

**MICROELECTRONICS TECHNOLOGY,
INC. AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REVIEW REPORT
MARCH 31, 2023 AND 2022**

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

INDEPENDENT AUDITORS' REVIEW REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of MICROELECTRONICS TECHNOLOGY, INC.

Introduction

We have reviewed the accompanying consolidated balance sheets of Microelectronics Technology Inc. and subsidiaries (the "Group") as at March 31, 2023 and 2022, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the three months then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" that came into effect as endorsed by the Financial Supervisory Commission. Our responsibility is to express a conclusion on these consolidated financial statements based on our reviews.

Scope of review

We conducted our reviews in accordance with the Standard on Review Engagement 2410, "Review of Financial Information Performed by the Independent Auditor of the Entity" of the Republic of China. A review of consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as at March 31, 2023 and 2022, and of its consolidated financial performance and its consolidated cash flows for the three months then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting” that came into effect as endorsed by the Financial Supervisory Commission.

Cheng, Ya-Huei

Liu, Chien-Yu

For and on behalf of PricewaterhouseCoopers, Taiwan

May 4, 2023

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

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

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

Assets	Notes	March 31, 2023		December 31, 2022		March 31, 2022		
		AMOUNT	%	AMOUNT	%	AMOUNT	%	
Current assets								
1100	Cash and cash equivalents	6(1)	\$ 960,803	15	\$ 1,124,401	17	\$ 1,204,541	18
1110	Financial assets at fair value	6(2)						
	through profit or loss - current		463	-	3,227	-	-	-
1136	Current financial assets at	6(4) and 8						
	amortised cost		33,261	1	34,676	1	27,489	-
1150	Notes receivable	6(5)	2,276	-	663	-	7,178	-
1170	Accounts receivable, net	6(5)	1,000,234	16	885,000	14	988,225	14
1180	Accounts receivable - related	6(5) and 7						
	parties		32,707	1	26,760	-	324	-
1200	Other receivables		19,143	-	18,351	-	103,777	2
1210	Other receivables - related parties	7	208	-	239	-	294	-
130X	Inventories	6(6)	2,144,725	34	2,338,650	36	2,466,087	36
1410	Prepayments		72,874	1	69,822	1	90,202	1
11XX	Total current assets		<u>4,266,694</u>	<u>68</u>	<u>4,501,789</u>	<u>69</u>	<u>4,888,117</u>	<u>71</u>
Non-current assets								
1510	Financial assets at fair value	6(2)						
	through profit or loss-non-current		96,602	1	55,626	1	59,929	1
1517	Financial assets at fair value	6(3)						
	through other comprehensive							
	income-non-current		112,198	2	108,109	1	116,039	2
1600	Property, plant and equipment	6(7)	637,925	10	657,372	10	597,599	8
1755	Right-of-use assets	6(8) and 7	423,680	7	441,732	7	463,491	7
1780	Intangible assets	6(9)(10)	306,229	5	313,755	5	296,718	4
1840	Deferred income tax assets		440,642	7	440,882	7	467,191	7
1900	Other non-current assets	7	23,169	-	21,785	-	9,149	-
15XX	Total non-current assets		<u>2,040,445</u>	<u>32</u>	<u>2,039,261</u>	<u>31</u>	<u>2,010,116</u>	<u>29</u>
1XXX	Total Assets		<u>\$ 6,307,139</u>	<u>100</u>	<u>\$ 6,541,050</u>	<u>100</u>	<u>\$ 6,898,233</u>	<u>100</u>

(Continued)

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

Liabilities and Equity	Notes	March 31, 2023		December 31, 2022		March 31, 2022		
		AMOUNT	%	AMOUNT	%	AMOUNT	%	
Current Liabilities								
2100	Short-term borrowings	6(11)	\$ 1,650,431	26	\$ 1,558,915	24	\$ 1,680,986	25
2120	Financial liabilities at fair value through profit or loss - current	6(12)	269	-	220	-	2,431	-
2130	Current contract liabilities	6(22)	37,383	1	46,168	1	12,635	-
2170	Accounts payable		791,206	12	943,004	14	1,043,131	15
2180	Accounts payable - related parties	7	-	-	4,687	-	-	-
2200	Other payables	6(13)	258,228	4	322,276	5	293,931	4
2230	Current income tax liabilities		2,265	-	678	-	-	-
2250	Provisions for liabilities - current	6(17)	34,566	1	19,831	-	13,789	-
2280	Current lease liabilities	7	63,466	1	93,462	1	61,843	1
2320	Long-term liabilities, current portion	6(14)	355,126	6	301,312	5	59,271	1
2399	Other current liabilities		33,286	-	35,071	1	12,117	-
21XX	Total current liabilities		<u>3,226,226</u>	<u>51</u>	<u>3,325,624</u>	<u>51</u>	<u>3,180,134</u>	<u>46</u>
Non-current liabilities								
2540	Long-term loans	6(14)	491,988	8	569,153	9	699,503	10
2550	Provisions for liabilities - non-current	6(17)	15,075	-	8,187	-	2,876	-
2570	Deferred income tax liabilities	6(29)	98,526	2	90,825	1	106,497	1
2580	Non-current lease liabilities	7	350,167	5	367,750	6	384,949	6
2600	Other non-current liabilities	6(15)	104,422	2	101,907	1	135,419	2
25XX	Total non-current liabilities		<u>1,060,178</u>	<u>17</u>	<u>1,137,822</u>	<u>17</u>	<u>1,329,244</u>	<u>19</u>
2XXX	Total Liabilities		<u>4,286,404</u>	<u>68</u>	<u>4,463,446</u>	<u>68</u>	<u>4,509,378</u>	<u>65</u>
Equity								
Equity attributable to owners of parent								
Share capital								
3110	Share capital-common stock	6(18)	2,380,283	38	2,380,283	36	2,380,283	35
Capital Reserves								
3200	Capital surplus	6(19)	830,132	13	830,132	13	830,132	12
Retained Earnings								
3310	Legal reserve	6(20)	24,972	-	24,972	-	24,972	-
3320	Special reserve		193,426	3	193,426	3	193,426	3
3350	Accumulated deficit		(1,071,996)	(17)	(1,009,176)	(15)	(699,555)	(10)
Other Equity Interest								
3400	Other equity interest	6(21)	(336,082)	(5)	(342,033)	(5)	(340,403)	(5)
31XX	Equity attributable to owners of the parent		<u>2,020,735</u>	<u>32</u>	<u>2,077,604</u>	<u>32</u>	<u>2,388,855</u>	<u>35</u>
3XXX	Total equity		<u>2,020,735</u>	<u>32</u>	<u>2,077,604</u>	<u>32</u>	<u>2,388,855</u>	<u>35</u>
Significant contingent liabilities and unrecognised contract commitments								
Significant events after the balance sheet date								
3X2X	Total Liabilities and Equity		<u>\$ 6,307,139</u>	<u>100</u>	<u>\$ 6,541,050</u>	<u>100</u>	<u>\$ 6,898,233</u>	<u>100</u>

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

MICROELECTRONICS TECHNOLOGY, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
THREE MONTHS ENDED MARCH 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars, except earnings per share amount)
(UNAUDITED)

				Three months ended March 31			
Items		Notes	2023		2022		
			AMOUNT	%	AMOUNT	%	
4000	Operating revenue	6(22) and 7	\$ 1,203,624	100	\$ 933,895	100	
5000	Operating costs	6(6)	(996,429)	(82)	(823,778)	(88)	
5900	Gross profit		<u>207,195</u>	<u>18</u>	<u>110,117</u>	<u>12</u>	
	Operating expenses	6(27)(28)					
6100	Selling expenses		(37,756)	(3)	(39,607)	(4)	
6200	General and administrative expenses		(36,081)	(3)	(40,567)	(4)	
6300	Research and development expenses		(176,386)	(15)	(176,208)	(19)	
6450	Gain on reversal of (loss) on expected credit impairment		(5)	-	10,766	1	
6000	Total operating expenses		<u>(250,228)</u>	<u>(21)</u>	<u>(245,616)</u>	<u>(26)</u>	
6900	Operating loss		<u>(43,033)</u>	<u>(3)</u>	<u>(135,499)</u>	<u>(14)</u>	
	Non-operating income and expenses						
7100	Interest income	6(23)	1,258	-	419	-	
7010	Other income	6(24)	1,162	-	2,782	-	
7020	Other gains and losses	6(25)	4,216	-	7,262	1	
7050	Finance costs	6(26)	(18,677)	(1)	(7,792)	(1)	
7000	Total non-operating income and expenses		<u>(12,041)</u>	<u>(1)</u>	<u>2,671</u>	<u>-</u>	
7900	Loss before income tax		<u>(55,074)</u>	<u>(4)</u>	<u>(132,828)</u>	<u>(14)</u>	
7950	Income tax expense	6(29)	(7,746)	(1)	(8,420)	(1)	
8200	Loss for the period		<u>(\$ 62,820)</u>	<u>(5)</u>	<u>(\$ 141,248)</u>	<u>(15)</u>	
	Other comprehensive income (loss)						
	Components of other comprehensive loss that will not be reclassified to profit or loss						
8316	Unrealised gain (loss) from financial assets measured at fair value through other comprehensive income	6(3)(21)	\$ 4,894	-	(\$ 1,943)	-	
	Components of other comprehensive income that will be reclassified to profit or loss						
8361	Currency translation differences of foreign operations	6(21)	1,321	-	53,106	5	
8399	Income tax relating to the components of other comprehensive income that will be reclassified to profit or loss	6(29)	<u>(264)</u>	<u>-</u>	<u>(10,621)</u>	<u>(1)</u>	
8300	Total other comprehensive income for the period		<u>\$ 5,951</u>	<u>-</u>	<u>\$ 40,542</u>	<u>4</u>	
8500	Total comprehensive loss for the period		<u>(\$ 56,869)</u>	<u>(5)</u>	<u>(\$ 100,706)</u>	<u>(11)</u>	
	Loss attributable to:						
8610	Owners of the parent		<u>(\$ 62,820)</u>	<u>(5)</u>	<u>(\$ 141,248)</u>	<u>(15)</u>	
	Comprehensive loss attributable to:						
8710	Owners of the parent		<u>(\$ 56,869)</u>	<u>(5)</u>	<u>(\$ 100,706)</u>	<u>(11)</u>	
	Loss per share (in dollars)	6(30)					
9750	Basic		<u>(\$ 0.26)</u>		<u>(\$ 0.61)</u>		
9850	Diluted		<u>(\$ 0.26)</u>		<u>(\$ 0.61)</u>		

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

MICROELECTRONICS TECHNOLOGY, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
THREE MONTHS ENDED MARCH 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)
(UNAUDITED)

	Notes	Equity attributable to owners of the parent						Other equity interest		Total equity
		Share capital- common stock	Capital surplus, additional paid- in capital	Retained Earnings			Exchange differences on translation of foreign financial statements	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income		
				Legal reserve	Special reserve	Accumulated deficit				
2022										
Balance at January 1, 2022		\$ 2,280,283	\$ 402,937	\$ 24,972	\$ 193,426	(\$ 558,307)	(\$ 129,418)	(\$ 251,527)	\$ 1,962,366	
Loss for the period		-	-	-	-	(141,248)	-	-	(141,248)	
Other comprehensive income (loss) for the period	6(3)(21)	-	-	-	-	-	42,485	(1,943)	40,542	
Total comprehensive income (loss)		-	-	-	-	(141,248)	42,485	(1,943)	(100,706)	
Cash capital increase	6(18)	100,000	418,700	-	-	-	-	-	518,700	
Share-based payment transactions	6(16)	-	8,495	-	-	-	-	-	8,495	
Balance at March 31, 2022		\$ 2,380,283	\$ 830,132	\$ 24,972	\$ 193,426	(\$ 699,555)	(\$ 86,933)	(\$ 253,470)	\$ 2,388,855	
2023										
Balance at January 1, 2023		\$ 2,380,283	\$ 830,132	\$ 24,972	\$ 193,426	(\$ 1,009,176)	(\$ 73,963)	(\$ 268,070)	\$ 2,077,604	
Loss for the period		-	-	-	-	(62,820)	-	-	(62,820)	
Other comprehensive income (loss) for the period	6(3)(21)	-	-	-	-	-	1,057	4,894	5,951	
Total comprehensive (loss) income		-	-	-	-	(62,820)	1,057	4,894	(56,869)	
Balance at March 31, 2023		\$ 2,380,283	\$ 830,132	\$ 24,972	\$ 193,426	(\$ 1,071,996)	(\$ 72,906)	(\$ 263,176)	\$ 2,020,735	

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

MICROELECTRONICS TECHNOLOGY, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
THREE MONTHS ENDED MARCH 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)
(UNAUDITED)

	Notes	Three months ended March 31	
		2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax		(\$ 55,074)	(\$ 132,828)
Adjustments			
Adjustments to reconcile profit (loss)			
(Gain on reversal of) loss on expected credit impairment		5	(10,766)
Depreciation	6(7)(8)(27)	47,387	43,122
Amortization	6(9)(27)	9,464	8,620
Net (gain) loss on financial assets at fair value through profit or loss	6(2)(25)	(10,601)	2,618
Net loss on financial liabilities at fair value through profit or loss	6(12)(25)	49	2,431
Interest income	6(23)	(1,258)	(419)
Interest expense	6(26)	18,677	7,792
Compensation cost of share-based payment	6(16)	-	8,495
Gain on disposal of property, plant and equipment	6(25)	(786)	(90)
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable		(1,613)	6,835
Accounts receivable		(115,370)	124,612
Accounts receivable-related parties		(2,482)	45,074
Other receivables		(669)	65,638
Other receivables-related parties		31	(158)
Inventories		197,240	(266,618)
Prepayments		1,477	(31,821)
Changes in operating liabilities			
Accounts payable		(153,218)	(91,789)
Accounts payable-related parties		(6,720)	(26,089)
Other payables		(49,806)	(46,927)
Provisions for liabilities		21,599	915
Contract liabilities-current		(8,786)	1,433
Other current liabilities		(3,048)	(306)
Accrued pension liabilities		(598)	(31,679)
Cash outflow generated from operations		(114,100)	(453,181)
Interest received		1,199	393
Interest paid		(19,085)	(7,242)
Income taxes paid		(10,285)	(37,892)
Net cash flows used in operating activities		(142,271)	(497,922)
CASH FLOWS FROM INVESTING ACTIVITIES			
Decrease in financial assets at amortized cost		1,127	-
Acquisition of financial assets at fair value through profit or loss		(28,021)	(31,327)
Acquisition of property, plant and equipment	6(31)	(16,074)	(43,852)
Proceeds from disposal of property, plant and equipment		786	98
Acquisition of intangible assets	6(9)	(3,069)	(2,834)
Increase in guarantee deposits		(56)	(144)
Net cash flows used in investing activities		(45,307)	(78,059)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase in short-term borrowings	6(32)	631,102	1,067,927
Decrease in short-term borrowings	6(32)	(540,434)	(937,083)
Increase in long-term borrowings	6(32)	2,498	11,000
Decrease in long-term borrowings	6(32)	(23,011)	(12,988)
Repayment of principal portion of lease liabilities	6(32)	(46,815)	(14,566)
Cash capital increase	6(18)	-	518,700
Net cash flows from financing activities		23,340	632,990
Effects due to changes in exchange rate		640	9,341
Net (decrease) increase in cash and cash equivalents		(163,598)	66,350
Cash and cash equivalents at beginning of period	6(1)	1,124,401	1,138,191
Cash and cash equivalents at end of period	6(1)	\$ 960,803	\$ 1,204,541

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

MICROELECTRONICS TECHNOLOGY, INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
THREE MONTHS ENDED MARCH 31, 2023 AND 2022

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

(Reviewed, not audited)

1. HISTORY AND ORGANISATION

Microelectronics Technology Inc. (the “Company”) was incorporated as a company limited by shares under the provisions of the Company Act of the Republic of China (R.O.C.). The Company and its subsidiaries (collectively referred herein as the “Group”) are primarily engaged in the design, manufacture and sales of terrestrial microwave, satellite communication system products, and related customised products.

On January 1, 2011, the Company merged with the subsidiary, Global PCS Inc.. Under the merger, the Company was the surviving company while Global PCS Inc. was the dissolved company.

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

These consolidated financial statements were authorised for issuance by the Board of Directors on May 4, 2023.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

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

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

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

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

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

None.

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

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

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

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted are consistent with Note 4 in the consolidated financial statements for the year ended December 31, 2022, except for the compliance statement, basis of preparations and basis of consolidation as set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

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

B. These consolidated financial statements are to be read in conjunction with the consolidated financial statements for the year ended December 31, 2022.

(2) Basis of preparation

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

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

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

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

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

(3) Basis of consolidation

A. Basis for preparation of consolidated financial statements:

The basis for preparation of consolidated financial statements is consistent with those of the year ended December 31, 2022.

B. Subsidiaries included in the consolidated financial statements:

Name of investor	Name of subsidiary	Main business activities	Ownership (%)		
			March 31, 2023	December 31, 2022	March 31, 2022
Microelectronics Technology, Inc.	Sasson International Holding, Inc.	Note 1	100.00	100.00	100.00
Sasson International Holding, Inc.	Welltop Technology Co., Ltd.	Note 1	100.00	100.00	100.00
Sasson International Holding, Inc.	Jupiter Network Corp. (Jupiter)	Note 1	100.00	100.00	100.00
Welltop Technology Co., Ltd.	MTI Laboratory, Inc.	Note 2	100.00	100.00	100.00
Welltop Technology Co., Ltd.	RadioComp ApS	Note 2	100.00	100.00	100.00
Jupiter Network Corp. (Jupiter)	Jupiter Technology (Wuxi) Inc.	Note 3	100.00	100.00	100.00

Note 1: Main operating activity is investments in the manufacturing and trading business.

Note 2: Research, development, design, manufacture and sales of personal wireless communication device, components of subsystem and system and wireless microwave communication system and equipment of electronic system.

Note 3: Main operating activities are design of satellite and microwave communication system equipment and its components, sales of self-made products and providing related technical services.

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

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

E. Significant restrictions: None.

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

(4) Employee benefits

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

(5) Income tax

A. The interim period income tax expense is recognised based on the estimated average annual effective income tax rate expected for the full financial year applied to the pretax income of the interim period, and the related information is disclosed accordingly.

B. If a change in tax rate is enacted or substantively enacted in an interim period, the Group recognizes the effect of the change immediately in the interim period in which the change occurs. The effect of the change on items recognised outside profit or loss is recognised in other comprehensive income or equity while the effect of the change on items recognised in profit or loss is recognized in profit or loss.

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

There have been no significant changes in the reporting period. Please refer to Note 5 in the consolidated financial statements for the year ended December 31, 2022.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	<u>March 31, 2023</u>	<u>December 31, 2022</u>	<u>March 31, 2022</u>
Cash on hand and revolving funds	\$ 457	\$ 238	\$ 206
Checking accounts and demand deposits	814,163	1,019,694	1,048,244
Time deposits	146,183	104,469	156,091
	<u>\$ 960,803</u>	<u>\$ 1,124,401</u>	<u>\$ 1,204,541</u>

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

B. Information on restricted cash reclassified as 'Financial assets at amortised cost' is provided in Note 8.

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

Items	March 31, 2023	December 31, 2022	March 31, 2022
Current items:			
Financial assets mandatorily measured at fair value through profit or loss			
Derivative instruments	\$ 463	\$ 3,227	\$ -
Unlisted stocks	112,814	113,777	106,052
Valuation adjustments	(112,814)	(113,777)	(106,052)
	\$ 463	\$ 3,227	\$ -
Non-current items :			
Financial assets mandatorily measured at fair value through profit or loss			
Beneficiary certificates	\$ 79,832	\$ 51,852	\$ 51,852
Valuation adjustments	12,228	(1,137)	7,346
Net exchange differences	4,542	4,911	731
	\$ 96,602	\$ 55,626	\$ 59,929

A. Amounts recognised in profit or loss in relation to financial assets at fair value through profit or loss are listed below:

	Three months ended March 31	
	2023	2022
Financial assets mandatorily measured at fair value through profit or loss		
Beneficiary certificates	\$ 13,365	(\$ 1,791)
Derivative instruments	(2,764)	(490)
Option	-	(337)
	\$ 10,601	(\$ 2,618)

B. The Group entered into contracts relating to derivative financial assets which were not accounted for under hedge accounting. The information is listed below:

	Unit: In thousands			
	March 31, 2023		December 31, 2022	
	Contract amount (Notional principal)	Contract period	Contract amount (Notional principal)	Contract period
<u>Derivative instruments</u>				
Current items:				
Foreign exchange swap transactions	USD -	-	USD 3,000	2022.11.10~ 2023.01.17
Forward foreign exchange contracts	USD 1,000	2023.03.10~ 2023.04.17	USD -	-

March 31, 2022: None

C. The Group entered into foreign exchange swap transactions and forward foreign exchange contracts to sell forward contracts to hedge exchange rate risk of export proceeds. However, these forward contracts are not accounted for under hedge accounting.

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

Items	March 31, 2023	December 31, 2022	March 31, 2022
Non-current items :			
Equity instruments			
Unlisted stocks	\$ 368,352	\$ 371,284	\$ 347,774
Valuation adjustments	(263,176)	(268,070)	(253,470)
Net exchange differences	7,022	4,895	21,735
	\$ 112,198	\$ 108,109	\$ 116,039

A. The Group has elected to classify equity instrument investments that are considered to be strategic investments as financial assets at fair value through other comprehensive income. The fair value of such investments amounted to \$112,198, \$108,109 and \$116,039 as at March 31, 2023, December 31, 2022 and March 31, 2022, respectively.

B. Amounts recognised in profit or loss and other comprehensive income in relation to the financial assets at fair value through other comprehensive income are listed below:

	Three months ended March 31	
	2023	2022
<u>Equity instruments at fair value through other comprehensive income</u>		
Fair value change recognised in other comprehensive income (loss)	\$ 4,894	(\$ 1,943)

(4) Financial assets at amortised cost

Items	March 31, 2023	December 31, 2022	March 31, 2022
Current items:			
Time deposits	\$ 33,261	\$ 34,676	\$ 27,489

A. Amounts recognised in profit or loss in relation to financial assets at amortised cost are listed below:

	Three months ended March 31	
	2023	2022
Interest income	\$ 466	\$ 15

B. As of March 31, 2023, December 31, 2022 and March 31, 2022, without taking into account other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at amortised cost held by the Group were \$33,261, \$34,676 and \$27,489, respectively.

C. Details of the Group's financial assets at amortised cost pledged to others as collateral are provided in Note 8.

D. Information relating to credit risk of financial assets at amortised cost is provided in Note 12(2).

(5) Notes and accounts receivable

	<u>March 31, 2023</u>	<u>December 31, 2022</u>	<u>March 31, 2022</u>
Notes receivable	\$ 2,276	\$ 663	\$ 7,178
Less: Allowance for uncollectible accounts	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 2,276</u>	<u>\$ 663</u>	<u>\$ 7,178</u>
Accounts receivable	\$ 1,017,401	\$ 902,309	\$ 988,496
Accounts receivable - related party	32,707	26,760	324
Less: Allowance for uncollectible accounts	(17,167)	(17,309)	(271)
	<u>\$ 1,032,941</u>	<u>\$ 911,760</u>	<u>\$ 988,549</u>

A. The ageing analysis of accounts receivable and notes receivable that were past due but not impaired is as follows:

	<u>March 31, 2023</u>		<u>December 31, 2022</u>	
	<u>Accounts receivable</u>	<u>Notes receivable</u>	<u>Accounts receivable</u>	<u>Notes receivable</u>
Not past due	\$ 874,185	\$ 2,276	\$ 760,589	\$ 663
Up to 90 days	139,360	-	136,811	-
91 to 180 days	5,281	-	14,351	-
Over 181 days	31,282	-	17,318	-
	<u>\$ 1,050,108</u>	<u>\$ 2,276</u>	<u>\$ 929,069</u>	<u>\$ 663</u>

	<u>March 31, 2022</u>	
	<u>Accounts receivable</u>	<u>Notes receivable</u>
Not past due	\$ 803,869	\$ 7,178
Up to 90 days	180,083	-
91 to 180 days	775	-
Over 181 days	4,093	-
	<u>\$ 988,820</u>	<u>\$ 7,178</u>

The above ageing analysis was based on past due date. As of March 31, 2023, the subsequent collection of past-due accounts receivable amounted to \$117,244.

B. As of March 31, 2023, December 31, 2022 and March 31, 2022, accounts receivable and notes receivable were all from contracts with customers. And as of January 1, 2022, the balance of receivables from contracts with customers amounted to \$1,143,653.

C. As of March 31, 2023, December 31, 2022 and March 31, 2022, without taking into account other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the Group's notes receivable were \$2,276, \$663 and \$7,178, respectively. As of March 31, 2023, December 31, 2022 and March 31, 2022, the maximum exposure to credit risk in respect of the amount that best represents the Group's accounts receivable were \$1,032,941, \$911,760 and \$988,549, respectively.

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

(6) Inventories

March 31, 2023			
	Cost	Allowance for inventory valuation losses and loss for obsolete and slow- moving inventories	Book value
Raw materials	\$ 1,063,225	(\$ 34,470)	\$ 1,028,755
Work in progress	575,438	(9,691)	565,747
Finished goods	554,920	(4,697)	550,223
	<u>\$ 2,193,583</u>	<u>(\$ 48,858)</u>	<u>\$ 2,144,725</u>
December 31, 2022			
	Cost	Allowance for inventory valuation losses and loss for obsolete and slow- moving inventories	Book value
Raw materials	\$ 1,153,339	(\$ 47,278)	\$ 1,106,061
Work in progress	543,216	(20,461)	522,755
Finished goods	718,934	(9,100)	709,834
	<u>\$ 2,415,489</u>	<u>(\$ 76,839)</u>	<u>\$ 2,338,650</u>
March 31, 2022			
	Cost	Allowance for inventory valuation losses and loss for obsolete and slow- moving inventories	Book value
Raw materials	\$ 1,271,365	(\$ 21,111)	\$ 1,250,254
Work in progress	618,571	(17,518)	601,053
Finished goods	624,016	(9,236)	614,780
	<u>\$ 2,513,952</u>	<u>(\$ 47,865)</u>	<u>\$ 2,466,087</u>

The cost of inventories recognised as expense for the period:

	Three months ended March 31	
	2023	2022
Cost of goods sold	\$ 1,002,444	\$ 823,574
(Reversal of) loss on decline in market value	(6,015)	204
Recognised as selling and R&D expenses	3,309	1,527
	<u>\$ 999,738</u>	<u>\$ 825,305</u>

For the three months ended March 31, 2023, the Group reversed from a previous inventory write-down and accounted for as reduction of cost of inventories because the inventories which previously provisioned loss on decline in market value were partially sold.

(7) Property, plant and equipment

Details of property, plant and equipment for its own use are as follows:

	2023						
	Buildings and structures	Machinery and equipment	Office equipment	Transportation equipment	Leasehold improvements	Unfinished construction and equipment under acceptance	Total
At January 1							
Cost	\$ 440,613	\$ 1,205,237	\$ 115,592	\$ 2,298	\$ 31,819	\$ 26,049	\$ 1,821,608
Accumulated depreciation and impairment	(141,960)	(899,084)	(98,212)	(2,298)	(22,682)	-	(1,164,236)
	<u>\$ 298,653</u>	<u>\$ 306,153</u>	<u>\$ 17,380</u>	<u>\$ -</u>	<u>\$ 9,137</u>	<u>\$ 26,049</u>	<u>\$ 657,372</u>
At January 1	\$ 298,653	\$ 306,153	\$ 17,380	\$ -	\$ 9,137	\$ 26,049	\$ 657,372
Additions	-	5,128	1,414	-	-	221	6,763
Reclassifications	-	22,027	-	-	-	(20,528)	1,499
Disposals	-	-	-	-	-	-	-
Depreciation expense	(4,053)	(22,100)	(2,420)	-	(1,341)	-	(29,914)
Net exchange differences	1,452	704	42	-	(7)	14	2,205
At March 31	<u>\$ 296,052</u>	<u>\$ 311,912</u>	<u>\$ 16,416</u>	<u>\$ -</u>	<u>\$ 7,789</u>	<u>\$ 5,756</u>	<u>\$ 637,925</u>
At March 31							
Cost	\$ 442,700	\$ 1,221,582	\$ 116,998	\$ 2,281	\$ 31,764	\$ 5,756	\$ 1,821,081
Accumulated depreciation and impairment	(146,648)	(909,670)	(100,582)	(2,281)	(23,975)	-	(1,183,156)
	<u>\$ 296,052</u>	<u>\$ 311,912</u>	<u>\$ 16,416</u>	<u>\$ -</u>	<u>\$ 7,789</u>	<u>\$ 5,756</u>	<u>\$ 637,925</u>

2022

	Buildings and structures	Machinery and equipment	Office equipment	Transportation equipment	Leasehold improvements	Unfinished construction and equipment under acceptance	Total
At January 1							
Cost	\$ 425,451	\$ 1,063,939	\$ 105,231	\$ 2,097	\$ 25,219	\$ 15,414	\$ 1,637,351
Accumulated depreciation and impairment	(121,760)	(834,497)	(88,700)	(2,097)	(16,357)	-	(1,063,411)
	<u>\$ 303,691</u>	<u>\$ 229,442</u>	<u>\$ 16,531</u>	<u>\$ -</u>	<u>\$ 8,862</u>	<u>\$ 15,414</u>	<u>\$ 573,940</u>
At January 1	\$ 303,691	\$ 229,442	\$ 16,531	\$ -	\$ 8,862	\$ 15,414	\$ 573,940
Additions	3,120	20,600	1,932	-	198	8,302	34,152
Reclassifications	-	3,057	-	-	-	(2,093)	964
Disposals	-	(4)	(4)	-	-	-	(8)
Depreciation expense	(4,936)	(17,693)	(2,115)	-	(1,229)	-	(25,973)
Net exchange differences	11,266	2,941	248	-	-	69	14,524
At March 31	<u>\$ 313,141</u>	<u>\$ 238,343</u>	<u>\$ 16,592</u>	<u>\$ -</u>	<u>\$ 7,831</u>	<u>\$ 21,692</u>	<u>\$ 597,599</u>
At March 31							
Cost	\$ 444,516	\$ 1,100,975	\$ 108,149	\$ 2,160	\$ 25,585	\$ 21,692	\$ 1,703,077
Accumulated depreciation and impairment	(131,375)	(862,632)	(91,557)	(2,160)	(17,754)	-	(1,105,478)
	<u>\$ 313,141</u>	<u>\$ 238,343</u>	<u>\$ 16,592</u>	<u>\$ -</u>	<u>\$ 7,831</u>	<u>\$ 21,692</u>	<u>\$ 597,599</u>

(8) Leasing arrangements – lessee

A. The Group leases various assets including land and buildings. Rental contracts are typically made for periods of 1 to 10 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

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

	Carrying amount		
	March 31, 2023	December 31, 2022	March 31, 2022
Land	\$ 25,835	\$ 25,889	\$ 27,028
Buildings	397,845	415,843	436,463
	<u>\$ 423,680</u>	<u>\$ 441,732</u>	<u>\$ 463,491</u>

	Depreciation charge	
	Three months ended March 31	
	2023	2022
Land	\$ 181	\$ 180
Buildings	17,292	16,969
	<u>\$ 17,473</u>	<u>\$ 17,149</u>

C. For the three months ended March 31, 2023 and 2022, the additions to right-of-use assets were \$0 and \$3,120, respectively.

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

	Three months ended March 31	
	2023	2022
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 2,128	\$ 2,155
Expense on short-term lease contracts	4,726	13,904
Expense on leases of low-value assets	69	332

E. For the three months ended March 31, 2023 and 2022, the Group's total cash outflow for leases were \$53,738 and \$30,957, respectively.

(9) Intangible assets

	2023			
	<u>Goodwill</u>	<u>Acquired special technology</u>	<u>Computer software</u>	<u>Total</u>
At January 1				
Cost	\$ 383,503	\$ 404,895	\$ 595,125	\$ 1,383,523
Accumulated depreciation	(106,594)	(404,895)	(558,279)	(1,069,768)
	<u>\$ 276,909</u>	<u>\$ -</u>	<u>\$ 36,846</u>	<u>\$ 313,755</u>
At January 1	\$ 276,909	\$ -	\$ 36,846	\$ 313,755
Additions	-	-	3,069	3,069
Amortisation charge	-	-	(9,464)	(9,464)
Net exchange differences	(1,129)	-	(2)	(1,131)
At March 31	<u>\$ 275,780</u>	<u>\$ -</u>	<u>\$ 30,449</u>	<u>\$ 306,229</u>
At March 31				
Cost	\$ 383,503	\$ 404,895	\$ 597,462	\$ 1,385,860
Accumulated amortisation	(107,723)	(404,895)	(567,013)	(1,079,631)
	<u>\$ 275,780</u>	<u>\$ -</u>	<u>\$ 30,449</u>	<u>\$ 306,229</u>
	2022			
	<u>Goodwill</u>	<u>Acquired special technology</u>	<u>Computer software</u>	<u>Total</u>
At January 1				
Cost	\$ 383,503	\$ 404,895	\$ 545,221	\$ 1,333,619
Accumulated depreciation and impairment	(119,744)	(404,895)	(510,908)	(1,035,547)
	<u>\$ 263,759</u>	<u>\$ -</u>	<u>\$ 34,313</u>	<u>\$ 298,072</u>
At January 1	\$ 263,759	\$ -	\$ 34,313	\$ 298,072
Additions	-	-	2,834	2,834
Amortisation charge	-	-	(8,620)	(8,620)
Net exchange differences	4,101	-	331	4,432
At March 31	<u>\$ 267,860</u>	<u>\$ -</u>	<u>\$ 28,858</u>	<u>\$ 296,718</u>
At March 31				
Cost	\$ 383,503	\$ 404,895	\$ 553,426	\$ 1,341,824
Accumulated depreciation and impairment	(115,643)	(404,895)	(524,568)	(1,045,106)
	<u>\$ 267,860</u>	<u>\$ -</u>	<u>\$ 28,858</u>	<u>\$ 296,718</u>

A. Details of amortisation on intangible assets are as follows:

	Three months ended March 31	
	2023	2022
Operating costs	\$ 1,670	\$ 1,726
General and administrative expenses	590	177
Research and development expenses	7,204	6,717
	<u>\$ 9,464</u>	<u>\$ 8,620</u>

B. Impairment information about the intangible assets is provided in Note 6(10).

(10) Impairment of non-financial assets

There have been no significant changes in the reporting period. Please refer to Note 6(10) in the consolidated financial statements for the year ended December 31, 2022.

(11) Short-term borrowings

<u>Type of borrowings</u>	<u>March 31, 2023</u>	<u>Interest rate range</u>	<u>Collateral</u>
Bank borrowings			
Borrowings for material purchase	\$ 579,807	4.65%~6.02%	None
Export financing	88,624	3.70%	None
Unsecured borrowings	982,000	1.86%~2.75%	None
	<u>\$ 1,650,431</u>		
<u>Type of borrowings</u>	<u>December 31, 2022</u>	<u>Interest rate range</u>	<u>Collateral</u>
Bank borrowings			
Borrowings for material purchase	\$ 532,110	4.74%~6%	None
Export financing	74,805	3.7%~5.69%	None
Unsecured borrowings	952,000	1.61%~2.35%	None
	<u>\$ 1,558,915</u>		
<u>Type of borrowings</u>	<u>March 31, 2022</u>	<u>Interest rate range</u>	<u>Collateral</u>
Bank borrowings			
Export financing	\$ 171,750	1.10%~1.59%	None
Borrowings for material purchase	454,236	0.86%~2.06%	None
Unsecured borrowings	1,055,000	0.90%~1.46%	None
	<u>\$ 1,680,986</u>		

For the three months ended March 31, 2023 and 2022, the Group recognised interest expense in profit or loss amounting to \$12,979 and \$3,490 respectively, due to the short-term borrowings.

(12) Financial liabilities at fair value through profit or loss

Items	March 31, 2023	December 31, 2022	March 31, 2022
Current items:			
Financial liabilities held for trading			
Non-hedging derivatives	\$ 269	\$ 220	\$ 2,431
Valuation adjustments	-	-	-
	\$ 269	\$ 220	\$ 2,431

- A. For the three months ended March 31, 2023 and 2022, the Group recognised net loss on financial liabilities held for trading amounting to \$49 and \$2,431, respectively.
- B. Explanations of the transactions and contract information in respect of derivative financial liabilities that the Group does not adopt hedge accounting are as follows:

	March 31, 2023		December 31, 2022	
	Contract amount (Notional principal)	Contract period	Contract amount (Notional principal)	Contract period
<u>Non-derivative financial liabilities for hedging</u>				
Current items:				
Forward foreign exchange contracts	USD 3,000	2023.02.24~ 2023.04.28	USD 5,000	2022.12.28~ 2023.02.01
				March 31, 2022
<u>Non-derivative financial liabilities for hedging</u>				
Current items:				
Forward foreign exchange contracts			USD 700	2022.02.24~ 2022.04.08
Foreign exchange swap transactions			USD 8,600	2022.02.25~ 2022.05.27

- C. The Group entered into forward foreign exchange contracts and foreign exchange swap transactions to sell forward contracts to hedge exchange rate risk of export proceeds. However, these forward contracts are not accounted for under hedge accounting.

(13) Other payables

	<u>March 31, 2023</u>	<u>December 31, 2022</u>	<u>March 31, 2022</u>
Employee bonus payable	\$ 130,541	\$ 178,246	\$ 142,062
Payables for machinery and equipment	22,200	30,158	9,342
Payables for miscellaneous purchases	30,955	30,244	57,139
Accrued export expenses	14,065	10,971	18,158
Payables for technical assistance	5,067	9,654	6,409
Insurance expense payable	6,982	7,232	6,427
Payables for consulting service fees	4,324	5,132	-
Payables for commission fee	3,136	2,633	-
Technical service expense payable	-	-	6,276
Others	40,958	48,006	48,118
	<u>\$ 258,228</u>	<u>\$ 322,276</u>	<u>\$ 293,931</u>

(14) Long-term borrowings

<u>Type of borrowings</u>	<u>Borrowing period and repayment term</u>	<u>Interest rate range</u>	<u>Collateral</u>	<u>March 31, 2023</u>
Long-term bank borrowings				
Land Bank of Taiwan	Borrowing period is from February 5, 2021 to February 5, 2026; interest is repayable monthly; principal is repayable in equal monthly from March 15, 2022.	1.550%	None	\$ 148,502
The Shanghai Commercial & Savings Bank	Borrowing period is from March 31, 2020 to March 15, 2025; interest is repayable monthly; principal is repayable in equal monthly from April 15, 2023.	1.500%	None	293,071
Mega Bank	Borrowing period is from December 23, 2019 to September 15, 2026; interest is repayable monthly; principal is repayable monthly from December 15, 2022.	1.695%	None	325,496
Other borrowings				
Chailease Finance Co., Ltd.	Borrowing period is from June 28, 2022 to June 27, 2024; interest is repayable monthly; principal is repayable monthly from July 28, 2022.	4.165%	Note	80,045
				<u>847,114</u>
Less: Current portion				(<u>355,126</u>)
				<u>\$ 491,988</u>

Note: The Group issued promissory notes of \$154,344 as security for the inventory sale and repurchase arrangement. The coupon rate is 2%.

<u>Type of borrowings</u>	<u>Borrowing period and repayment term</u>	<u>Interest rate range</u>	<u>Collateral</u>	<u>December 31, 2022</u>
Long-term bank borrowings				
Land Bank of Taiwan	Borrowing period is from February 5, 2021 to February 5, 2026; interest is repayable monthly; principal is repayable in equal monthly from March 15, 2022.	1.425%	None	\$ 161,662
The Shanghai Commercial & Savings Bank	Borrowing period is from March 31, 2020 to March 15, 2025; interest is repayable monthly; principal is repayable in equal monthly from April 15, 2023.	1.375%	None	293,822
Mega Bank	Borrowing period is from December 23, 2019 to September 15, 2026; interest is repayable monthly; principal is repayable monthly from December 15, 2022.	1.570%	None	311,434
Other borrowings				
Chailease Finance Co., Ltd.	Borrowing period is from June 28, 2022 to June 27, 2024; interest is repayable monthly; principal is repayable monthly from July 28, 2022.	4.165%	Note	103,547
				<u>870,465</u>
Less: Current portion				(<u>301,312</u>)
				<u>\$ 569,153</u>

Note: The Group issued promissory notes of \$154,344 as security for the inventory sale and repurchase arrangement. The coupon rate is 2%.

<u>Type of borrowings</u>	<u>Borrowing period and repayment term</u>	<u>Interest rate range</u>	<u>Collateral</u>	<u>March 31, 2022</u>
Long-term bank borrowings				
Land Bank of Taiwan	Borrowing period is from February 5, 2021 to February 5, 2026; interest is repayable monthly; principal is repayable in equal monthly from March 15, 2022.	1.050%	None	\$ 200,887
The Shanghai Commercial & Savings Bank	Borrowing period is from March 31, 2020 to March 15, 2025; interest is repayable monthly; principal is repayable in equal monthly from April 15, 2022.	1.000%	None	295,510
Mega Bank	Borrowing period is from December 23, 2019 to September 15, 2026; interest is repayable monthly; principal is repayable in equal monthly from December 15, 2022.	1.195%	None	
				<u>262,377</u>
				758,774
Less: Current portion				(59,271)
				<u>\$ 699,503</u>

- A. For the three months ended March 31, 2023 and 2022, the Group recognised interest expense in profit or loss amounting to \$3,570 and \$2,147, respectively, due to the long-term borrowings.
- B. On January 1, 2019, Ministry of Economic Affairs, R.O.C. (“MOEA”) implemented the “Action Plan for Welcoming Overseas Taiwanese Businesses to Return to Invest in Taiwan” and companies are subsidised with preferential interest loans, 0.5% of loan interest is subsidised by the National Development Fund, Executive Yuan, for qualified investment projects. The Company has obtained the approval from the MOEA to extend the loan qualification to December 31, 2023 and signed loan agreements with financial institutions during December 2019 to August 2022 with the line of credit amounting to \$1.09 billion and terms from five to six years. As of March 31, 2023, December 31, 2022 and March 31, 2022, the undrawn facility amounted to NT\$191 million, NT\$217 million and NT\$271 million, respectively. Funding from these borrowings were used to invest in machineries, equipment and broaden the Company’s working capital.

(15) Pensions

- A. (a) The Company has a defined benefit pension plan in accordance with the Labor Standards Act, covering all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Law. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company and its domestic subsidiaries contribute monthly an amount equal to 2% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. Also, the Company would assess the balance in the aforementioned labor pension reserve account by December 31, every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method; to the employees expected to be qualify for retirement in the following year, the Company will make contributions for the deficit by next March.
- (b) The pension costs under defined contribution pension plans of the Group for the three months ended March 31, 2023 and 2022 were \$215 and \$677, respectively.
- (c) Expected contributions to the defined benefit pension plans of the Group for the year ending December 31, 2023 amount to \$3,239.
- B. (a) Effective July 1, 2005, the Company has established a defined contribution pension plan (the "New Plan") under the Labor Pension Act (the "Act"), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company contributes monthly an amount based on 6% of the employees' monthly salaries and wages to the employees' individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.
- (b) The Company's mainland China subsidiary, Jupiter Technology (Wuxi) Inc., has a defined contribution plan. Monthly contributions to an independent fund administered by the government in accordance with the pension regulations in the People's Republic of China are based on certain percentage of employees' monthly salaries and wages. The contribution percentage was 16%. Other than the monthly contributions, the Company has no further obligations.
- (c) The Subsidiary, RadioComp ApS, accrued pension costs based on a certain appropriate rate of total salaries.
- (d) The pension costs under defined contribution pension plans of the Group for the three months ended March 31, 2023 and 2022 were \$11,436 and \$11,268, respectively.

(16) Share-based payment

A. For the three months ended March 31, 2023, the Group's share-based payment arrangements were as follows:

Type of arrangement	Grant date	Quantity granted	Contract period	Vesting conditions
Cash capital increase reserved for employee preemption	2022.02.10	694 (thousand shares)	NA	Vested immediately

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

Type of arrangement	Grant date	Stock price	Exercise price	Expected price volatility	Expected option life	Expected dividends	Risk-free interest rate	Fair value per unit
Cash capital increase reserved for employee preemption in 2022	2022.02.10	\$64.2 dollars	\$ 52	41.66%	0.022 years	0%	0.35%	\$12.24 dollars

C. Expenses incurred on share-based payment transactions are shown below:

	Three months ended March 31	
	2023	2022
Equity-settled	\$ -	\$ 8,495

(17) Provisions

A. Warranties on sales-related products

	2023	2022
Balance at January 1	\$ 28,019	\$ 6,577
Additional provisions	21,796	1,715
Used during the period	(197)	(800)
Exchange difference	23	185
Balance at March 31	\$ 49,641	\$ 7,677

The Group gives warranties on sales-related products. Provision for warranty is estimated based on historical warranty data of uninterruptible power supply and solar energy products.

B. Provision for income tax in the United States

As of March 31, 2022, the Company recognised provision for contingent income tax liability for the products sold under the incoterms DDP in the previous year. The US Internal Revenue Service preliminarily determined that it suspects that the Company traded within the US. Although the Company claimed that those were international trades, considering the tax negotiation had been completed, provision for income tax liability amounting to \$8,988 was recognised. The

aforementioned provision for income tax liability was repaid at full amount in the second quarter of 2022, so the remaining balance was \$0.

C. Analysis of total provisions:

	<u>March 31, 2023</u>	<u>December 31, 2022</u>	<u>March 31, 2022</u>
Current	\$ 34,566	\$ 19,831	\$ 13,789
Non-current	\$ 15,075	\$ 8,187	\$ 2,876

(18) Share capital

As of March 31, 2023, the Company's authorised capital was \$7,000,000, consisting of 0.7 billion shares of ordinary stock (including 50 million shares reserved for employee stock options and convertible bonds issued by the Company), and the paid-in capital was \$2,380,283 with a par value of \$10 (in dollars) per share. All proceeds from shares issued have been collected.

Movements in the number of the Company's ordinary shares outstanding are as follows:

	(Unit: In thousand shares)	
	<u>2023</u>	<u>2022</u>
At January 1	238,028	228,028
Cash capital increase	-	10,000
At March 31	<u>238,028</u>	<u>238,028</u>

On November 5, 2021, the Board of Directors of the Company resolved to increase capital amounting to \$520 million by issuing 10,000 thousand shares at \$52 (in dollars) per share. The effective date of the capital increase was on March 8, 2022. The registration for the issuance of new shares has been completed on March 16, 2022.

(19) Capital surplus

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

(20) Retained earnings

A. Under the Company's Articles of Incorporation, the current year's earnings, if any, shall first be used to pay all taxes and offset prior year's operating losses, then 10% of the remaining amount shall be set aside as legal reserve until the legal reserve equals the total capital stock balance. After setting aside or reversal of a special reserve in accordance with related laws, the Company shall appropriate dividends to preferred stock. The Board of Directors should present the distribution of the remaining earnings along with accumulated unappropriated earnings for the approval of the shareholders to distribute dividends to shareholders.

- B. As the Company is in the growth stage, considered the entire environment and nature of industry as well as future capital needs and long-term financial plans in order to ensure subsequent operation and stable development. Based on the Company's future budget of capital expenditure and demand of capital, the Company appropriated no less than 30% of distributable earnings to shareholders' dividends, but if the distributable earnings is lower than 5% of paid-in capital, no dividends will be distributed. Cash dividend has a first priority when distributing shareholders' dividends, and the ratio is 30~100% of current total dividends. Remaining dividend can be distributed in the form of stocks. The appropriation of retained earnings will be proposed by the Board of Directors every year, and will be approved by the shareholders.
- C. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the distribution of the reserve is limited to the portion in excess of 25% of the Company's paid-in capital.
- D. 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.
- E. The Company incurred operating losses for the years ended December 31, 2022 and 2021, and thus had no earnings for distribution.
- F. On June 14, 2022, the shareholders during their meeting resolved not to distribute dividends from 2021 earnings.

(21) Other equity items

	2023		
	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	Financial statements translation differences of foreign operations	Total
At January 1	(\$ 268,070)	(\$ 73,963)	(\$ 342,033)
The Company's effect	367	-	367
Effects of associate accounted for under equity method	4,527	1,321	5,848
Tax effects of associate accounted for under equity method	-	(264)	(264)
At March 31	(\$ 263,176)	(\$ 72,906)	(\$ 336,082)

	2022		
	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	Financial statements translation differences of foreign operations	Total
At January 1	(\$ 251,527)	(\$ 129,418)	(\$ 380,945)
The Company's effect	(209)	-	(209)
The Subsidiaries's effect	(1,734)	53,106	51,372
Tax effects of Subsidiaries	-	(10,621)	(10,621)
At March 31	(\$ 253,470)	(\$ 86,933)	(\$ 340,403)

(22) Operating revenue

	Three months ended March 31	
	2023	2022
Revenue from contracts with customers	\$ 1,203,624	\$ 933,895

A. Disaggregation of revenue from contracts with customers

The Group derives revenue in the following major geographical regions:

	Three months ended March 31, 2023			
	USA	Mainland China	Other areas	Total
Total segment revenue	\$ 559,749	\$ 51,358	\$ 1,309,345	\$ 1,920,452
Inter-segment revenue	-	(21,238)	(695,590)	(716,828)
Revenue from external customer contracts	\$ 559,749	\$ 30,120	\$ 613,755	\$ 1,203,624
	Three months ended March 31, 2022			
	USA	Mainland China	Other areas	Total
Total segment revenue	\$ 318,845	\$ 266,105	\$ 676,021	\$ 1,260,971
Inter-segment revenue	-	(518)	(326,558)	(327,076)
Revenue from external customer contracts	\$ 318,845	\$ 265,587	\$ 349,463	\$ 933,895

B. Contract liabilities from customers

(a) The Group has recognised the following revenue-related contract liabilities:

	March 31, 2023	December 31, 2022
Contract liabilities:		
Contract liabilities-		
Product sales contracts	\$ 37,383	\$ 46,168
	March 31, 2022	January 1, 2022
Contract liabilities:		
Contract liabilities-		
Product sales contracts	\$ 12,635	\$ 7,597

(b) Revenue recognised that was included in the contract liability balance at the beginning of the period:

	Three months ended March 31	
	2023	2022
Revenue recognised that was included in the contract liability balance at the beginning of the period	\$ 4,695	\$ 1,792

Changes in contract liabilities are mainly from the timing difference between performance obligations satisfied and customers' payment.

(23) Interest income

	Three months ended March 31	
	2023	2022
Interest income from bank deposits	\$ 1,258	\$ 419

(24) Other income

	Three months ended March 31	
	2023	2022
Other income, others	\$ 1,162	\$ 2,782

For the three months ended March 31, 2023 and 2022, the Group recognised government grant income of \$0 and (\$478), respectively, for the subsidiaries from the Ministry of Economic Affairs under the 'Low Earth Orbit (LEO) Radio Frequency Front End (RFFE) Solution Development Plan'.

(25) Other gains and losses

	Three months ended March 31	
	2023	2022
Gains on disposals of property, plant and equipment	\$ 786	\$ 90
Currency exchange (losses) gains	(5,977)	12,760
Gains (losses) on financial assets (liabilities) at fair value through profit or loss	10,552	(5,049)
Miscellaneous disbursements	(1,145)	(539)
	<u>\$ 4,216</u>	<u>\$ 7,262</u>

(26) Finance costs

	Three months ended March 31	
	2023	2022
Interest expense	\$ 16,549	\$ 5,637
Interest expense of lease liability	2,128	2,155
	<u>\$ 18,677</u>	<u>\$ 7,792</u>

(27) Expenses by nature

	Three months ended March 31	
	2023	2022
Employee benefit expense	\$ 274,680	\$ 277,772
Depreciation charges on property, plant and equipment	47,387	43,122
Amortisation	9,464	8,620
	<u>\$ 331,531</u>	<u>\$ 329,514</u>

(28) Employee benefit expense

	Three months ended March 31	
	2023	2022
Salary expenses	\$ 232,724	\$ 238,025
Labour and health insurance fees	20,481	20,026
Pension costs	11,651	11,945
Other personnel expenses	9,824	7,776
	<u>\$ 274,680</u>	<u>\$ 277,772</u>

- A. According to the Articles of Incorporation of the Company, the ratio of distributable profit of the current year shall not be lower than 7% for employees' compensation in the form of stocks/cash, and employees must be working for the Company. The current year's earnings, if any, shall not be higher than 1% for directors' remuneration. Appropriation of employees' compensation and directors' remuneration shall be submitted to the shareholders' meeting. If the Company has accumulated deficit, earnings should be reserved to cover losses and then be appropriated to employees' compensation and directors' remuneration based on the abovementioned ratios.
- B. For the three months ended March 31, 2023 and 2022, there were no employees' compensation accrued due to accumulated deficit.
For 2022, there were no employees' compensation and directors' remuneration resolved by the Board of Directors.
- C. Information about employees' compensation and directors' remuneration of the Company as resolved at the meeting of Board of Directors will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(29) Income tax

A. Income tax expense

(a) Components of income tax expense:

	Three months ended March 31	
	2023	2022
Current tax:		
Current tax on profits for the period	\$ 2,907	\$ 1,411
Tax of foreign source income withheld at source	1,450	1,770
Total current tax	<u>4,357</u>	<u>3,181</u>
Deferred tax:		
Origination and reversal of deferred tax assets	3,389	3,433
Impact of tax losses	-	1,806
Total deferred tax	<u>3,389</u>	<u>5,239</u>
Income tax expense	<u>\$ 7,746</u>	<u>\$ 8,420</u>

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

	Three months ended March 31	
	2023	2022
Currency translation differences	<u>\$ 264</u>	<u>\$ 10,621</u>

(c) The income tax charged/(credited) to equity during the period: None.

B. The Company's income tax returns through 2021 have been assessed and approved by the Tax Authority.

(30) Losses per share

	Three months ended March 31, 2023		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Losses per share (in dollars)
<u>Basic/Diluted losses per share</u> Loss attributable to the parent	<u>(\$ 62,820)</u>	<u>238,028</u>	<u>(\$ 0.26)</u>

	Three months ended March 31, 2022		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Losses per share (in dollars)
<u>Basic/Diluted losses per share</u> Loss attributable to the parent	<u>(\$ 141,248)</u>	<u>230,694</u>	<u>(\$ 0.61)</u>

(31) Supplemental cash flow information

Investing activities with partial cash payments:

	Three months ended March 31	
	2023	2022
Purchase of property, plant and equipment	\$ 6,763	\$ 34,152
Add: Opening balance of payable on equipment	30,158	21,620
Ending balance of prepayment for equipment	12,403	613
Less: Ending balance of payable on equipment	(22,200)	(9,342)
Opening balance of prepayment for equipment	(11,078)	(3,257)
Effect of exchange rate changes	28	66
Cash paid during the period	<u>\$ 16,074</u>	<u>\$ 43,852</u>

(32) Changes in liabilities from financing activities

	Lease liabilities	Short-term borrowings	Long-term borrowings	Total
January 1, 2023	\$ 461,212	\$ 1,558,915	\$ 870,465	\$ 2,890,592
Changes in cash flow from financing activities	(46,815)	90,668	(20,513)	23,340
Impact of changes in foreign exchange rate	(764)	848	-	84
Changes in other non-cash items	-	-	(2,838)	(2,838)
March 31, 2023	<u>\$ 413,633</u>	<u>\$ 1,650,431</u>	<u>\$ 847,114</u>	<u>\$ 2,911,178</u>
	Lease liabilities	Short-term borrowings	Long-term borrowings	Total
January 1, 2022	\$ 459,176	\$ 1,547,656	\$ 756,980	\$ 2,763,812
Changes in cash flow from financing activities	(14,566)	130,844	(1,988)	114,290
Impact of changes in foreign exchange rate	2,182	2,486	-	4,668
Changes in other non-cash items	-	-	3,782	3,782
March 31, 2022	<u>\$ 446,792</u>	<u>\$ 1,680,986</u>	<u>\$ 758,774</u>	<u>\$ 2,886,552</u>

7. RELATED PARTY TRANSACTIONS

(1) Names of related parties and relationship

<u>Names of related parties</u>	<u>Relationship with the Company</u>
Cybertan Technology Inc.	Entities with significant influence to the Group
IQE Taiwan Corporation	Substantive related party

(2) Significant related party transactions

A. Operating revenue

	Three months ended March 31	
	2023	2022
Sales of goods:		
Cybertan Technology Inc.	\$ 32,619	\$ 965

The sales prices are based on mutual agreement, and no similar transactions can be compared with. The credit terms are 30 days from invoice date for the related parties. For third parties, credit terms are 30~90 days from invoice date or after monthly billings.

B. Purchases

	Three months ended March 31	
	2023	2022
Purchases of goods:		
Cybertan Technology Inc.	\$ 9	\$ 99

The transaction price and payment condition of purchased goods were available to third parties. The payment terms were 60 days after the invoice date, the regular payment term was 30~90 days after monthly billing.

C. Receivables from related parties

	March 31, 2023	December 31, 2022	March 31, 2022
Accounts receivable:			
Entities with significant influence to the Group	\$ 32,707	\$ 26,760	\$ 324
Other receivables:			
Entities with significant influence to the Group	208	239	294
	<u>\$ 32,915</u>	<u>\$ 26,999</u>	<u>\$ 618</u>

D. Payables to related parties

	March 31, 2023	December 31, 2022	March 31, 2022
Accounts payable:			
Entities with significant influence to the Group	\$ -	\$ 4,687	\$ -

E. Lease transactions — lessee

(a) The Group leases buildings from Cybertan Technology Inc.. Rental contracts are typically made for periods of 10 years. Rents are paid at the end of year.

(b) Lease liabilities

(i) Outstanding balance:

	<u>March 31, 2023</u>	<u>December 31, 2022</u>	<u>March 31, 2022</u>
Cybertan Technology Inc.	\$ 327,706	\$ 371,306	\$ 380,952

(ii) Interest expense

	<u>Three months ended March 31</u>	
	<u>2023</u>	<u>2022</u>
Cybertan Technology Inc.	\$ 1,683	\$ 1,949

(c) As of March 31, 2023, December 31, 2022 and March 31, 2022, guarantee deposits paid (shown as ‘Other non-current assets’) to entities with significant influence to the Group all amounted to \$5,765.

(3) Key management compensation

	<u>Three months ended March 31</u>	
	<u>2023</u>	<u>2022</u>
Salaries and other short-term employee benefits	\$ 11,862	\$ 13,431
Post-employment benefits	321	272
Share-based payments	-	2,570
	<u>\$ 12,183</u>	<u>\$ 16,273</u>

8. PLEDGED ASSETS

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

<u>Pledged asset</u>	<u>Book value</u>			<u>Purpose</u>
	<u>March 31, 2023</u>	<u>December 31, 2022</u>	<u>March 31, 2022</u>	
Time deposits (shown as ‘Financial assets at amortised cost-current’)	\$ 2,712	\$ 2,728	\$ 564	Guarantee for business card

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT COMMITMENTS

None.

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

None.

12. OTHERS

(1) Capital management

The Group’s objectives when managing capital are to safeguard the Group’s ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce

debt.

(2) Financial instruments

A. Financial instruments by category

	<u>March 31, 2023</u>	<u>December 31, 2022</u>	<u>March 31, 2022</u>
<u>Financial assets</u>			
Financial assets at fair value through profit or loss			
Financial assets mandatorily measured at fair value through profit or loss	\$ 97,065	\$ 58,853	\$ 59,929
Financial assets at fair value through other comprehensive income			
Designation of equity instruments	112,198	108,109	116,039
Available-for-sale financial assets			
Financial assets at amortised cost			
Cash and cash equivalents	960,803	1,124,401	1,204,541
Financial assets at amortised cost	33,261	34,676	27,489
Notes receivable	2,276	663	7,178
Accounts receivable (including related party transactions)	1,032,941	911,760	988,549
Other receivables (including related party transactions)	19,351	18,590	104,071
Guarantee deposits paid	8,766	8,707	8,536
	<u>\$ 2,266,661</u>	<u>\$ 2,265,759</u>	<u>\$ 2,516,332</u>
	<u>March 31, 2023</u>	<u>December 31, 2022</u>	<u>March 31, 2022</u>
<u>Financial liabilities</u>			
Financial liabilities at fair value through profit or loss			
Financial liabilities held for trading	\$ 269	\$ 220	\$ 2,431
Financial liabilities at amortised cost			
Short-term borrowings	1,650,431	1,558,915	1,680,986
Accounts payable (including related party transactions)	791,206	947,691	1,043,131
Other payables	258,228	322,276	293,931
Long-term borrowings (including current portion)	847,114	870,465	758,774
	<u>\$ 3,547,248</u>	<u>\$ 3,699,567</u>	<u>\$ 3,779,253</u>
Lease liability	<u>\$ 413,633</u>	<u>\$ 461,212</u>	<u>\$ 446,792</u>

B. Financial risk management policies

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

C. Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

- i. The Group operates internationally and is exposed to exchange rate risk arising from the transactions of the Company and its subsidiaries used in various functional currency, primarily with respect to the USD, EUR and RMB. Exchange rate risk arises from future commercial transactions and recognised assets and liabilities.
- ii. Management has set up a policy to require group companies to manage their foreign exchange risk against their functional currency. The group companies are required to hedge their entire foreign exchange risk exposure with the Company treasury. To manage their foreign exchange risk arising from future commercial transactions and recognised assets and liabilities, entities in the Group uses forward foreign exchange contracts or other derivative products, transacted with Company treasury.
- iii. The Group hedges foreign exchange rate by using forward exchange and cross currency swap contracts. However, the Group does not adopt hedging accounting. Details of financial assets or liabilities at fair value through profit or loss are provided in Notes 6(2) and (12).

iv. The Group's businesses involve some non-functional currency operations (the Company's and certain subsidiaries' functional currency: NTD; other certain subsidiaries' functional currency: RMB, USD, and EUR). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

				March 31, 2023			
				Foreign currency			
				amount	Exchange	Book value	
				(In thousands)	rate	(NTD)	
(Foreign currency: functional currency)							
<u>Financial assets</u>							
<u>Monetary items</u>							
				\$ 56,113	30.45	\$ 1,708,641	
				902	4.43	3,996	
				897	33.15	29,736	
				19,177	6.87	583,940	
<u>Financial liabilities</u>							
<u>Monetary items</u>							
				\$ 55,050	30.45	\$ 1,676,273	
				506	4.43	2,242	
				559	33.15	18,531	
				17,959	6.87	546,852	
				December 31, 2022			
				Foreign currency			
				amount	Exchange	Book value	
				(In thousands)	rate	(NTD)	
(Foreign currency: functional currency)							
<u>Financial assets</u>							
<u>Monetary items</u>							
				\$ 65,946	30.71	\$ 2,025,202	
				803	4.41	3,541	
				727	32.72	23,787	
				21,414	6.96	657,624	
<u>Financial liabilities</u>							
<u>Monetary items</u>							
				\$ 62,804	30.71	\$ 1,928,711	
				724	4.41	3,193	
				39	32.72	1,276	
				24,856	6.96	763,328	

				March 31, 2022		
				Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)						
<u>Financial assets</u>						
<u>Monetary items</u>						
USD:NTD	\$	65,927		28.63	\$	1,887,490
RMB:NTD		1,183		4.51		5,335
EUR:NTD		2,031		31.92		64,830
USD:RMB		3,845		6.35		110,082
<u>Financial liabilities</u>						
<u>Monetary items</u>						
USD:NTD	\$	53,096		28.63	\$	1,520,138
RMB:NTD		308		4.51		1,389
EUR:NTD		772		31.92		24,642
USD:RMB		29,913		6.35		856,409

- v. The total exchange (loss) gain, including realised and unrealised, 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 (\$5,977) and \$12,760, respectively.
- vi. Analysis of foreign currency market risk arising from significant foreign exchange variation:

							Three months ended March 31, 2023		
							Sensitivity analysis		
							Degree of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)									
<u>Financial assets</u>									
<u>Monetary items</u>									
USD:NTD		1%	\$	17,086	\$	-			
RMB:NTD		1%		40		-			
EUR:NTD		1%		297		-			
USD:RMB		1%		5,839		-			
<u>Financial liabilities</u>									
<u>Monetary items</u>									
USD:NTD		1%	(\$	16,763)	\$	-			
RMB:NTD		1%	(22)		-			
EUR:NTD		1%	(185)		-			
USD:RMB		1%	(5,469)		-			

Three months ended March 31, 2022					
Sensitivity analysis					
	Degree of variation	Effect on profit or loss	Effect on other comprehensive income		
(Foreign currency: functional currency)					
<u>Financial assets</u>					
<u>Monetary items</u>					
USD:NTD	1%	\$ 18,875	\$	-	
RMB:NTD	1%	53		-	
EUR:NTD	1%	648		-	
USD:RMB	1%	1,101		-	
<u>Financial liabilities</u>					
<u>Monetary items</u>					
USD:NTD	1%	(\$ 15,201)	\$	-	
RMB:NTD	1%	(14)		-	
EUR:NTD	1%	(246)		-	
USD:RMB	1%	(8,564)		-	

Price risk

- i. The Group's equity securities and beneficiary certificates, which are exposed to price risk, are the held financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income and available-for-sale financial assets. To manage its price risk arising from investments in equity securities and beneficiary certificates, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.
- ii. The Group's investments in equity securities and beneficiary certificates comprise shares issued by the overseas and domestic companies. The prices of equity securities and beneficiary certificates would change due to the change of the future value of investee companies. If the prices of these equity securities and beneficiary certificates had increased/decreased by 1% with all other variables held constant, post-tax profit for the three months ended March 31, 2023 and 2022 would have increased/decreased by \$966 and \$599, respectively, as a result of gains/losses on equity and beneficiary certificates securities classified as at fair value through profit or loss. Other components of equity would have increased/decreased by \$1,122 and \$1,160, respectively, as a result of other comprehensive income classified as available-for-sale equity investment and equity investment at fair value through other comprehensive income.

(b) Credit risk

- i. Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms, and the contract cash flows of debt instruments stated at amortised cost and at fair value through profit or loss.
- ii. The Group manages their credit risk taking into consideration the entire group's concern. For banks and financial institutions, only independently rated parties with a optimised credit rating are accepted. According to the Group's credit policy, each local entity in the Group is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by management. The utilisation of credit limits is regularly monitored.
- iii. Impairment assessment of credit risk on financial assets at amortised cost is as follows:
 - (i) The Group adopts following assumptions under IFRS 9, if the contract payments were past due over 30 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.
 - (ii) In line with credit risk management procedure, when the counterparty is unable to pay the past-due payables, the default has occurred.
 - (iii) The Group used the forecast ability to adjust historical and timely information and considered credit rating of issue banks to assess the default possibility of accounts and notes receivable.
 - (iv) The Group's financial assets at amortised cost are including time deposits deposited in banks and restricted time deposits. Such banks all have optimised credit rating, no past due has occurred, and no significant changes in the entire economic environment, therefore no credit loss is expected and the impact to the financial statement is remote.
- iv. Impairment assessment of credit risk on accounts and notes receivable is as follows:
 - (i) The Group classifies customers' accounts and notes receivable in accordance with credit rating of customer. The Group applies the simplified approach using provision matrix to estimate expected credit loss under the provision matrix basis.

- (ii) The Group used the forecast ability to adjust historical and timely information to assess the default possibility of accounts and notes receivable. As of March 31, 2023, December 31, 2022 and March 31, 2022, the provision matrix is as follows:

	<u>Not past due</u>	<u>90 days past due</u>	<u>91-180 days past due</u>	<u>Over 181 days past due</u>	<u>Total</u>
<u>March 31, 2023</u>					
Expected loss rate	0%-1%	0%-1%	0%-1%	0%-100%	
Total book value	\$ 876,461	\$ 139,360	\$ 5,281	\$ 31,282	\$ 1,052,384
Loss allowance	\$ -	\$ 1	\$ -	\$ 17,166	\$ 17,167
<u>December 31, 2022</u>					
Expected loss rate	0%-1%	0%-1%	0%-1%	0%-100%	
Total book value	\$ 761,252	\$ 136,811	\$ 14,351	\$ 17,318	\$ 929,732
Loss allowance	\$ -	\$ 1	\$ 1	\$ 17,307	\$ 17,309
<u>March 31, 2022</u>					
Expected loss rate	0%-1%	0%-1%	0%-1%	0%-100%	
Total book value	\$ 811,047	\$ 180,083	\$ 775	\$ 4,093	\$ 995,998
Loss allowance	\$ -	\$ 2	\$ 3	\$ 266	\$ 271

- (iii) Movements in relation to the Group applying the simplified approach to provide loss allowance for accounts and notes receivable are as follows:

	<u>2023</u>	<u>2022</u>
At January 1	\$ 17,309	\$ 11,028
Provision for impairment loss	5	-
Reversal of impairment loss	-	(10,766)
Effect of exchange rate changes	(147)	9
At March 31	<u>\$ 17,167</u>	<u>\$ 271</u>

- v. The following indicators are used to determine whether the credit impairment of debt instruments has occurred:
- It becomes probable that the issuer will enter bankruptcy or other financial reorganization due to their financial difficulties;
 - The disappearance of an active market for that financial asset because of financial difficulties;
 - Default or delinquency in interest or principal repayments;
 - Adverse changes in national or regional economic conditions that are expected to cause a default.

(c) Liquidity risk

- i. Cash flow forecasting is performed in the operating entities of the Group and aggregated by Company treasury. Company treasury monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs.
- ii. Company treasury invests surplus cash in interest bearing current accounts, time deposits, money market deposits and marketable securities, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient head-room as determined by the above-mentioned forecasts.
- iii. The table below analyses the Group's non-derivative financial liabilities and net-settled or gross-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date for non-derivative financial liabilities and to the expected maturity date for derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than 3 months	Between 3 months and 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
March 31, 2023						
<u>Non-derivative financial liabilities</u>						
Short-term borrowings	\$1,458,586	\$ 203,677	\$ -	\$ -	\$ -	\$1,662,263
Accounts payable	389,811	401,395	-	-	-	791,206
Other payables	258,228	-	-	-	-	258,228
Long-term borrowings	90,155	276,903	336,256	183,833	-	887,147
Lease liability	18,759	56,387	75,588	229,558	58,028	438,320
<u>Derivative financial liabilities</u>						
Forward foreign exchange transactions	\$ 269	\$ -	\$ -	\$ -	\$ -	\$ 269
December 31, 2022						
<u>Non-derivative financial liabilities</u>						
Short-term borrowings	\$1,474,638	\$ 93,752	\$ -	\$ -	\$ -	\$1,568,390
Accounts payable	834,648	113,043	-	-	-	947,691
Other payables	322,276	-	-	-	-	322,276
Long-term borrowings	48,619	263,360	342,079	254,068	-	908,126
Lease liability	48,980	56,371	75,604	229,608	77,515	488,078
<u>Derivative financial liabilities</u>						
Forward foreign exchange transactions	\$ 220	\$ -	\$ -	\$ -	\$ -	\$ 220

March 31, 2022	Less than 3 months	Between 3 months and 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
<u>Non-derivative financial liabilities</u>						
Short-term borrowings	\$1,599,023	\$ 86,396	\$ -	\$ -	\$ -	\$1,685,419
Accounts payable	741,981	301,122	28	-	-	1,043,131
Other payables	293,931	-	-	-	-	293,931
Long-term borrowings	15,063	52,519	269,083	425,646	32,515	794,826
Lease liability	16,767	55,417	74,260	225,330	133,266	505,040
<u>Derivative financial liabilities</u>						
Forward foreign exchange transactions and forward exchange swap transaction	\$ 2,431	\$ -	\$ -	\$ -	\$ -	\$ 2,431

(3) Fair value information

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

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

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

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

B. Financial instruments not measured at fair value

The carrying amounts of cash and cash equivalents, notes receivable, accounts receivable, other receivables, financial assets at amortised cost, other financial assets, short-term borrowings, accounts payable and other payables are approximate to their fair values.

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

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

March 31, 2023	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Foreign exchange swap contracts	\$ -	\$ 463	\$ -	\$ 463
Beneficiary certificates	-	-	96,602	96,602
Financial assets at fair value through other comprehensive income				
Equity securities	-	-	112,198	112,198
	<u>\$ -</u>	<u>\$ 463</u>	<u>\$ 208,800</u>	<u>\$ 209,263</u>
Liabilities				
<u>Recurring fair value measurements</u>				
Financial liabilities at fair value through profit or loss				
Forward foreign exchange contracts	\$ -	\$ 269	\$ -	\$ 269
	<u>\$ -</u>	<u>\$ 269</u>	<u>\$ -</u>	<u>\$ 269</u>
December 31, 2022	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Foreign exchange swap contracts	\$ -	\$ 3,227	\$ -	\$ 3,227
Beneficiary certificates	-	-	55,626	55,626
Financial assets at fair value through other comprehensive income				
Equity securities	-	-	108,109	108,109
	<u>\$ -</u>	<u>\$ 3,227</u>	<u>\$ 163,735</u>	<u>\$ 166,962</u>
Liabilities				
<u>Recurring fair value measurements</u>				
Financial liabilities at fair value through profit or loss				
Forward foreign exchange contracts	\$ -	\$ 220	\$ -	\$ 220
	<u>\$ -</u>	<u>\$ 220</u>	<u>\$ -</u>	<u>\$ 220</u>

March 31, 2022	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Foreign exchange swap contracts and forward foreign exchange contracts				
\$	-	\$ -	\$ -	\$ -
			59,929	59,929
Beneficiary certificates				
	-	-		
Financial assets at fair value through other comprehensive income				
Equity securities				
	-	-	116,039	116,039
\$	-	\$ -	\$ 175,968	\$ 175,968
Liabilities				
<u>Recurring fair value measurements</u>				
Financial liabilities at fair value through profit or loss				
Forward exchange swap transactions				
\$	-	\$ 488	\$ -	\$ 488
		1,943		1,943
Forward foreign exchange contracts				
	-			
\$	-	\$ 2,431	\$ -	\$ 2,431

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

- i. When assessing non-standard and low-complexity financial instruments, for example, interest rate swap contracts and foreign exchange swap contracts, the Group adopts valuation technique that is widely used by market participants. The inputs used in the valuation method to measure these financial instruments are normally observable in the market.
- ii. The output of valuation model is an estimated value and the valuation technique may not be able to capture all relevant factors of the Group's financial instruments. Therefore, the estimated value derived using valuation model is adjusted accordingly with additional inputs, for example, model risk or liquidity risk and etc. In accordance with the Group's management policies and relevant control procedures relating to the valuation models used for fair value measurement, management believes adjustment to valuation is necessary in order to reasonably represent the fair value of financial and non-financial instruments at the consolidated balance sheet. The inputs and pricing information used during valuation are carefully assessed and adjusted based on current market conditions.

D. For the three months ended March 31, 2023 and 2022, there was no transfer between Level 1 and Level 2.

E. The following chart is the movement of Level 3 for the three months ended March 31, 2023 and 2022:

	2023		
	Beneficiary certificates	Equity securities	Total
At January 1	\$ 55,626	\$ 108,109	\$ 163,735
Additions	27,980	-	27,980
Loss recognised in profit or loss	13,365	-	13,365
Loss recognised in other comprehensive loss	-	4,894	4,894
Net exchange differences	(369)	(805)	(1,174)
At March 31	<u>\$ 96,602</u>	<u>\$ 112,198</u>	<u>\$ 208,800</u>

	2022		
	Beneficiary certificates	Equity securities	Total
At January 1	\$ 28,906	\$ 114,588	\$ 143,494
Additions	31,879	-	31,879
Loss recognised in profit or loss	(1,791)	-	(1,791)
Loss recognised in other comprehensive loss	-	(1,943)	(1,943)
Net exchange differences	935	3,394	4,329
At March 31	<u>\$ 59,929</u>	<u>\$ 116,039</u>	<u>\$ 175,968</u>

F. Treasury department is in charge of valuation procedures for fair value measurements being categorised within Level 3, which is to verify independent fair value of financial instruments. Such assessment is to ensure the valuation results are reasonable by applying independent information to make results close to current market conditions, confirming the resource of information is independent, reliable and in line with other resources and represented as the exercisable price.

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

	<u>Fair value at March 31, 2023</u>	<u>Valuation technique</u>	<u>Significant unobservable input</u>	<u>Range (weighted average)</u>	<u>Relationship of inputs to fair value</u>
Non-derivative equity instrument:					
Unlisted shares	\$ 12,720	Market comparable companies	Discount for lack of marketability P/B ratio	30% 100%	The higher the discount for lack of marketability, the lower the fair value
Unlisted shares	-	Discounted cash flow	Long-term pre-tax operating margin	Not applicable	The higher the long-term pre-tax operating margin, the higher the fair value
Venture capital shares	99,478	Net asset value	Not applicable	Not applicable	The higher the net assets value, the higher the fair value
Limited partnership investment:					
Venture capital limited partnership	\$ 96,602	Net asset value	Not applicable	Not applicable	The higher the net assets value, the higher the fair value
	<u>Fair value at December 31, 2022</u>	<u>Valuation technique</u>	<u>Significant unobservable input</u>	<u>Range (weighted average)</u>	<u>Relationship of inputs to fair value</u>
Non-derivative equity instrument:					
Unlisted shares	\$ 12,353	Market comparable companies	Discount for lack of marketability P/B ratio	30% 100%	The higher the discount for lack of marketability, the higher the fair value
Unlisted shares	-	Discounted cash flow	Long-term pre-tax operating margin	Not applicable	The higher the long-term pre-tax operating margin, the higher the fair value
Venture capital shares	95,756	Net asset value	Not applicable	Not applicable	The higher the net assets value, the higher the fair value
Limited partnership investment:					
Venture capital limited partnership	\$ 55,626	Net asset value	Not applicable	Not applicable	The higher the net assets value, the higher the fair value

	Fair value at March 31, 2022	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted shares	\$ 13,463	Market comparable companies	Discount for lack of marketability P/B ratio	30% 100%	The higher the discount for lack of marketability, the lower the fair value
Unlisted shares	-	Discounted cash flow	Long-term pre-tax operating margin	Not applicable	The higher the long-term pre-tax operating margin, the higher the fair value
Venture capital shares	102,576	Net asset value	Not applicable	Not applicable	The higher the net assets value, the higher the fair value
Limited partnership investment:					
Venture capital shares	\$ 59,929	Net asset value	Not applicable	Not applicable	The higher the net assets value, the higher the fair value

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

		March 31, 2023						
				Recognised in profit or loss		Recognised in other comprehensive income		
		Input	Change	Favourable change	Unfavourable change	Favourable change	Unfavourable change	
Financial assets	Equity instruments	Discount for lack of marketability	±10%	\$ -	\$ -	\$ 545	(\$ 545)	
		P/B ratio	±10%	-	-	1,272	(1,272)	
				\$ -	\$ -	\$ 1,817	(\$ 1,817)	
		December 31, 2022						
		Input	Change	Favourable change	Unfavourable change	Favourable change	Unfavourable change	
Financial assets	Equity instruments	Discount for lack of marketability	±10%	\$ -	\$ -	\$ 529	(\$ 529)	
		P/B ratio	±10%	-	-	1,235	(1,235)	
				\$ -	\$ -	\$ 1,764	(\$ 1,764)	

				March 31, 2022			
				Recognised in profit or loss		Recognised in other comprehensive income	
		Input	Change	Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets							
Equity instruments	Discount for lack of marketability		±10%	\$ -	\$ -	\$ 576	(\$ 576)
	P/B ratio		±10%	-	-	1,346	(1,346)
				<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,922</u>	<u>(\$ 1,922)</u>

13. SUPPLEMENTARY DISCLOSURES

(1) Significant transactions information

- A. Loans to others: None.
- B. Provision of endorsements and guarantees to others: None.
- C. Holding of marketable securities at the end of the period: Please refer to table 1.
- D. Acquisition or sale of the same security with the accumulated cost exceeding \$300 million or 20% of the Company's paid-in capital: None.
- E. Acquisition of real estate reaching \$300 million or 20% of paid-in capital or more: None.
- F. Disposal of real estate reaching \$300 million or 20% of paid-in capital or more: None.
- G. Purchases or sales of goods from or to related parties reaching \$100 million or 20% of paid-in capital or more: Please refer to table 2.
- H. Receivables from related parties reaching \$100 million or 20% of paid-in capital or more: Please refer to table 3.
- I. Trading in derivative financial instruments undertaken during the reporting periods: Please refer to Note 6(2) (12).
- J. Significant inter-company transactions during the reporting periods: Please refer to table 4.

(2) Information on investees

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

(3) Information on investments in Mainland China

- A. Basic information: Please refer to table 6.
- B. Significant transactions, either directly or indirectly through a third areas, with investee companies in the Mainland China: Please refer to table 7.

(4) Major shareholders information

Major shareholders information: Please refer to table 8.

14. SEGMENT INFORMATION

(1) General information

Management has determined the reportable operating segments based on the reports reviewed by the chief operating decision-maker, which is the General Manager, that are used to make strategic decisions and the Group was identified as a single reportable segment.

(2) Measurement of segment information

The Group's General Manager assesses the performance of the operating segments based on the pre-tax net income (loss).

(3) Information about segment profit or loss, assets and liabilities

	Three months ended March 31	
	2023	2022
Revenue from external customers	\$ 1,203,624	\$ 933,895
Inter-segment revenue	\$ 716,828	\$ 327,076
Total segment revenue	\$ 1,920,452	\$ 1,260,971
Segment loss	(\$ 55,074)	(\$ 132,828)
Segment assets	\$ 6,307,139	\$ 6,898,233
Segment liabilities	\$ 4,286,404	\$ 4,509,378

(4) Reconciliation for segment income (loss)

Total measurement of segment income is consistent with the operating income shown in the Group's financial statements. Therefore, no reconciliation was needed.

Microelectronics Technology, Inc. and Subsidiaries
Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)
Three months ended March 31, 2023

Table 1

Expressed in thousands of NTD
(Except as otherwise indicated)

Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	As of March 31, 2023				Note
				Number of shares	Book value	Ownership (%)	Fair value	
Microelectronics Technology, Inc.	Stocks - Taiwan Aerospace Corporation	None	Financial assets at fair value through other comprehensive income	648,576	\$ 12,720	0.48%	\$ 12,720	
Sasson International Holding, Inc.	Stocks - Optical Scientific, Inc.	None	Financial assets at fair value through profit or loss	16,023	-	5.02%	-	
Sasson International Holding, Inc.	Stocks - Firetide, Inc.	None	Financial assets at fair value through profit or loss	1,333,360	-	2.24%	-	
Sasson International Holding, Inc.	Stocks - Taicom Capital Ltd.	None	Financial assets at fair value through other comprehensive income	20,000	99,478	Note	99,478	
Sasson International Holding, Inc.	Stocks - New Edge Signal Solutions LCC	None	Financial assets at fair value through other comprehensive income	1,355,663	-	12.50%	-	
Sasson International Holding, Inc.	Stocks - Kymeta Corporation	None	Financial assets at fair value through other comprehensive income	205,432	-	0.05%	-	
Sasson International Holding, Inc.	Beneficiary certificates - CDIB-Innolux Limited Partnership	None	Financial assets at fair value through profit or loss	-	96,602	6.99%	96,602	

Note: Holding of 10,000 ordinary shares and 10,000 preference shares for 11.43% and 16.67% ownership, respectively.

Microelectronics Technology, Inc. and Subsidiaries

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

Three months ended March 31, 2023

Table 2

Expressed in thousands of NTD

(Except as otherwise indicated)

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction			Differences in transaction terms compared to third party transactions			Notes/accounts receivable (payable)		
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	Note	
Microelectronics Technology, Inc.	Jupiter Technology (wuxi), Inc.	Indirect subsidiary of the Company	Purchases	\$ 410,862	62%	60 days	Not applicable	Not applicable	(\$ 414,482)	(52%)	
Jupiter Technology (wuxi), Inc.	Microelectronics Technology, Inc.	Parent Company	Sales	(401,862)	(65%)	60 days	Not applicable	Not applicable	414,482	68%	

Microelectronics Technology, Inc. and Subsidiaries
 Receivables from related parties reaching \$100 million or 20% of paid-in capital or more
 Three months ended March 31, 2023

Table 3

Expressed in thousands of NTD
 (Except as otherwise indicated)

Creditor	Counterparty	Relationship with the counterparty	Balance as at March 31, 2023	Annual Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
					Amount	Action taken		
Jupiter Technology (wuxi), Inc.	Microelectronics Technology, Inc.	Parent company	\$ 414,482	4.30	\$ -	\$ -	\$ 143,391	\$ -

Microelectronics Technology, Inc. and Subsidiaries
Significant inter-company transactions during the reporting periods
Three months ended March 31, 2023

Table 4

Expressed in thousands of NTD
(Except as otherwise indicated)

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			Percentage of consolidated total operating revenues or total assets (Note 3)
				General ledger account	Amount	Transaction terms	
0	Microelectronics Technology, Inc.	Jupiter Technology (wuxi), Inc.	1	Purchases and processing overhead	\$ 410,862	Same as those to the third parties	34.14%
0	Microelectronics Technology, Inc.	Jupiter Technology (wuxi), Inc.	1	Accounts payable	414,482	Payment term is 60 days from invoice	6.57%
0	Microelectronics Technology, Inc.	MTI Laboratory, Inc.	1	Research and development expenses	48,349	Same as those to the third parties	4.02%
0	Microelectronics Technology, Inc.	MTI Laboratory, Inc.	1	Accrued expense	111,648	Based on the mutual agreement	1.77%
0	Microelectronics Technology, Inc.	Radiocomp ApS	1	Research and development expenses	47,295	Same as those to the third parties	3.93%
0	Microelectronics Technology, Inc.	Radiocomp ApS	1	Accrued expense	16,078	Based on the mutual agreement	0.25%

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

(1) Number 0 represents the Company.

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

Note 2: The transaction relationship with counterparties are as follows:

(1) The Company to the consolidated subsidiary.

(2) The consolidated subsidiaries to the Company.

(3) The consolidated subsidiaries to other consolidated subsidiaries.

Note 3: In calculating the ratio, the transaction amount is divided by consolidated total assets for balance sheet accounts and is divided by consolidated total revenues for income statement accounts.

Note 4: Only transaction amounts over \$10 million were disclosed and if transactions between parent company and subsidiaries or between subsidiaries refer to the same transaction, it was not required to be disclosed separately.

Microelectronics Technology, Inc. and Subsidiaries

Information on investees

Three months ended March 31, 2023

Table 5

Expressed in thousands of NTD
(Except as otherwise indicated)

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at March 31, 2023			Investment income		Note
				Balance as at March 31, 2023	Balance as at December 31, 2022	Number of shares	Ownership (%)	Book value	Net profit (loss) of the investee for the three months ended March 31, 2023	Investment income (loss) recognised by the Company for the three months ended March 31, 2023	
Microelectronics Technology, Inc.	Sasson International Holding, Inc.	British Virgin Is.	Investment management	\$ 908,778	\$ 908,778	3,920	100	\$ 1,498,664	\$ 12,289	\$ 88,018	Note 1
Sasson International Holding, Inc.	Welltop Technology Co., Ltd.	British Virgin Is.	Investment management	238,545	240,582	7,834,000	100	367,275	(5,853)	(5,853)	Note 2
Sasson International Holding, Inc.	Jupiter Network Corp.	British Virgin Is.	Investment management	946,136	954,215	31,071,800	100	1,012,019	4,286	4,286	Note 2
Welltop Technology Co., Ltd.	MTI Laboratory, Inc.	U.S.A	Communications	45,675	46,065	1,500,000	100	148,562	(11,086)	(11,086)	Note 2
Welltop Technology Co., Ltd.	Radiocomp ApS	Denmark	Communications	143,176	144,398	1,527,944	100	197,644	5,233	5,233	Note 2

Note 1: Subsidiary of the Company.

Note 2: Indirect subsidiary of the Company.

Microelectronics Technology, Inc. and Subsidiaries

Information on investees in Mainland China

Three months ended March 31, 2023

Table 6

Expressed in thousands of NTD

(Except as otherwise indicated)

Investee in Mainland China	Main business activities	Paid-in capital	Investment method	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2023	Amount remitted from Taiwan to Mainland China / Amount remitted back to Taiwan for the three months ended March 31, 2023		Accumulated amount of remittance from Taiwan to Mainland China as of March 31, 2023	Net income of investee for the three months ended March 31, 2023	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the three months ended March 31, 2023 (Note 2)	Book value of investments in Mainland China as of March 31, 2023	Accumulated amount of investment income remitted back to Taiwan as of March 31, 2023	Note
					Remitted to Mainland China	Remitted back to Taiwan							
Jupiter Technology (wuxi), Inc. (Note 1)	The manufacturing and sales of satellite and microwave communication system and related technical and consultation services	\$ 943,950	Through investing in an existing company in the third area, which then invested in the investee in Mainland China.	\$ 943,950	\$ -	\$ -	\$ 943,950	\$ 4,286	100	\$ 4,286	\$ 1,011,977	\$ -	-

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of March 31, 2023	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)	Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA
Microelectronics Technology, Inc.	\$ 1,064,837	\$ 1,187,794	\$ 1,212,441

Note 1: It was indirectly invested through Jupiter Network Corp.

Note 2: Investment profit or loss was recognised based on the financial statements that were reviewed by R.O.C. parent company's CPA.

Microelectronics Technology, Inc. and Subsidiaries

Significant transactions conducted with investees in Mainland China directly or indirectly through other companies in the third areas

Three months ended March 31, 2023

Table 7

Expressed in thousands of NTD

(Except as otherwise indicated)

Investee in Mainland China	Sale (purchase)		Property transaction		Accounts receivable (payable)		Provision of endorsements/guarantees or collaterals		Financing					
	Amount	%	Amount	%	Balance	%	Balance at March 31, 2023	Purpose	Maximum balance during the three months ended March 31, 2023	Balance at March 31, 2023	Interest rate	Interest during the three months ended March 31, 2023	Others (Note)	
Jupiter Technology (wuxi), Inc.	(\$ 410,862)	62%	\$ -	0.0%	(\$ 414,482)	(52%)	\$ -	-	\$ -	\$ -	-	\$ -	-	\$ 2,915

Note: It consisted of current liabilities amounting to \$2,915.

Microelectronics Technology, Inc. and Subsidiaries

Major shareholders information

March 31, 2023

Table 8

Expressed in thousands of NTD
(Except as otherwise indicated)

Name of major shareholders	No. of shares held	Ownership (%)
Cybertan Technology Inc.	54,070,749	22.71%

Note 1: The major shareholders information was from the data that the Company issued common shares (including treasury shares) and preference shares in dematerialised form which were registered and held by the shareholders above 5% on the last operating date of each quarter and was calculated by Taiwan Depository & Clearing Corporation.

The share capital which was recorded in the financial statements may differ from the actual number of shares issued in dematerialised form because of a different calculation basis.

Note 2: If the aforementioned data contains shares which were kept at the trust by the shareholders, the data disclosed was the settlor's separate account for the fund set by the trustee.

As for the shareholder who reports share equity as an insider whose shareholding ratio is greater than 10% in accordance with Securities and Exchange Act, the shareholding ratio includes the self-owned shares and trusted shares, at the same time, persons who have power to decide how to allocate the trust assets. For the information of reported share equity of insider, please refer to Market Observation Post System.