design, packaging and testing of NAND flash memory, solid state drives	434,692	434,692	28,481,161	47.19% (	134,130) (	94,610) (	44,645)	
Youe Chung Capital Corporation	Innova Vision INC.	Taiwan	Manufacturing, retail, wholesale and international trade of medical	151,533	151,533	94,370	0.23%	337 (	37,894) (	89)	
Youe Chung Capital Corporation	Digital-Can Tech. Co., Ltd.	Taiwan	3D Printing and Plastic Mold Design	139,072	139,072	7,281,250	57.39%	111,719 (	1,589) (	2,139)	
Youe Chung Capital Corporation	Pilot Battery Co., Ltd.	Taiwan	Electronic parts and components and	178,500	-	7,000,000	58.33%	178,188 (	536) (	312)	
Youe Chung Capital Corporation	Moment Semiconductor, Inc.	Taiwan	Retail and wholesale of memory	40,000	-	4,000,000	53.33%	38,117 (	3,530) (	1,883)	
Aptos Technology INC.	ADL Energy Corp	Taiwan	Electronic parts and components and	413,050	413,050	11,984,526	100%	43,311 (	4,603) (	4,603)	
Aptos Technology INC.	New Sunrise Limited	Samoa	Re-investment	-	-	-	100%	-	-	- Note1	
ADL Energy Corp	Aptos Global Holding Corp.	Seychelles	Re-investment	29,795	29,795	10,000,000	100%	-	-	-	
Miracle Technology CO., LTD.	Jing Hao Investment Co., Ltd.	Taiwan	Re-investment	10,012	10,012	25,860,907	100%	297,477	9,913	9,913	
Jing Hao Investment Co., Ltd.	Miko Technology Co., Ltd	Hong Kong	Electronics components manufacturing, electronics materials	37	37	10,000	100%	6,637 (	45) (	45)	
Innova Vision INC.	Innova Technology	Taiwan	Sales of contact lens	64,650	64,650	3,000,000	100% (	3,363) (	25) (	25)	
Innova Vision INC.	Innova Vision (B.V.I) Inc.	British Virgin	Re-investment	60,157	60,157	1,000,000	100% (	1,326) (	1,327) (	1,327)	
Innova Vision INC.	Innova Vision Kabushiki Kaisha	Japan	Sales of contact lens	84,204	84,204	6,400	52.03% (	1,622) (	2,767) (	1,440)	
Innova Vision (B.V.I) Inc.	Innova Vision Kabushiki Kaisha	Japan	Sales of contact lens	56,420	56,420	5,900	47.97% (	1,495) (	2,767) (	1,327)	

Note 1: As of March 31, 2023, the funds for shares have not been remitted.

Taiwan Mask Corporation and Subsidiaries  
Information on investments in Mainland China  
January 1 to March 31, 2023

Table 6

Investee in Mainland China	Main business activities	Paid-up capital	Investment method (Note 1)	Accumulated amount of remittance from Taiwan to Mainland China	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the period		Accumulated amount of remittance from Taiwan as of the end of the period	Net profit (loss) of the investee for the current period	Ownership held by the Company (direct or indirect)	Investment income (loss) recognized by the Company for the current period (Note 2)	Ending carrying amount	Unit: NT\$Thousand (Unless otherwise specified) amount of investment income remitted back to Taiwan	
					Remitted to	Remitted back						Note	Note
Miko-China Enterprise (Shanghai) Co., Ltd.	Electronics components manufacturing, electronics materials and precision equipment distribution and power component design	\$ 3,283	1	\$ 3,283	\$ -	\$ -	\$ 3,283	\$ 12,477	100%	\$ 12,477	\$ 359,035	\$ -	Note 2 (2) B
Miracle International Enterprise(Shanghai) Co., Ltd.	Electronics components manufacturing, electronics materials and precision equipment distribution and power component design	10,215	1	10,215	-	-	10,215	7,405	100%	7,405	101,512	-	Note 2 (2) B , Note 4
Sichuan Miracle Power	IC product design, production and sales	53,676	3	-	-	-	-	67	100%	67	59,128	-	Note 2 (2) B

Name of Company	from Taiwan to Mainland China as of the end of the period	Commission of the MOEA	Mainland China imposed by the Investment
Miracle Technology CO., LTD.	\$ 13,498	\$ 13,498	\$ 260,535

Note 1: Investment methods are classified into the following three categories; fill in the number of categories each case belongs to:

- (1) Directly invest in a company in Mainland China.
- (2) Through investing in an existing company in the third area (please specify the company), which then invested in Mainland China.
- (3) Others

Note 2: Investment income recognized by the Company for the current period

- (1) If it is still under preparation with no actual gain or loss, it shall be indicated in the box.
- (2) The basis for recognition of the investment gains or losses is divided into the following three, it shall be indicated in the box.
  - A. Financial statements audited and validated by an international accounting firm that has a collaborative relationship with CPA firms in Taiwan.
  - B. Financial statements reviewed by a certified accountant or accounting firm who work with the parent company in Taiwan.
  - C. Unaudited financial statements.

Note 3: The relevant figures in this table should be presented in New Taiwan Dollars.

Note 4: It was originally invested through Misun Technology Co., Ltd. Since the aforementioned company has gone through dissolution and liquidation, it has been changed to Miracle Technology Co., Ltd. directly investing in Miracle International Enterprise (Shanghai) Co., Ltd.

Taiwan Mask Corporation and Subsidiaries  
Information on Major Shareholders  
March 31, 2023

Table 7

Name of Main Shareholders	Shares	
	No. of shares held	Ownership
Youe Chung Capital Corporation	36,731,440	14.32%
Taiwan Mask Corporation	14,485,000	5.64%