

Yageo Corporation

**Financial Statements for the
Years Ended December 31, 2022 and 2021 and
Independent Auditors' Report**

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Yageo Corporation

Opinion

We have audited the accompanying financial statements of Yageo Corporation (the “Company”), which comprise the balance sheets as of December 31, 2022 and 2021, and the statements of comprehensive income, changes in equity and cash flows for the years then ended, and the related notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the “financial statements”).

In our opinion, based on our audits and the reports of other auditors (refer to the other matter paragraph below), the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. Based on our audits and the reports of other auditors, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended December 31, 2022. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter identified in the financial statements for the year ended December 31, 2022 is as follows:

Occurrence of Sales Revenue from Customers

The primary source of revenue of the Company comes from the sales of passive electronic components. The operating revenue in 2022 from specific customers is significant to the financial statements and is one of the evaluation criteria to measure the operating performance of the Company; therefore, we considered sales authenticity relating to the operating revenue of these specific customers as a key audit matter for the annual audit.

Refer to Note 4 to the financial statements for accounting policies. Our audit procedures for the aforementioned key audit matter are described as follows:

1. We obtained an understanding of the processes of internal controls related to revenue recognition and evaluated the design, implementation, and operating effectiveness of internal controls over revenue recognition.
2. We made an inquiry on specific customers' public information and official websites and assessed the reasonableness of customers' credit lines based on their scale and authenticity.
3. We obtained details of sales to specific customers and validated the details against the supporting documents, including sales orders, delivery orders, invoices, and receipt documents; we verified that the control of merchandise has been transferred to customers and the payments have been received.

Other Matter

As described in Note 12 to the accompanying financial statements, we did not audit the financial statements of some investees accounted for using the equity method. The financial statements of the aforementioned investees accounted for using the equity method were audited by other auditors; our opinion, insofar as it relates to the related amounts included herein, is based solely on the reports of other auditors. The total investments in these investees accounted for using the equity method were NT\$2,844,814 thousand, representing 1.15%, and NT\$2,896,749 thousand, representing 1.56%, of the Company's total assets as of December 31, 2022 and 2021, respectively, and the amounts of the Company's share of profit of such associates were NT\$362,313 thousand, representing 1.51%, and NT\$1,072,498 thousand, representing 4.25%, of the Company's profit before income tax for the years ended December 31, 2022 and 2021, respectively.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the audit committee, are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision, and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the year ended December 31, 2022 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Yung-Hsiang Chao and Ching-Hsia Chang.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 14, 2023

Notice to Readers

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

For the convenience of readers, the independent 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. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and financial statements shall prevail.

YAGEO CORPORATION

BALANCE SHEETS DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

	2022		2021	
	Amount	%	(Audited after Restatement) Amount	%
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	\$ 7,534,435	3	\$ 8,150,777	4
Financial assets at fair value through profit or loss - current (Notes 4 and 7)	564,639	-	405,741	-
Financial assets at amortized cost - current (Notes 4 and 9)	1,535,400	1	1,816,805	1
Trade receivables (Notes 4 and 10)	503,734	-	935,404	1
Trade receivables from related parties (Notes 4 and 27)	2,479,661	1	4,764,490	3
Other receivables	342,332	-	106,540	-
Other receivables from related parties (Notes 4 and 27)	50,357	-	25,861	-
Inventories (Notes 4 and 11)	5,750,957	3	4,096,737	2
Prepayments	297,817	-	95,706	-
Other current assets	<u>6,110</u>	-	<u>260</u>	-
Total current assets	<u>19,065,442</u>	<u>8</u>	<u>20,398,321</u>	<u>11</u>
NON-CURRENT ASSETS				
Financial assets at fair value through profit or loss - non-current (Notes 4 and 7)	173,965	-	801	-
Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 8)	461,741	-	447,604	-
Financial assets at amortized cost - non-current (Notes 4 and 9)	2,351,862	1	1,466,369	1
Investments accounted for using the equity method (Notes 4, 5 and 12)	208,093,366	84	150,374,302	81
Property, plant and equipment (Notes 4, 5, 13 and 28)	14,243,437	6	9,228,885	5
Goodwill (Notes 4, 5 and 14)	109,643	-	109,643	-
Other intangible assets	100,392	-	114,439	-
Deferred tax assets (Notes 4 and 21)	1,800,133	1	3,548,263	2
Refundable deposits	25,166	-	8,763	-
Other non-current assets	<u>60,309</u>	-	<u>78,309</u>	-
Total non-current assets	<u>227,420,014</u>	<u>92</u>	<u>165,377,378</u>	<u>89</u>
TOTAL	<u>\$ 246,485,456</u>	<u>100</u>	<u>\$ 185,775,699</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Note 15)	\$ 9,872,320	4	\$ 20,863,300	11
Short-term bills payable (Note 15)	28,075,967	12	19,978,155	11
Financial liabilities at fair value through profit or loss - current (Notes 4 and 7)	193,016	-	41,192	-
Contract liabilities - current (Note 27)	2,769,587	1	3,554,854	2
Notes payable	851	-	4,676	-
Trade payables	1,578,103	1	1,975,432	1
Trade payables to related parties (Note 27)	2,723,030	1	4,846,147	3
Other payables to related parties (Note 27)	17,424	-	104,487	-
Other payables (Note 17)	14,214,529	6	7,059,069	4
Current tax liabilities (Notes 4 and 21)	2,987,156	1	2,444,246	1
Current portion of long-term borrowings and bonds payable (Notes 15 and 16)	7,741,072	3	-	-
Other current liabilities	<u>38,466</u>	-	<u>75,273</u>	-
Total current liabilities	<u>70,211,521</u>	<u>29</u>	<u>60,946,831</u>	<u>33</u>
NON-CURRENT LIABILITIES				
Financial liabilities at fair value through profit or loss - non-current (Notes 4 and 7)	-	-	13	-
Bonds payable (Note 16)	14,486,301	6	15,155,362	8
Long-term borrowings (Notes 15 and 28)	27,931,243	11	20,161,908	11
Deferred tax liabilities (Notes 4 and 21)	87,780	-	-	-
Long-term payables to related parties (Note 27)	12,283,200	5	9,691,500	5
Net defined benefit liabilities (Notes 4 and 18)	140,928	-	179,410	-
Guarantee deposits received	<u>126</u>	-	<u>126</u>	-
Total non-current liabilities	<u>54,929,578</u>	<u>22</u>	<u>45,188,319</u>	<u>24</u>
Total liabilities	<u>125,141,099</u>	<u>51</u>	<u>106,135,150</u>	<u>57</u>
EQUITY				
Share capital				
Ordinary shares	4,212,608	2	4,959,189	3
Bond conversion entitlement certificates	<u>1,934</u>	-	<u>-</u>	-
Total share capital	<u>4,214,542</u>	<u>2</u>	<u>4,959,189</u>	<u>3</u>
Capital surplus				
Issuance of ordinary shares	41,250,842	17	20,221,583	11
From share of changes in capital surplus of associates	151,159	-	1,574,490	1
Equity component of convertible bonds issued by the Company	<u>277,878</u>	-	<u>252,844</u>	-
Total capital surplus	<u>41,679,879</u>	<u>17</u>	<u>22,048,917</u>	<u>12</u>
Retained earnings				
Legal reserve	10,694,034	4	8,621,366	5
Special reserve	9,911,736	4	4,594,931	2
Unappropriated earnings	<u>56,678,721</u>	<u>23</u>	<u>50,545,451</u>	<u>27</u>
Total retained earnings	<u>77,284,491</u>	<u>31</u>	<u>63,761,748</u>	<u>34</u>
Other equity				
Exchange differences on translation of the financial statements of foreign operations	(421,272)	-	(9,753,973)	(5)
Unrealized valuation gain (loss) on financial assets at fair value through other comprehensive income	(14,098)	-	81,021	-
Gain on hedging instruments	<u>631,535</u>	-	<u>198,811</u>	-
Total other equity	<u>196,165</u>	-	<u>(9,474,141)</u>	<u>(5)</u>
Treasury shares	<u>(2,030,720)</u>	<u>(1)</u>	<u>(1,879,155)</u>	<u>(1)</u>
Equity attributable to former owner of business combination under common control	<u>-</u>	-	<u>223,991</u>	-
Total equity	<u>121,344,357</u>	<u>49</u>	<u>79,640,549</u>	<u>43</u>
TOTAL	<u>\$ 246,485,456</u>	<u>100</u>	<u>\$ 185,775,699</u>	<u>100</u>

The accompanying notes are an integral part of the financial statements.

(With Deloitte & Touche auditors' report dated March 14, 2023)

YAGEO CORPORATION

STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2022		2021 (Audited after Restatement)	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4 and 27)				
Net sales	\$ 27,429,808	100	\$ 40,223,628	100
OPERATING COSTS (Notes 4, 11, 20 and 27)				
Cost of goods sold	<u>22,213,179</u>	<u>81</u>	<u>29,971,952</u>	<u>75</u>
GROSS PROFIT	5,216,629	19	10,251,676	25
UNREALIZED LOSS ON TRANSACTIONS WITH SUBSIDIARIES (Note 4)	<u>(45,447)</u>	<u>-</u>	<u>(27,507)</u>	<u>-</u>
REALIZED GROSS PROFIT	<u>5,171,182</u>	<u>19</u>	<u>10,224,169</u>	<u>25</u>
OPERATING EXPENSES (Notes 4, 20 and 27)				
Selling and marketing expenses	524,337	2	657,062	1
General and administrative expenses	2,602,336	9	2,086,956	5
Research and development expenses	256,210	1	261,394	1
Expected credit gain (loss) (Notes 4 and 10)	<u>(2,978)</u>	<u>-</u>	<u>3,688</u>	<u>-</u>
Total operating expenses	<u>3,379,905</u>	<u>12</u>	<u>3,009,100</u>	<u>7</u>
PROFIT FROM OPERATIONS	<u>1,791,277</u>	<u>7</u>	<u>7,215,069</u>	<u>18</u>
NON-OPERATING INCOME AND EXPENSES				
Finance costs (Notes 4, 20 and 27)	(794,042)	(3)	(613,907)	(1)
Share of profit of subsidiaries and associates	22,330,071	81	18,421,503	46
Interest income (Notes 4 and 27)	348,690	1	133,158	-
Rental income (Notes 4 and 27)	14,228	-	10,212	-
Net gain (loss) on financial instruments at fair value through profit or loss	948,872	4	(98,066)	-
Other gains and losses (Note 20)	<u>(621,615)</u>	<u>(2)</u>	<u>185,986</u>	<u>-</u>
Total non-operating income and expenses	<u>22,226,204</u>	<u>81</u>	<u>18,038,886</u>	<u>45</u>
PROFIT BEFORE INCOME TAX	24,017,481	88	25,253,955	63
INCOME TAX EXPENSE (Notes 4 and 21)	<u>1,285,771</u>	<u>5</u>	<u>2,410,842</u>	<u>6</u>
NET PROFIT FOR THE YEAR	<u>22,731,710</u>	<u>83</u>	<u>22,843,113</u>	<u>57</u>

(Continued)

YAGEO CORPORATION

STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2022		2021 (Audited after Restatement)	
	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans (Notes 4 and 18)	\$ 33,584	-	\$ 17,952	-
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income (Notes 4 and 19)	(39,649)	-	1,404	-
Share of the other comprehensive income of subsidiaries and associates accounted for using the equity method	208,875	1	113,001	-
Income tax relating to items that will not be reclassified subsequently to profit or loss (Notes 4 and 21)	(6,717)	-	(3,590)	-
	<u>196,093</u>	<u>1</u>	<u>128,767</u>	<u>-</u>
Items that may be reclassified subsequently to profit or loss:				
Share of the other comprehensive income (loss) of subsidiaries and associates accounted for using the equity method (Notes 4 and 19)	13,054,131	48	(6,525,208)	(16)
Income tax relating to items that may be reclassified subsequently to profit or loss (Notes 4 and 21)	(2,336,031)	(9)	1,272,135	3
	<u>10,718,100</u>	<u>39</u>	<u>(5,253,073)</u>	<u>(13)</u>
Other comprehensive income (loss) for the year, net of income tax	<u>10,914,193</u>	<u>40</u>	<u>(5,124,306)</u>	<u>(13)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 33,645,903</u>	<u>123</u>	<u>\$ 17,718,807</u>	<u>44</u>
NET INCOME ATTRIBUTABLE TO:				
Owners of the Company	\$ 22,730,465	83	\$ 22,902,546	57
Former owner of business combination under common control	<u>1,245</u>	<u>-</u>	<u>(59,433)</u>	<u>-</u>
	<u>\$ 22,731,710</u>	<u>83</u>	<u>\$ 22,843,113</u>	<u>57</u>

(Continued)

YAGEO CORPORATION

STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2022		2021 (Audited after Restatement)	
	Amount	%	Amount	%
TOTAL COMPREHENSIVE INCOME				
ATTRIBUTABLE TO:				
Owners of the Company	\$ 33,644,658	123	\$ 17,792,056	44
Former owner of business combination under common control	<u>1,245</u>	<u>-</u>	<u>(73,249)</u>	<u>-</u>
	<u>\$ 33,645,903</u>	<u>123</u>	<u>\$ 17,718,807</u>	<u>44</u>
EARNINGS PER SHARE (NEW TAIWAN DOLLARS; Note 22)				
Basic	<u>\$ 44.22</u>		<u>\$ 46.13</u>	
Diluted	<u>\$ 43.21</u>		<u>\$ 44.85</u>	

The accompanying notes are an integral part of the financial statements.

(With Deloitte & Touche auditors' report dated March 14, 2023)

(Concluded)

YAGEO CORPORATION

STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars)

	Equity Attributable to Owner of the Company										Other Equity (Note 19)				Equity Attributable to Former Owner of Business Combination Under Common Control (Note 19)	Total Equity
	Capital (Note 19)				Capital Surplus (Notes 19 and 23)	Retained Earnings (Note 19)				Exchange Differences on Translation of the Financial Statements of Foreign Operations	Unrealized Valuation Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Gain (Loss) on Hedging Instruments	Total	Treasury Shares (Note 19)		
	Ordinary Shares	Capital Collected in Advance	Bond Conversion Entitlement Certificates	Total		Legal Reserve	Special Reserve	Unappropriated Earnings	Total							
BALANCE, JANUARY 1, 2021	\$ 4,969,433	\$ 408	\$ -	\$ 4,969,841	\$ 23,099,157	\$ 7,331,396	\$ 2,945,827	\$ 36,725,189	\$ 47,002,412	\$ (4,665,523)	\$ 71,291	\$ 350,307	\$ (4,243,925)	\$ (2,421,552)	\$ -	\$ 68,405,933
Retrospective restatement of business combinations under common control	-	-	-	-	-	-	-	-	-	-	-	-	-	-	99,243	99,243
BALANCE AT JANUARY 1, 2021 AFTER RESTATEMENT	4,969,433	408	-	4,969,841	23,099,157	7,331,396	2,945,827	36,725,189	47,002,412	(4,665,523)	71,291	350,307	(4,243,925)	(2,421,552)	99,243	68,505,176
Appropriation of the 2020 earnings																
Legal reserve	-	-	-	-	-	1,289,970	-	(1,289,970)	-	-	-	-	-	-	-	-
Special reserve	-	-	-	-	-	-	1,649,104	(1,649,104)	-	-	-	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	-	-	(3,967,351)	(3,967,351)	-	-	-	-	-	-	(3,967,351)
Cash dividends distributed by the subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(23,405)	(23,405)
Changes from investments in subsidiaries and associates accounted for by using equity method	-	-	-	-	(6,874)	-	-	(10,116)	(10,116)	-	-	-	-	-	221,402	204,412
Issuance of cash dividends from capital surplus	-	-	-	-	(991,838)	-	-	-	-	-	-	-	-	-	-	(991,838)
Net profit for the year ended December 31, 2021	-	-	-	-	-	-	-	22,902,546	22,902,546	-	-	-	-	-	(59,433)	22,843,113
Other comprehensive income (loss) for the year ended December 31, 2021, net of income tax	-	-	-	-	-	-	-	116,762	116,762	(5,088,450)	12,694	(151,496)	(5,227,252)	-	(13,816)	(5,124,306)
Buy-back of ordinary shares	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,879,155)	-	(1,879,155)
Cancellation of treasury shares	(29,650)	-	-	(29,650)	(106,433)	-	-	(2,285,469)	(2,285,469)	-	-	-	-	2,421,552	-	-
Recognition of employee share options by the Company	19,406	(408)	-	18,998	54,905	-	-	-	-	-	-	-	-	-	-	73,903
Disposals of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	-	-	-	2,964	2,964	-	(2,964)	-	(2,964)	-	-	-
BALANCE AT DECEMBER 31, 2021	4,959,189	-	-	4,959,189	22,048,917	8,621,366	4,594,931	50,545,451	63,761,748	(9,753,973)	81,021	198,811	(9,474,141)	(1,879,155)	223,991	79,640,549
Appropriation of the 2021 earnings																
Legal reserve	-	-	-	-	-	2,072,668	-	(2,072,668)	-	-	-	-	-	-	-	-
Special reserve	-	-	-	-	-	-	5,316,805	(5,316,805)	-	-	-	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	-	-	(5,400,560)	(5,400,560)	-	-	-	-	-	-	(5,400,560)
Changes from investments in subsidiaries and associates accounted for by using equity method	-	-	-	-	(5,854)	-	-	-	-	-	-	-	-	-	-	(5,854)
Net profit for the year ended December 31, 2022	-	-	-	-	-	-	-	22,730,465	22,730,465	-	-	-	-	-	1,245	22,731,710
Other comprehensive income (loss) for the year ended December 31, 2022, net of income tax	-	-	-	-	-	-	-	293,794	293,794	10,285,376	(97,701)	432,724	10,620,399	-	-	10,914,193
Capital reduction	(1,080,112)	-	-	(1,080,112)	73	-	-	(365,145)	(365,145)	-	-	-	-	385,545	-	(1,059,639)
Restructing	477,793	-	-	477,793	20,691,277	-	-	-	-	(952,675)	1,993	-	(950,682)	(537,110)	(225,236)	19,456,042
Convertible bonds converted to ordinary shares	3,578	-	1,934	5,512	233,971	-	-	-	-	-	-	-	-	-	-	239,483
Buy-back of ordinary shares	-	-	-	-	-	-	-	-	-	-	-	-	-	(5,172,415)	-	(5,172,415)
Cancellation of treasury shares	(147,880)	-	-	(147,880)	(1,289,313)	-	-	(3,735,222)	(3,735,222)	-	-	-	-	5,172,415	-	-
Recognition of employee share options by the Company	40	-	-	40	808	-	-	-	-	-	-	-	-	-	-	848
Disposals of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	-	-	-	(589)	(589)	-	589	-	589	-	-	-
BALANCE AT DECEMBER 31, 2022	\$ 4,212,608	\$ -	\$ 1,934	\$ 4,214,542	\$ 41,679,879	\$ 10,694,034	\$ 9,911,736	\$ 56,678,721	\$ 77,284,491	\$ (421,272)	\$ (14,098)	\$ 631,535	\$ 196,165	\$ (2,030,720)	\$ -	\$ 121,344,357

The accompanying notes are an integral part of the financial statements.

(With Deloitte & Touche auditors' report dated March 14, 2023)

YAGEO CORPORATION

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

(In Thousands of New Taiwan Dollars)

	2022	2021 (Audited after Restatement)
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 24,017,481	\$ 25,253,955
Adjustments for		
Expected credit loss recognized (reversed) on trade receivables	(2,978)	3,688
Depreciation expense	1,226,631	1,104,437
Amortization expense	26,983	51,072
Amortization of prepayments	9,410	9,410
Net loss (gain) on fair value change of financial assets and liabilities at fair value through profit or loss	(948,872)	98,066
Finance costs	794,042	613,907
Interest income	(348,690)	(133,158)
Dividend income	(9,197)	-
Share of profit of subsidiaries and associates	(22,330,071)	(18,421,503)
Net gain on disposal of property, plant and equipment	(1,293)	(1,435)
Loss on disposal of subsidiaries	(42,883)	-
Write-down of inventories	33,720	-
Reversal of write-downs of inventories	-	(28,164)
Unrealized loss on the transactions with subsidiaries	45,447	27,507
Net loss (gain) on foreign currency exchange	1,017,764	(169,730)
Changes in operating assets and liabilities		
Financial assets mandatorily classified as at fair value through profit or loss	585,336	(150,313)
Trade receivables	434,103	(133,635)
Trade receivables of related parties	2,286,195	840,526
Other receivables	(198,229)	(17,949)
Other receivables of related parties	83,622	157,775
Inventories	(1,687,940)	(1,616,495)
Prepayments	(128,558)	(14,735)
Other current assets	(5,850)	3,841
Contract liabilities	(709,270)	254,836
Notes payable	(3,825)	(684)
Trade payables	437,393	492,261
Trade payables of related parties	(2,140,902)	(644,386)
Other payables	3,805,206	1,938,108
Other payables of related parties	(41,456)	(9,067)
Other current liabilities	(36,807)	43,922
Net defined benefit liabilities	(4,898)	(5,095)
Cash generated from operations	6,161,614	9,546,962
Interest received	104,580	29,147
Dividend received	9,197	-
Interest paid	(551,210)	(472,800)
Income tax paid	(1,249,699)	(1,163,469)
Net cash generated from operating activities	4,474,482	7,939,840

(Continued)

YAGEO CORPORATION

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

(In Thousands of New Taiwan Dollars)

	2022	2021 (Audited after Restatement)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	\$ (53,786)	\$ (446,200)
Purchase of financial assets at amortized cost	(2,958,691)	(2,832,310)
Proceeds from sale of financial assets at amortized cost	2,534,382	5,931,000
Purchase of financial assets at fair value through profit or loss	(130,000)	(313,285)
Proceeds from sale of financial assets at fair value through profit or loss	313,285	-
Proceeds from capital reduction of subsidiaries	-	1,386,750
Capital additions of subsidiaries and associates	(2,495,150)	(4,750,250)
Proceeds from capital reduction of associates	16,250	-
Payments for property, plant and equipment	(3,815,327)	(2,287,128)
Proceeds from disposal of property, plant and equipment	1,361	51,331
Increase in refundable deposits	(16,403)	(558)
Other receivables of related parties	-	5,998,190
Payments for intangible assets	(95,773)	(87,967)
Decrease in other non-current assets	-	1,100
Dividends received from subsidiaries and associates	<u>52,258</u>	<u>66,687</u>
Net cash generated from (used in) investing activities	<u>(6,647,594)</u>	<u>2,717,360</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayments of short-term borrowings	(10,994,800)	(12,029,242)
Proceeds from short-term bills payable	8,000,851	19,478,250
Proceeds from issuance of convertible bonds	4,494,395	9,986,550
Proceeds from long-term borrowings	62,810,784	16,613,410
Repayments of long-term borrowings	(52,504,200)	(31,099,999)
Other payables to related parties	1,393,750	(83,000)
Dividends paid to owners of the Company	(5,400,494)	(4,959,147)
Reduction of capital	(1,071,949)	-
Proceeds from employee share options	848	73,903
Payments for buyback of treasury shares	<u>(5,172,415)</u>	<u>(1,879,155)</u>
Net cash generated (used in) from financing activities	<u>1,556,770</u>	<u>(3,898,430)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(616,342)	6,758,770
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>8,150,777</u>	<u>1,392,007</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 7,534,435</u>	<u>\$ 8,150,777</u>

The accompanying notes are an integral part of the financial statements.

(With Deloitte & Touche auditors' report dated March 14, 2023)

(Concluded)

YAGEO CORPORATION

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

(In Thousands of New Taiwan Dollars Unless Stated Otherwise)

1. GENERAL INFORMATION

Yageo Corporation (the “Company”) was incorporated in 1987 in the Republic of China (ROC). The Company’s shares are traded on the Taiwan Stock Exchange. The Company mainly manufactures and sells passive components.

In 2018, the Company acquired 100% equity interest of Brightking Holdings Limited and Pulse Electronics Corporation in a cash settlement amounting to NT\$3,328,253 thousand and US\$721,461 thousand, respectively. In June 2020, the Company acquired 100% equity interest of KEMET Corporation in a cash settlement amounting to US\$1,636,052 thousand.

In June and September 2021, the board of directors and shareholders of the Company, respectively, resolved in their meeting to acquire 100% of the interest of Chilisin Electronics Corp. in a share exchange agreement. The estimated exchange ratio was 0.2002 ordinary shares of the Company for 1 ordinary share of Chilisin Electronics Corp. After the share exchange, Chilisin Electronics Corp. became a 100%-owned subsidiary of the Company and terminated its listing. The transaction was completed in January 2022, and the Company issued 47,779 thousand ordinary shares.

The financial statements of the Company are presented in the Company’s functional currency, the New Taiwan dollar.

2. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Company’s board of directors on March 14, 2023.

3. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS AND INTERPRETATIONS

- a. Initial application of the amendments to the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the “IFRSs”) endorsed and issued into effect by the Financial Supervisory Commission (FSC)

Except for the following, the initial application of the IFRSs endorsed and issued into effect by the FSC did not have material impact on the Company’s accounting policies:

- 1) Amendments to IFRS 3 “Reference to the Conceptual Framework”

The Company applied the amendments to business combinations for which the acquisition date is on or after January 1, 2022. The amendments replace the references to the Conceptual Framework of IFRS 3 and specify that the acquirer shall apply IFRIC 21 “Levies” to determine whether the event that gives rise to a liability for a levy has occurred at the acquisition date.

2) Amendments to IAS 16 “Property, Plant and Equipment: Proceeds before Intended Use”

The Company applied the amendments to property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after January 1, 2021. The amendments prohibit an entity from deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. The cost of those items is measured in accordance with IAS 2 “Inventories”. Any proceeds from selling those items and the cost of those items are recognized in profit or loss in accordance with applicable standards.

b. The IFRSs endorsed by the FSC for application starting from 2023

New IFRSs	Effective Date Announced by IASB
Amendments to IAS 1 “Disclosure of Accounting Policies”	January 1, 2023 (Note 1)
Amendments to IAS 8 “Definition of Accounting Estimates”	January 1, 2023 (Note 2)
Amendments to IAS 12 “Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction”	January 1, 2023 (Note 3)

Note 1: The amendments will be applied prospectively for annual reporting periods beginning on or after January 1, 2023.

Note 2: The amendments will be applicable to changes in accounting estimates and changes in accounting policies that occur on or after the beginning of the annual reporting period beginning on or after January 1, 2023.

Note 3: Except for deferred taxes that were recognized on January 1, 2022 for temporary differences associated with leases and decommissioning obligations, the amendments were applied prospectively to transactions that occur on or after January 1, 2022.

1) Amendments to IAS 1 “Disclosure of Accounting Policies”

The amendments specify that the Company should refer to the definition of material to determine its material accounting policy information to be disclosed. Accounting policy information is material if it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The amendments also clarify that:

- Accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed;
- The Company may consider the accounting policy information as material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial; and
- Not all accounting policy information relating to material transactions, other events or conditions is itself material.

The amendments also illustrate that accounting policy information is likely to be considered as material to the financial statements if that information relates to material transactions, other events or conditions and:

- a) the Company changed its accounting policy during the reporting period and this change resulted in a material change to the information in the financial statements;

- b) the Company chose the accounting policy from options permitted by the standards;
- c) the accounting policy was developed in accordance with IAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors” in the absence of an IFRS that specifically applies;
- d) the accounting policy relates to an area for which the Company is required to make significant judgements or assumptions in applying an accounting policy, and the Company discloses those judgements or assumptions; or
- e) the accounting is complex and users of the financial statements would otherwise not understand those material transactions, other events or conditions.

2) Amendments to IAS 8 “Definition of Accounting Estimates”

The amendments define that accounting estimates are monetary amounts in financial statements that are subject to measurement uncertainty. In applying accounting policies, the Company may be required to measure items at monetary amounts that cannot be observed directly and must instead be estimated. In such a case, the Company uses measurement techniques and inputs to develop accounting estimates to achieve the objective. The effects on an accounting estimate of a change in a measurement technique or a change in an input are changes in accounting estimates unless they result from the correction of prior period errors.

3) Amendments to IAS 12 “Deferred Tax related to Assets and Liabilities arising from a Single Transaction”

The amendments clarify that the initial recognition exemption under IAS 12 does not apply to transactions in which equal taxable and deductible temporary differences arise on initial recognition. The Company will recognize a deferred tax asset (to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized) and a deferred tax liability for all deductible and taxable temporary differences associated with leases and decommissioning obligations on January 1, 2022, and recognize the cumulative effect of initial application in retained earnings at that date. The Company will apply the amendments prospectively to transactions other than leases and decommissioning obligations that occur on or after January 1, 2022.

Except for the above impact, as of the date the financial statements were authorized for issue, the Company is continuously assessing the possible impact of the application of other standards and interpretations on the Company’s financial position and financial performance and will disclose the relevant impact when the assessment is completed.

- c. The IFRSs in issue but not yet endorsed and issued into effect by the FSC

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	To be determined by IASB
Amendments to IFRS 16 “Leases Liability in a Sale and Leaseback”	January 1, 2024 (Note 2)
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 “Initial Application of IFRS 9 and IFRS 17 - 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

Note 1: Unless stated otherwise, the above IFRSs are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: A seller-lessee shall apply the Amendments to IFRS 16 retrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS 16.

1) Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”

The amendments stipulate that, when the Company sells or contributes assets that constitute a business (as defined in IFRS 3) to an associate or joint venture, the gain or loss resulting from the transaction is recognized in full. Also, when the Company loses control of a subsidiary that contains a business but retains significant influence or joint control, the gain or loss resulting from the transaction is recognized in full.

Conversely, when the Company sells or contributes assets that do not constitute a business to an associate or joint venture, the gain or loss resulting from the transaction is recognized only to the extent of the Company’s interest as an unrelated investor in the associate or joint venture, i.e., the Company’s share of the gain or loss is eliminated. Also, when the Company loses control of a subsidiary that does not contain a business but retains significant influence or joint control over an associate or a joint venture, the gain or loss resulting from the transaction is recognized only to the extent of the Company’s interest as an unrelated investor in the associate or joint venture, i.e., the Company’s share of the gain or loss is eliminated.

2) Amendments to IAS 1 “Classification of Liabilities as Current or Non-current” (referred to as the “2020 amendments”) and “Non-current Liabilities with Covenants” (referred to as the “2022 amendments”)

The 2020 amendments clarify that for a liability to be classified as non-current, the Company ability for at least twelve months after the reporting period. If such rights are in existence at the end of the reporting period, the liability is classified as non-current regardless of whether the Company will exercise that right.

The 2020 amendments also stipulate that, if the right to defer settlement is subject to compliance with specified conditions, the Company must comply with those conditions at the end of the reporting period even if the lender does not test compliance until a later date. The 2022 amendments further clarify that only covenants with which an entity is required to comply on or before the reporting date should affect the classification of a liability as current or non-current. Although the covenants to be complied with within twelve months after the reporting period do not affect the classification of a liability, the Company shall disclose information that enables users of financial statements to understand the risk of the Group that may have difficulty complying with the covenants and repay its liabilities within twelve months after the reporting period.

The 2020 amendments stipulate that, for the purpose of liability classification, the aforementioned settlement refers to a transfer of cash, other economic resources or the Company’s own equity instruments to the counterparty that results in the extinguishment of the liability. However, if the terms of a liability that could, at the option of the counterparty, result in its settlement by a transfer of the Company’s own equity instruments, and if such option is recognized separately as equity in accordance with IAS 32 “Financial Instruments: Presentation”, the aforementioned terms would not affect the classification of the liability.

Except for the above impact, as of the date the financial statements were authorized for issue, the Company is continuously assessing the possible impact of the application of other standards and interpretations on the Company’s financial position and financial performance and will disclose the relevant impact when the assessment is completed.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Statement of compliance

The parent company only financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

b. Basis of preparation

The parent company only financial statements have been prepared on the historical cost basis. Except for financial instruments which are measured at fair value and net defined benefit liabilities which are measured at the present value of the defined benefit obligation less the fair value of plan assets.

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

- 1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;
- 2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- 3) Level 3 inputs are unobservable inputs for an asset or liability.

When preparing these parent company only financial statements, the Company used the equity method to account for its investments in subsidiaries and associates. In order for the amounts of the net profit for the year, other comprehensive income for the year and total equity in the parent company only financial statements to be the same with the amounts attributable to the owners of the Company in its consolidated financial statements, adjustments arising from the differences in accounting treatments between the parent company only basis and the consolidated basis were made to investments accounted for using the equity method, the share of profit or loss of subsidiaries and associates, the share of other comprehensive income of subsidiaries and associates and the related equity items, as appropriate, in these parent company only financial statements.

c. Classification of current and non-current assets and liabilities

Current assets include:

- 1) Assets held primarily for the purpose of trading;
- 2) Assets expected to be realized within 12 months after the reporting period; and
- 3) Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

- 1) Liabilities held primarily for the purpose of trading;
- 2) Liabilities due to be settled within 12 months after the reporting period; and
- 3) Liabilities for which the Company does not have an unconditional right to defer settlement for at least 12 months after the reporting period.

Assets and liabilities that are not classified as current are classified as non-current.

d. Business combinations under common control

Business combinations under common control are accounted for applying the book-value method. Comparative information of the prior period in the consolidated financial statements is restated as if the combination had already occurred.

The Company acquired an associate in an organizational restructuring within the Group due to economic substance, which shall be regarded as a combination from the beginning, and the Company restated the financial statements for the prior period. In preparing the comparative balance sheet and the comparative statement of changes in equity, the equity held by the original shareholders of the associate was attributable to “Equity attributable to the former owner of business combination under common control”. In preparing the comparative income statement, the profit or loss recognized by the original shareholders of the associate was attributable to “Former owner of business combination under common control”.

e. Foreign currencies

In preparing the Company’s financial statements, transactions in currencies other than the Company’s functional currency (i.e., foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the period in which they arise except for exchange differences on:

Monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognized initially in other comprehensive income and reclassified from equity to profit or loss on disposal of the net investments.

Non-monetary items measured at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Exchange differences arising from the retranslation of non-monetary items are included in profit or loss for the period except for exchange differences arising from the retranslation of non-monetary items in respect of which gains and losses are recognized directly in other comprehensive income, in which cases, the exchange differences are also recognized directly in other comprehensive income.

Non-monetary item denominated in a foreign currency and measured at historical cost is stated at the reporting currency as originally translated from the foreign currency.

For the purpose of presenting the financial statements, the functional currencies of the Company’s foreign operations (including subsidiaries and associates in other countries that use currencies which are different from the currency of the Company) are translated into the presentation currency, the New Taiwan dollar, as follows: Assets and liabilities are translated at the exchange rates prevailing at the end of the reporting period; and income and expense items are translated at the average exchange rates for the period. The resulting currency translation differences are recognized in other comprehensive income.

On the disposal of a foreign operation (i.e., a disposal of the Company’s entire interest in a foreign operation, or a disposal involving the loss of control over a subsidiary that includes a foreign operation), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

In relation to a partial disposal of a subsidiary that does not result in the Company losing control over the subsidiary, the proportionate share of accumulated exchange differences is re-attributed to the non-controlling interests of the subsidiary and is not recognized in profit or loss. For all other partial disposals, the proportionate share of the accumulated exchange differences recognized in other comprehensive income is reclassified to profit or loss.

Goodwill and fair value adjustments on identifiable assets and liabilities acquired arising from the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognized in other comprehensive income.

f. Inventories

Inventories consist of raw materials, supplies, finished goods and work in progress and are stated at the lower of cost or net realizable value. Inventory write-downs are made by item. The net realizable value is the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale. Inventories are recorded at the weighted-average cost on the balance sheet date.

g. Investments in subsidiaries

The Company uses the equity method to account for its investments in subsidiaries.

A subsidiary is an entity (including a structured entity) that is controlled by the Company.

Under the equity method, an investment in a subsidiary is initially recognized at cost and adjusted thereafter to recognize the Company's share of the profit or loss and other comprehensive income of the subsidiary. The Company also recognizes the changes in the Company's share of equity of subsidiaries attributable to the Company.

Changes in the Company's ownership interest in a subsidiary that do not result in the Company losing control of the subsidiary are accounted for as equity transactions. The Company recognizes directly in equity any difference between the carrying amount of the investment and the fair value of the consideration paid or received.

When the Company's share of loss of a subsidiary exceeds its interest in that subsidiary (which includes any carrying amount of the investment accounted for using the equity method and long-term interests that, in substance, form part of the Company's net investment in the subsidiary), the Company continues recognizing its share of further loss.

Any excess of the cost of acquisition over the Company's share of the net fair value of the identifiable assets and liabilities of a subsidiary at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment and is not amortized. Any excess of the Company's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition is recognized immediately in profit or loss.

The Company assesses its investment for any impairment by comparing the carrying amount with the estimated recoverable amount as assessed based on the investee's financial statements as a whole. Impairment loss is recognized when the carrying amount exceeds the recoverable amount. If the recoverable amount of the investment subsequently increases, the Company recognizes a reversal of the impairment loss; the adjusted post-reversal carrying amount should not exceed the carrying amount that would have been recognized (net of amortization or depreciation) had no impairment loss been recognized in prior years. An impairment loss recognized on goodwill cannot be reversed in a subsequent period.

When the Company loses control of a subsidiary, it recognizes the investment retained in the former subsidiary at its fair value at the date when control is lost. The difference between the fair value of the retained investment plus any consideration received and the carrying amount of the previous investment at the date when control is lost is recognized as a gain or loss in profit or loss. Besides this, the Company accounts for all amounts previously recognized in other comprehensive income in relation to that subsidiary on the same basis as would be required if the Company had directly disposed of the related assets or liabilities.

Profits or losses resulting from downstream transactions are eliminated in full only in the parent company only financial statements. Profits and losses resulting from upstream transactions and transactions between subsidiaries are recognized only in the parent company only financial statements and only to the extent of interests in the subsidiaries that are not related to the Company.

h. Investments in associates

An associate is an entity over which the Company has significant influence and which is neither a subsidiary nor an interest in a joint venture.

The Company uses the equity method to account for its investments in associates.

Under the equity method, investments in an associate is initially recognized at cost and adjusted thereafter to recognize the Company's share of the profit or loss and other comprehensive income of the associate. The Company also recognizes the changes in the Company's share of the equity of associates.

Any excess of the cost of acquisition over the Company's share of the net fair value of the identifiable assets and liabilities of an associate at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment and is not amortized. Any excess of the Company's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition, after reassessment, is recognized immediately in profit or loss.

When the Company subscribes for additional new shares of an associate at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment differs from the amount of the Company's proportionate interest in the associate. The Company records such a difference as an adjustment to investments with the corresponding amount charged or credited to capital surplus - changes in capital surplus from investments in associates accounted for using the equity method. If the Company's ownership interest is reduced due to its additional subscription of the new shares of the associate, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate is reclassified to profit or loss on the same basis as would be required had directly disposed of the related assets or liabilities. When the adjustment should be debited to capital surplus, but the capital surplus recognized from investments accounted for using the equity method is insufficient, the shortage is debited to retained earnings.

When the Company's share of losses of an associate equals or exceeds its interest in that associate (which includes any carrying amount of the investment accounted for using the equity method and long-term interests that, in substance, form part of the Company's net investment in the associate), the Company discontinues recognizing its share of further losses, if any. Additional losses and liabilities are recognized only to the extent that the Company has incurred legal obligations, or constructive obligations, or made payments on behalf of that associate.

The entire carrying amount of an investment (including goodwill) is tested for impairment as a single asset by comparing its recoverable amount with its carrying amount. Any impairment loss recognized is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.

The Company discontinues the use of the equity method from the date on which its investment ceases to be an associate. Any retained investment is measured at fair value at that date, and the fair value is regarded as the investment's fair value on initial recognition as a financial asset. The difference between the previous carrying amount of the associate attributable to the retained interest and its fair value is included in the determination of the gain or loss on disposal of the associate. The Company accounts for all amounts previously recognized in other comprehensive income in relation to that associate on the same basis as would be required had that associate directly disposed of the related assets or liabilities. If an investment in an associate becomes an investment in a joint venture, the Company continues to apply the equity method and does not remeasure the retained interest.

When the Company transacts with its associate, profits and losses resulting from the transactions with the associate is recognized in the Company's financial statements only to the extent of interests in the associate is not related to the Company.

i. Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost less accumulated depreciation and accumulated impairment loss.

Property, plant and equipment in the course of construction are measured at cost less any recognized impairment loss. Cost includes professional fees and borrowing costs eligible for capitalization. Such assets are depreciated and classified to the appropriate categories of property, plant and equipment when completed and ready for their intended use.

Except for freehold land which is not depreciated, the depreciation of property, plant and equipment is recognized using the straight-line method. Each significant part is depreciated separately. The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period, with the effects of any changes in the estimates accounted for on a prospective basis.

On derecognition of an item of property, plant and equipment, the difference between the sales proceeds and the carrying amount of the asset is recognized in profit or loss.

j. Goodwill

Goodwill arising from the acquisition of a business is measured at cost as established at the date of acquisition of the business less accumulated impairment loss.

For the purposes of impairment testing, goodwill is allocated to each of the Company's cash-generating units or groups of cash-generating units (referred to as "cash-generating units") that are expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually or more frequently whenever there is an indication that the unit may be impaired, by comparing its carrying amount, including the attributed goodwill, with its recoverable amount. However, if the goodwill allocated to a cash-generating unit was acquired in a business combination during the current annual period, that unit shall be tested for impairment before the end of the current annual period. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then pro rata to the other assets of the unit based on the carrying amount of each asset in the unit. Any impairment loss is recognized directly in profit or loss. Any impairment loss recognized for goodwill is not reversed in subsequent periods.

If goodwill has been allocated to a cash-generating unit and the Company disposes of an operation within that unit, the goodwill associated with the operation which is disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal and is measured on the basis of the relative values of the operation disposed of and the portion of the cash-generating unit retained.

k. Intangible assets

1) Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment loss. Amortization is recognized on a straight-line basis. The estimated useful lives, residual values, and amortization methods are reviewed at the end of each reporting period, with the effect of any changes in the estimates accounted for on a prospective basis.

2) Derecognition of intangible assets

On derecognition of an intangible asset, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss.

l. Impairment of property, plant and equipment, intangible assets other than goodwill

At the end of each reporting period, the Company reviews the carrying amounts of its property, plant and equipment and intangible assets, excluding goodwill, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Corporate assets are allocated to the individual cash-generating units on a reasonable and consistent basis of allocation.

The recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount, with the resulting impairment loss recognized in profit or loss.

When an impairment loss is subsequently reversed, the carrying amount of the corresponding asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but only to the extent of the carrying amount that would have been determined had no impairment loss been recognized on the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognized in profit or loss.

m. Financial instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issuance of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are included in the initially recognized amount of the financial assets or financial liabilities.

1) Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

a) Measurement categories

Financial assets are classified into the following categories: Financial assets at FVTPL, financial assets at amortized cost and investments in equity instruments at FVTOCI.

i. Financial assets at FVTPL

Financial assets are classified as at FVTPL when such a financial asset is mandatorily classified. Financial assets mandatorily classified as at FVTPL include investments in equity instruments which are not designated as at FVTOCI and debt instruments that do not meet the amortized cost criteria or the FVTOCI criteria.

Financial assets at FVTPL are subsequently measured at fair value, and any dividends, interest earned and remeasurement gains or losses on such financial assets are recognized in profit or loss. Fair value is determined in the manner described in Note 26: Financial instruments.

ii. Financial assets at amortized cost

Financial assets that meet the following conditions are subsequently measured at amortized cost:

- i) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets at amortized cost, including cash and cash equivalents and trade receivables at amortized cost, are measured at amortized cost, which equals the gross carrying amount determined using the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of such a financial asset, except for:

- i) Purchased or originated credit impaired financial assets, for which interest income is calculated by applying the credit-adjusted effective interest rate to the amortized cost of such financial assets; and
- ii) Financial assets that are not credit-impaired on purchase or origination but have subsequently become credit impaired, for which interest income is calculated by applying the effective interest rate to the amortized cost of such financial assets in subsequent reporting periods.

A financial asset is credit impaired when one or more of the following events have occurred:

- i) Significant financial difficulty of the issuer or the borrower;
- ii) Breach of contract, such as a default;

- iii) It is becoming probable that the borrower will enter bankruptcy or undergo a financial reorganization; or
- iv) The disappearance of an active market for that financial asset because of financial difficulties.

Cash equivalents include time deposits with original maturities within 3 months from the date of acquisition, which are highly liquid, readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments.

iii. Investments in equity instruments at FVTOCI

On initial recognition, the Company may make an irrevocable election to designate investments in equity instruments as at FVTOCI. Designation as at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in other equity. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments; instead, it will be transferred to retained earnings.

Dividends on these investments in equity instruments are recognized in profit or loss when the Company's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

b) Impairment of financial assets

The Company recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including trade receivables).

The Company always recognizes lifetime expected credit losses (ECLs) for trade receivables. For all other financial instruments, the Company recognizes lifetime ECLs when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECLs.

Expected credit losses reflect the weighted average of credit losses with the respective risks of default occurring as the weights. Lifetime ECLs represent the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECLs represent the portion of lifetime ECLs that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

For internal credit risk management purposes, the Company determines that the following situations indicate that a financial asset is in default (without taking into account any collateral held by the Company):

- i. Internal or external information shows that the debtor is unlikely to pay its creditors.
- ii. When a financial asset is more than 180 days past due unless the Company has reasonable and corroborative information to support a more lagged default criterion.

The impairment loss of all financial assets is recognized in profit or loss by a reduction in their carrying amounts through a loss allowance account.

c) Derecognition of financial assets

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. On derecognition of an investment in an equity instrument at FVTOCI, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss, and the cumulative gain or loss which had been recognized in other comprehensive income is transferred directly to retained earnings, without recycling through profit or loss.

2) Equity instruments

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

The repurchase of the Company's own equity instruments is recognized in and deducted directly from equity, and its carrying amounts are calculated based on weighted average by share types. No gain or loss is recognized in profit or loss on the purchase, sale, issuance or cancellation of the Company's own equity instruments.

3) Financial liabilities

a) Subsequent measurement

Except the following situations, all financial liabilities are measured at amortized cost using the effective interest method:

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when such financial liabilities are held for trading.

Financial liabilities held for trading are stated at fair value, and any gain or loss arising on remeasurement recognized in profit or loss. The net gain or loss recognized in profit or loss does not incorporate any interest or dividends paid on such financial liability.

Fair value is determined in the manner described in Note 26.

b) Derecognition of financial liabilities

The difference between the carrying amount of a financial liability derecognized and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

4) Convertible bonds

The component parts of compound instruments (i.e., convertible bonds) issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

On initial recognition, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recorded as a liability on an amortized cost basis using the effective interest method until extinguished upon conversion or upon the instrument's maturity date. Any embedded derivative liability is measured at fair value.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognized and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised; in which case, the balance recognized in equity will be transferred to capital surplus - share premiums. When the conversion option remains unexercised at maturity, the balance recognized in equity will be transferred to capital surplus - share premiums.

Transaction costs that relate to the issuance of the convertible notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognized directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component.

5) Derivative financial instruments

The Company enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts, swap contracts and foreign exchange option contracts.

Derivatives are initially recognized at fair value at the date on which the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in profit or loss immediately unless the derivative is designated and effective as a hedging instrument; in which event, the timing of the recognition in profit or loss depends on the nature of the hedging relationship. When the fair value of a derivative financial instrument is positive, the derivative is recognized as a financial asset; when the fair value of a derivative financial instrument is negative, the derivative is recognized as a financial liability.

Derivatives embedded in hybrid contracts that contain financial asset hosts that is within the scope of IFRS 9 are not separated; instead, the classification is determined in accordance with the entire hybrid contract. Derivatives embedded in non-derivative host contracts that are not financial assets that is within the scope of IFRS 9 (e.g., financial liabilities) are treated as separate derivatives when they meet the definition of a derivative; their risks and characteristics are not closely related to those of the host contracts; and the host contracts are not measured at FVTPL.

n. Revenue recognition

The Company identifies contracts with customers, allocates the transaction price to the performance obligations and recognizes revenue when performance obligations are satisfied.

Revenue from the sale of goods comes from sales of passive components and other electronic components. Sales of passive components and other electronic components are recognized as revenue when the goods are shipped because it is the time when the customer has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility for sales to future customers and bears the risks of obsolescence. Trade receivables are recognized concurrently.

The Company does not recognize revenue on materials delivered to subcontractors because this delivery does not involve a transfer of control.

o. Lease

At the inception of a contract, the Company assesses whether the contract is, or contains, a lease.

1) The Company as lessor

Leases are classified as finance leases whenever the terms of a lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Lease payments (less any lease incentives payable) from operating leases are recognized as income on a straight-line basis over the terms of the relevant leases. Initial direct costs incurred in obtaining operating leases are added to the carrying amounts of the underlying assets and recognized as expenses on a straight-line basis over the lease terms.

2) The Company as lessee

The Company recognizes right-of-use assets and lease liabilities for all leases at the commencement date of a lease, except for short-term leases and low-value asset leases accounted for by applying a recognition exemption where lease payments are recognized as expenses on a straight-line basis over the lease terms.

Right-of-use assets are initially measured at cost, which comprises the initial measurement of lease liabilities adjusted for lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs needed to restore the underlying assets, and less any lease incentives received. Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are presented on a separate line in the balance sheets.

Right-of-use assets are depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms. However, if leases transfer ownership of the underlying assets to the Company by the end of the lease terms or if the costs of right-of-use assets reflect that the Company will exercise a purchase option, the Company depreciates the right-of-use assets from the commencement dates to the end of the useful lives of the underlying assets.

Lease liabilities are initially measured at the present value of the lease payments. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the lessee's incremental borrowing rate will be used.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is the Company remeasures the lease liabilities with a corresponding adjustment to the right-of-use-assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. Lease liabilities are presented on a separate line in the balance sheets.

p. Borrowing costs

Borrowing costs directly attributable to an acquisition, construction or production of qualifying assets are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

Other than that which is stated above, all other borrowing costs are recognized in profit or loss in the period in which they are incurred.

q. Employee benefits

1) Short-term employee benefits

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related services.

2) Retirement benefits

Payments to defined contribution retirement benefit plans are recognized as expenses when employees have rendered services entitling them to the contributions.

Defined benefit costs (including service cost, net interest and remeasurement) under defined benefit retirement benefit plans are determined using the projected unit credit method. Service cost (including current service cost and past service cost) and net interest on the net defined benefit liabilities (assets) are recognized as employee benefits expense in the period in which they occur or when the plan amendment or curtailment occurs. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling and the return on plan assets (excluding interest), is recognized in other comprehensive income in the period in which it occurs. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

Net defined benefit liabilities (assets) represent the actual deficit (surplus) in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any refunds from the plans or reductions in future contributions to the plans.

r. Employee share options

Employee share options granted to employees and others providing similar services

The fair value at the grant date of the employee share options is expensed on a straight-line basis over the vesting period, based on the Company's best estimates of the number of shares or options that are expected to ultimately vest, with a corresponding increase in capital surplus - employee share options. It is recognized as an expense in full at the grant date if vested immediately. The grant date of treasury shares transferred to employees is the date on which the employees are informed.

At the end of each reporting period, the Company revises its estimate of the number of employee share options expected to vest. The impact of the revision of the original estimates is recognized in profit or loss such that the cumulative expenses reflect the revised estimate, with a corresponding adjustment to capital surplus - employee share options.

s. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

1) Current tax

According to the Income Tax Act, an additional tax of unappropriated earnings is provided for as income tax in the year the shareholders approve to retain earnings.

Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax provision.

2) Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences, unused loss carryforwards and unused tax credits for purchases of machinery, equipment and technology, research and development expenditures, and personnel training expenditures to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are recognized only to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered. A previously unrecognized deferred tax asset is also reviewed at the end of each reporting period and recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liabilities are settled or the assets are realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3) Current and deferred taxes

Current and deferred taxes are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity; in which case, the current and deferred taxes are also recognized in other comprehensive income or directly in equity, respectively.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

The Company considers the possible impact of the recent development of the COVID-19 and the economic environment implications of the military conflict between Russia and Ukraine and related international sanctions when making its critical accounting estimates on cash flows, growth rates, discount rates, profitabilities, etc. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revisions affect only that period or in the period of the revisions and future periods if the revisions affect both current and future periods.

Critical Accounting Judgments

Significant influence over associates

The Company has significant influence over an investee even though the Company holds less than 20% of the voting rights of the investee

As stated in Note 12, several companies are associates of the Company although the Company holds less than 20% of the voting rights of each of these companies. The Company has significant influence over these companies by virtue of the right to appoint and remove directors from the board of directors of these companies.

Key Sources of Estimation Uncertainty

a. Impairment of property, plant and equipment

The impairment of equipment in relation to the production of passive components was based on the recoverable amounts of the assets, which is the higher of its fair value less costs of disposal and its value in use. Any changes in the market prices, future cash flows or discount rates will affect the recoverable amount of the equipment and may lead to the recognition of additional impairment losses or the reversal of impairment losses.

b. Impairment of investments in subsidiaries

The Company immediately recognizes impairment losses on its net investment in a subsidiary when there is an indication that the investment may be impaired and the carrying amount may not be recoverable. The Company's management evaluates the impairment based on the estimated future cash flows expected to be generated by the associate, including assumptions on the growth rate of sales and the capacity of the production facilities as estimated by the associate's management. The Company also takes into consideration market conditions and industry development when evaluating the appropriateness of the relevant assumptions. Any changes in the market conditions, industry development and future cash flows will affect the recoverable amount of the investments and may lead to the recognition of additional impairment losses or the reversal of impairment losses.

6. CASH AND CASH EQUIVALENTS

	December 31	
	2022	2021
Cash on hand	\$ 205	\$ 205
Checking accounts and demand deposits	7,534,230	8,138,726
Cash equivalents (investments with original maturities of less than 3 months)		
Time deposits	-	11,846
	<u>\$ 7,534,435</u>	<u>\$ 8,150,777</u>

The market rate intervals of cash in the bank at the end of the year were as follows:

	December 31	
	2022	2021
Bank deposits	-	0.11%

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	December 31	
	2022	2021
<u>Financial assets at fair value through profit or loss (FVTPL) - current</u>		
Financial assets mandatorily classified as at FVTPL		
Derivative financial assets (not under hedge accounting)		
Foreign exchange forward contracts (a)	\$ 418,110	\$ 92,778
Swap contracts (b)	65,673	-
Cross-currency swap contracts (c)	80,856	-
Hybrid financial assets		
Structured deposits (d)	-	312,963
	<u>\$ 564,639</u>	<u>\$ 405,741</u>
<u>Financial assets at FVTPL - non-current</u>		
Financial assets mandatorily classified as at FVTPL		
Derivative financial assets (not under hedge accounting)		
Foreign exchange forward contracts (a)	\$ -	\$ 319
Swap contracts (b)	43,041	-
Non-derivative financial assets		
Domestic unlisted shares	482	482
Hybrid financial assets		
Credit-linked and interest-linked structured notes (e)	130,442	-
	<u>\$ 173,965</u>	<u>\$ 801</u>
<u>Financial liabilities at FVTPL - current</u>		
Financial liabilities mandatorily classified as at FVTPL		
Derivative financial liabilities (not under hedge accounting)		
Foreign exchange forward contracts (a)	\$ 160,694	\$ 23,884
Cross-currency swap contracts (c)	-	14,615
Convertible options (Note 16)	32,322	2,693
	<u>\$ 193,016</u>	<u>\$ 41,192</u>
<u>Financial liabilities at FVTPL - non-current</u>		
Financial liabilities mandatorily classified as at FVTPL		
Derivative financial liabilities (not under hedge accounting)		
Foreign exchange forward contracts (a)	\$ -	\$ 13

- a. At the end of the year, outstanding foreign exchange forward contracts not under hedge accounting were as follows:

	Currency	Maturity Date	Notional Amount (In Thousands)
<u>December 31, 2022</u>			
Buy	USD/NTD	2023.01.03-2023.11.17	USD200,000/NTD5,689,438
Buy	USD/RMB	2023.01.04-2023.04.06	USD74,971/RMB518,805
Buy	EUR/NTD	2023.04.06-2023.07.03	EUR40,000/NTD1,261,756
Sell	USD/NTD	2023.01.03-2023.06.21	USD90,000/NTD2,576,834
<u>December 31, 2021</u>			
Buy	USD/NTD	2022.01.28-2023.01.04	USD340,800/NTD9,263,512
Buy	USD/THB	2022.01.18	USD8,006/THB267,184
Sell	USD/RMB	2022.01.10-2023.01.04	USD124,793/RMB808,268
Sell	USD/HKD	2022.01.10	USD10,922/HKD85,000
Sell	USD/JPY	2022.01.11-2022.02.25	USD60,148/JPY6,871,431
Sell	USD/THB	2022.01.18	USD8,000/THB267,184

The Company entered into foreign exchange forward contracts to manage exposures to exchange rate fluctuations of foreign currency denominated assets and liabilities.

- b. At the end of the reporting period, outstanding swap contracts not under hedge accounting were as follows:

	Currency	Maturity Date	Notional Amount (In Thousands)
<u>December 31, 2022</u>			
Buy	RMB/NTD	2023.01.04-2023.02.23	RMB224,000/NTD983,409
Buy	USD/NTD	2023.06.16-2024.03.29	USD50,000/NTD1,416,560
Buy	EUR/NTD	2023.03.31-2023.09.06	EUR18,000/NTD560,412

The Company entered into swap contracts to manage exposures to exchange rate fluctuations of foreign currency denominated assets and liabilities.

- c. At the end of the reporting period, outstanding cross-currency swap contracts not under hedge accounting were as follows:

Notional Amount (In Thousands)	Maturity Date	Range of Interest Rates Paid	Range of Interest Rates Received
<u>December 31, 2022</u>			
US\$ 20,000	2023.03.07	0.60%	SOFR+0.55%
US\$ 40,000	2023.08.18	1.32%	SOFR+0.60%
<u>December 31, 2021</u>			
US\$ 40,000	2022.04.28	0.69%	3M Libor+0.55%
US\$ 30,000	2022.10.28	0.58%	1M Libor+0.40%

The Company entered into cross-currency swap contracts to manage exposures to exchange rate and interest rate fluctuations of foreign currency denominated assets and liabilities.

d. Structured deposits

The Company entered into a dual currency structured time deposit contract with a bank. The structured time deposit contract includes a dual currency structured time deposit contract. The currency of the principal redeemed on such date will be determined based on the foreign exchange rate. The entire contract was assessed and classified mandatorily as at FVTPL since it contained a host that is an asset within the scope of IFRS 9.

e. Credit-linked and interest-linked structured notes

The Company entered into a structured notes contract with a bank. The structured notes contract includes an embedded derivative instrument which is not closely related to the host contract. The entire contract was assessed and classified mandatorily as at FVTPL since it contained a host that is an asset within the scope of IFRS 9.

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	December 31	
	2022	2021
<u>Non-current</u>		
Investments in equity instruments at fair value through other comprehensive income (FVTOCI)	<u>\$ 461,741</u>	<u>\$ 447,604</u>
<u>Investments in equity instruments at FVTOCI</u>		
	December 31	
	2022	2021
<u>Non-current</u>		
Domestic investments		
Listed shares and emerging market shares	<u>\$ 461,741</u>	<u>\$ 447,604</u>

These investments in equity instruments are held for medium- to long-term strategic purposes and expected to profit through long-term investments. Accordingly, the management elected to designate these investments in equity instruments as at FVTOCI as they believe that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Company's strategy of holding these investments for long-term purposes.

9. FINANCIAL ASSETS AT AMORTIZED COST

	December 31	
	2022	2021
<u>Current</u>		
Domestic investments		
Time deposits with original maturities of more than 3 months (a)	\$ 1,535,400	\$ 1,601,690
Corporate bonds (b)	-	215,115
	<u>\$ 1,535,400</u>	<u>\$ 1,816,805</u>

Non-current

Foreign investments		
Corporate bonds (b)	<u>\$ 2,351,862</u>	<u>\$ 1,466,369</u>

- a. The ranges of interest rates for time deposits were approximately 2.10%-4.06% and 1.50%-3.08% per annum as of December 31, 2022 and 2021, respectively.
- b. At the end of the year, corporate bonds bought by the Company were as follows:

December 31, 2022

Non-current

Period	Purchase Amount (In Thousands)	Coupon Rate	Rate of Effective Interest
June 2021	US\$ 3,000	2.88%	1.90%
February to May 2021	RMB 16,200	3.05%-3.24%	3.05%-3.24%
April to November 2022	US\$ 54,000	0.75%-3.10%	2.90%-7.39%

December 31, 2021

Current

Period	Purchase Amount (In Thousands)	Coupon Rate	Rate of Effective Interest
July 2021	RMB 50,000	-	2.85%

Non-current

Period	Purchase Amount (In Thousands)	Coupon Rate	Rate of Effective Interest
August 2017	US\$ 8,000	3.25%-3.88%	2.93%-3.54%
October 2020	EUR 8,000	6.13%	2.51%
January to June 2021	US\$ 10,200	2.88%-3.50%	1.90%-2.70%
February to May 2021	RMB 162,000	3.05%-3.24%	3.05%-3.24%

The Company invests only in debt instruments that are rated the equivalent of investment grade or higher and have low credit risk for the purpose of impairment assessment. The credit rating information is supplied by independent rating agencies. The Company's exposure and the external credit ratings are continuously monitored. The Company reviews changes in bond yields and other publicly available information and makes an assessment whether there has been a significant increase in credit risk since the last period to the reporting date.

10. TRADE RECEIVABLES

	December 31	
	2022	2021
<u>Trade receivables</u>		
At amortized cost		
Gross carrying amount	\$ 504,514	\$ 939,162
Less: Allowance for impairment loss	<u>(780)</u>	<u>(3,758)</u>
	<u>\$ 503,734</u>	<u>\$ 935,404</u>

Trade Receivables

The average credit period of sales of goods was 30-90 days. No interest was charged on trade receivables. The Company adopted a policy of dealing with major customers that the Company could use other publicly available financial information or its own trading records to rate and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the risk management committee annually.

In order to minimize credit risk, the management of the Company has delegated a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Company reviews the recoverable amount of each individual trade debt at the end of the year to ensure that adequate allowance is made for possible irrecoverable amounts. In this regard, the management believes the Company's credit risk was significantly reduced.

The Company measures the loss allowance for trade receivables at an amount equal to lifetime ECLs. The expected credit losses on trade receivables are estimated using an overdue aging ratio and individual customer evaluation method by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of economic conditions at the reporting date. As the Company's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished according to the Company's different customer base.

The Company writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. For trade receivables that have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

The aging of trade receivables was as follows:

	December 31	
	2022	2021
Current term	\$ 448,822	\$ 796,996
Past due		
1-60 days	54,319	117,562
61-90 days	1,373	21,816
91-180 days	<u>-</u>	<u>2,788</u>
	<u>\$ 504,514</u>	<u>\$ 939,162</u>

The above aging schedule was based on the past due days from end of credit term.

The movements of the loss allowance of trade receivables were as follows:

	For the Year Ended December 31	
	2022	2021
Balance at January 1	\$ 3,758	\$ 70
Add: Net remeasurement of loss allowance	-	3,688
Less: Net remeasurement of loss allowance	<u>(2,978)</u>	<u>-</u>
Balance at December 31	<u>\$ 780</u>	<u>\$ 3,758</u>

11. INVENTORIES

	December 31	
	2022	2021
Finished goods and merchandise	\$ 4,474,838	\$ 2,690,872
Work in progress	313,931	401,408
Raw materials	836,194	972,061
Supplies	<u>125,994</u>	<u>32,396</u>
	<u>\$ 5,750,957</u>	<u>\$ 4,096,737</u>

The nature of the cost of goods sold is as follows:

	For the Year Ended December 31	
	2022	2021
Cost of inventories sold	\$ 22,179,459	\$ 30,000,116
Inventory write-downs (reversed)	<u>33,720</u>	<u>(28,164)</u>
	<u>\$ 22,213,179</u>	<u>\$ 29,971,952</u>

12. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	December 31	
	2022	2021
Investments in subsidiaries	\$ 205,879,901	\$ 149,428,422
Investments in associates	<u>2,213,465</u>	<u>945,880</u>
	<u>\$ 208,093,366</u>	<u>\$ 150,374,302</u>

a. Investments in subsidiaries

	December 31	
	2022	2021
Yageo Holding Hungary LLC	\$ 75,455,190	\$ 56,380,415
Yageo Holding (Bermuda) Ltd. (3)	59,782,262	54,512,486
Pulse Electronics Corporation	33,363,203	26,606,194
Chilisin Electronics Corp. (2)	27,359,975	3,619,326
Yageo Europe Holding B.V.	4,239,558	2,834,885
Brightking Holdings Ltd.	3,199,289	3,176,316
Yageo USA (H.K.) Limited (3)	978,246	955,561
Yageo Corporation (South Asia) Pte. Ltd.	883,244	644,901
Ko-Shin Investment Limited	615,632	563,417
Yageo South Asia (M) Sdn. Bhd.	3,302	1,848
XSemi Corporation (1)	<u>-</u>	<u>133,073</u>
	<u>\$ 205,879,901</u>	<u>\$ 149,428,422</u>

	Proportion of Ownership and Voting Rights	
	December 31	
Name of Subsidiary	2022	2021
Yageo Holding Hungary LLC	100.00%	100.00%
Yageo Holding (Bermuda) Ltd. (3)	100.00%	100.00%
Pulse Electronics Corporation	100.00%	100.00%
Chilisin Electronics Corp. (2)	100.00%	100.00%
Yageo Europe Holding B.V.	100.00%	100.00%
Brightking Holdings Ltd.	100.00%	100.00%
Yageo USA (H.K.) Limited (3)	100.00%	100.00%
Yageo Corporation (South Asia) Pte. Ltd.	100.00%	100.00%
Ko-Shin Investment Limited	100.00%	100.00%
Yageo South Asia (M) Sdn. Bhd.	100.00%	100.00%
XSemi Corporation (1)	35.00%	46.67%

- 1) Although the Company's interest in XSemi Corporation was less than 50%, but the Company and its subsidiary owned over 50% of XSemi Corporation's interest; hence, the Company has control over XSemi Corporation. In June 2022, the Company and its subsidiary subscribed for additional new shares of XSemi Corporation at a percentage different from its existing ownership percentage, and reduced its continuing interest from 55% to 44%; thus, control of XSemi Corporation passed to the acquirer. For the details, refer to Note 29 to the Company's consolidated financial statements for the year ended December 31, 2022.

- 2) In January 2022, the Company acquired 100% interest in Chilisin Electronics Corp. in a share exchange agreement where 47,779 thousand ordinary shares were issued; the transaction is under common control. For the details, refer to Note 28 to the Company's consolidated financial statements for the year ended December 31, 2022.

The impact of retrospective adjustment on related items of balance sheets is set out below:

	December 31, 2021
Investments accounted for using the equity method	<u>\$ 223,991</u>
Interests attributable to the predecessor under common control	<u>\$ 223,991</u>

The impact of retrospective adjustment on related items of statements of comprehensive income is set out below:

	For the Year Ended December 31, 2021
Share of profit or loss of subsidiaries and associates accounted for using the equity method	<u>\$ (59,433)</u>
Share of the other comprehensive loss of subsidiaries and associates accounted for using the equity method	<u>\$ (13,816)</u>

- 3) The Group carried out an organizational restructuring in November 2022. Yageo USA (H.K.) Limited, originally a 100%-owned subsidiary of Yageo Holding (Bermuda) Ltd., was changed to the Company; Ko-E Holding (Cayman), originally a 97.15%-owned subsidiary of Yageo Holding (Bermuda) Ltd., was changed to Yageo Electronics Holding (S) Pte. Ltd. The aforementioned transaction was an organizational restructuring under common control; hence, the book-value method is applied in the transaction and the comparative information of the prior period in the financial statements is restated as if the acquisition had already occurred. Since the entities involved in the restructuring are all subsidiaries in the consolidated statements, there is no impact on the relevant financial statements.
- 4) The investments in subsidiaries accounted for using the equity method and the share of profit or loss and other comprehensive income of those investments for the years ended December 31, 2022 and 2021 were based on the subsidiaries' financial statements which have been audited for the same years.

b. Investments in associates

	December 31	
	2022	2021
Associates that are not individually material		
XSemi Corporation	\$ 1,153,781	\$ -
Kaimei Electronics Corp.	627,881	587,802
Global Testing Corporation Limited (GTCL)	321,241	249,050
Strong Components Co., Ltd.	<u>110,562</u>	<u>109,028</u>
	<u>\$ 2,213,465</u>	<u>\$ 945,880</u>

Aggregate information of associates that are not individually material

	For the Year Ended December 31	
	2022	2021
The Company's share of:		
Net profit for the year	\$ 91,124	\$ 135,138
Other comprehensive income (loss)	<u>57,490</u>	<u>(27,122)</u>
Total comprehensive income for the year	<u>\$ 148,614</u>	<u>\$ 108,016</u>

Investments in Kaimei Electronic Corp. was accounted for by the equity method since the Company had significant influence over it.

Except for GTCL, the investments were accounted for using the equity method and the share of profit or loss and other comprehensive income of those investments for the year ended December 31, 2022 was based on the financial statements which have been audited for the same years.

The investments were accounted for using the equity method and the share of profit or loss and other comprehensive income of those investments for the year ended December 31, 2021 was based on the financial statements which have been audited for the same years.

13. PROPERTY, PLANT AND EQUIPMENT

	December 31	
	2022	2021
Assets used by the Company	\$ 14,175,039	\$ 9,160,679
Assets leased under operating leases	<u>68,398</u>	<u>68,206</u>
	<u>\$ 14,243,437</u>	<u>\$ 9,228,885</u>

a. Assets used by the Company

	Freehold Land	Buildings	Machinery Equipment	Other Equipment	Construction in Progress and Unaccepted Equipment	Total
<u>Cost</u>						
Balance at January 1, 2022	\$ 1,543,597	\$ 5,498,390	\$ 17,993,110	\$ 1,292,811	\$ 1,193,238	\$ 27,521,146
Additions	-	1,316	1,985	3,114	6,234,962	6,241,377
Disposals	-	(9,422)	(566,382)	(10,410)	-	(586,214)
Transfers to assets leased under operating leases	(684)	(707)	-	-	-	(1,391)
Reclassifications	<u>-</u>	<u>392,581</u>	<u>1,137,700</u>	<u>158,427</u>	<u>(1,688,834)</u>	<u>(126)</u>
Balance at December 31, 2022	<u>\$ 1,542,913</u>	<u>\$ 5,882,158</u>	<u>\$ 18,566,413</u>	<u>\$ 1,443,942</u>	<u>\$ 5,739,366</u>	<u>\$ 33,174,792</u>
<u>Accumulated depreciation and impairment</u>						
Balance at January 1, 2022	\$ 3,808	\$ 3,515,067	\$ 13,808,198	\$ 1,033,394	\$ -	\$ 18,360,467
Disposals	-	(9,345)	(566,371)	(10,430)	-	(586,146)
Depreciation expense	-	257,921	868,285	99,661	-	1,225,867
Transfers to assets leased under operating leases	<u>-</u>	<u>(435)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(435)</u>
Balance at December 31, 2022	<u>\$ 3,808</u>	<u>\$ 3,763,208</u>	<u>\$ 14,110,112</u>	<u>\$ 1,122,625</u>	<u>\$ -</u>	<u>\$ 18,999,753</u>
Carrying amount at December 31, 2022	<u>\$ 1,539,105</u>	<u>\$ 2,118,950</u>	<u>\$ 4,456,301</u>	<u>\$ 321,317</u>	<u>\$ 5,739,366</u>	<u>\$ 14,175,039</u>

(Continued)

	Freehold Land	Buildings	Machinery Equipment	Other Equipment	Construction in Progress and Unaccepted Equipment	Total
<u>Cost</u>						
Balance at January 1, 2021	\$ 1,547,766	\$ 5,266,175	\$ 17,289,998	\$ 1,244,628	\$ 803,321	\$ 26,151,888
Additions	-	2,142	6,078	7,493	1,904,469	1,920,182
Disposals	-	(31,281)	(455,159)	(56,083)	-	(542,523)
Transfers to assets leased under operating leases	(4,169)	(4,232)	-	-	-	(8,401)
Reclassifications	-	265,586	1,152,193	96,773	(1,514,552)	-
Balance at December 31, 2021	<u>\$ 1,543,597</u>	<u>\$ 5,498,390</u>	<u>\$ 17,993,110</u>	<u>\$ 1,292,811</u>	<u>\$ 1,193,238</u>	<u>\$ 27,521,146</u>
<u>Accumulated depreciation and impairment</u>						
Balance at January 1, 2021	\$ 3,808	\$ 3,299,832	\$ 13,448,387	\$ 998,952	\$ -	\$ 17,750,979
Disposals	-	(31,274)	(409,044)	(52,309)	-	(492,627)
Depreciation expense	-	248,111	768,855	86,751	-	1,103,717
Transfers to assets leased under operating leases	-	(1,602)	-	-	-	(1,602)
Balance at December 31, 2021	<u>\$ 3,808</u>	<u>\$ 3,515,067</u>	<u>\$ 13,808,198</u>	<u>\$ 1,033,394</u>	<u>\$ -</u>	<u>\$ 18,360,467</u>
Carrying amount at December 31, 2021	<u>\$ 1,539,789</u>	<u>\$ 1,983,323</u>	<u>\$ 4,184,912</u>	<u>\$ 259,417</u>	<u>\$ 1,193,238</u>	<u>\$ 9,160,679</u>

(Concluded)

The above items of property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives as follows:

Buildings

Main buildings	50-56 years
Engineering system	40-56 years
Others	1-20 years
Machinery equipment	1-20 years
Other equipment	1-20 years

Property, plant and equipment used by the Company and pledged as collateral for bank borrowings were set out in Note 28.

b. Assets leased under operating leases

	Land	Buildings	Total
<u>Cost</u>			
Balance at January 1, 2022	\$ 42,955	\$ 43,750	\$ 86,705
Transfers from assets used by the Company	<u>684</u>	<u>707</u>	<u>1,391</u>
Balance at December 31, 2022	<u>\$ 43,639</u>	<u>\$ 44,457</u>	<u>\$ 88,096</u>
<u>Accumulated depreciation</u>			
Balance at January 1, 2022	\$ -	\$ 18,499	\$ 18,499
Depreciation expense	-	764	764
Transfers from assets used by the Company	-	<u>435</u>	<u>435</u>
Balance at December 31, 2022	<u>\$ -</u>	<u>\$ 19,698</u>	<u>\$ 19,698</u>
Carrying amount at December 31, 2022	<u>\$ 43,639</u>	<u>\$ 24,759</u>	<u>\$ 68,398</u>

(Continued)

	Land	Buildings	Total
<u>Cost</u>			
Balance at January 1, 2021	\$ 38,786	\$ 39,518	\$ 78,304
Transfers from assets used by the Company	<u>4,169</u>	<u>4,232</u>	<u>8,401</u>
Balance at December 31, 2021	<u>\$ 42,955</u>	<u>\$ 43,750</u>	<u>\$ 86,705</u>
<u>Accumulated depreciation</u>			
Balance at January 1, 2021	\$ -	\$ 16,177	\$ 16,177
Depreciation expense	-	720	720
Transfers from assets used by the Company	<u>-</u>	<u>1,602</u>	<u>1,602</u>
Balance at December 31, 2021	<u>\$ -</u>	<u>\$ 18,499</u>	<u>\$ 18,499</u>
Carrying amount at December 31, 2021	<u>\$ 42,955</u>	<u>\$ 25,251</u>	<u>\$ 68,206</u>
			(Concluded)

Operating leases relate to lease of the property owned by the Company with lease terms between 3 and 5 years. All operating lease contracts contain market review clauses in the event that the lessees exercise their options to extend. The lessees do not have bargain purchase options to acquire the assets at the expiry of the lease periods.

The maturity analysis of lease payments receivable under operating lease payments was as follows:

	December 31	
	2022	2021
Not later than 1 year	\$ 12,806	\$ 11,120
Later than 1 year and not later than 5 years	<u>12,006</u>	<u>10,323</u>
	<u>\$ 24,812</u>	<u>\$ 21,443</u>

The above items of property, plant and equipment leased under operating leases are depreciated on a straight-line basis over their estimated useful lives as follows:

Buildings	
Main buildings	50-56 years

Property, plant and equipment leased under operating leases and pledged as collateral for bank borrowings were set out in Note 28.

14. GOODWILL

	For the Year Ended December 31	
	2022	2021
<u>Cost</u>		
Balance at January 1 and December 31	<u>\$ 109,643</u>	<u>\$ 109,643</u>

The recoverable amount of the cash-generating unit was determined based on a value in use calculation. The Company's management estimated the recoverable amounts of core assets at their expected useful lives and thus based the cash flow forecast with the following discount rates as of December 31, 2022 and 2021: 14.94% and 11.50%, respectively. The operating revenue forecast was based on the expected future growth rate of the passive product industry along with the projected advancement of the Company's own business. The Company's management believed that any reasonable changes in the principal assumptions would not result in the carrying values exceeding the recoverable amounts. As of December 31, 2022 and 2021, there was no indication of impairment loss based on the principal assumptions.

15. BORROWINGS

a. Short-term borrowings

	December 31	
	2022	2021
<u>Unsecured borrowings</u>		
Line of credit borrowings	<u>\$ 9,872,320</u>	<u>\$ 20,863,300</u>

The effective interest rates for bank loans were 1.10%-4.93% and 0.50%-0.77% per annum at December 31, 2022 and 2021, respectively.

b. Short-term bills payable

	For the Year Ended December 31	
	2022	2021
Commercial paper	\$ 28,150,000	\$ 20,000,000
Less: Unamortized discount on bills payable	<u>(74,033)</u>	<u>(21,845)</u>
	<u>\$ 28,075,967</u>	<u>\$ 19,978,155</u>

Outstanding short-term bills payable were as follows:

December 31, 2022

Promissory Institutions	Nominal Amount	Discount Amount	Carrying Amount	Interest Rate	Collateral	Carrying Amount of Collateral
<u>Commercial paper</u>						
IBFC Bills	\$ 8,750,000	\$ 17,497	\$ 8,732,503	1.598%-1.698%	-	\$ -
CTBF Bills	7,450,000	14,190	7,435,810	1.598%-1.708%	-	-
Yuanta Bills	3,950,000	16,111	3,933,889	1.688%	-	-
Grand Bills	3,000,000	8,009	2,991,991	1.598%-1.698%	-	-
SinoPac Bills	2,900,000	10,406	2,889,594	1.458%-1.698%	-	-
CBF Bills	1,900,000	7,741	1,892,259	1.678%-1.698%	-	-
Taching Bills	<u>200,000</u>	<u>79</u>	<u>199,921</u>	1.598%	-	<u>-</u>
	<u>\$ 28,150,000</u>	<u>\$ 74,033</u>	<u>\$ 28,075,967</u>			<u>\$ -</u>

December 31, 2021

Promissory Institution	Nominal Amount	Discount Amount	Carrying Amount	Interest Rate	Collateral	Carrying Amount of Collateral
<u>Commercial paper</u>						
IBFC Bills	\$ 4,800,000	\$ 8,324	\$ 4,791,676	0.358%-0.588%	-	\$ -
TFC Bills	2,700,000	1,467	2,698,533	0.358%-0.578%	-	-
CBF Bills	2,000,000	1,105	1,998,895	0.388%-0.518%	-	-
Grand Bills	2,000,000	1,199	1,998,801	0.398%-0.568%	-	-
SinoPac Bills	1,900,000	3,022	1,896,978	0.358%-0.588%	-	-
TSB Bills	1,600,000	1,169	1,598,831	0.398%	-	-
Taching Bills	1,500,000	961	1,499,039	0.398%-0.548%	-	-
Mega Bills	1,500,000	2,483	1,497,517	0.398%	-	-
Yuanta Bills	1,400,000	927	1,399,073	0.398%-0.548%	-	-
KGI Bills	600,000	1,188	598,812	0.578%	-	-
	<u>\$ 20,000,000</u>	<u>\$ 21,845</u>	<u>\$ 19,978,155</u>			<u>\$ -</u>

c. Long-term borrowings

	<u>December 31</u>	
	<u>2022</u>	<u>2021</u>
<u>Unsecured borrowings</u>		
Line of credit borrowings	\$ 30,441,592	\$ 20,161,908
Less: Current portions	<u>(2,510,349)</u>	<u>-</u>
	<u>\$ 27,931,243</u>	<u>\$ 20,161,908</u>

The effective interest rate of long-term bank loans was -0.8000%-2.9709% and -0.8000%-1.0000% per annum at December 31, 2022 and 2021, respectively.

Creditor	Credit Lines	Credit Period	Interest Rate	Repayment Agreement
TFC Bank Co., Ltd. (1)	\$ 3,000,000	Five years after the date of first borrowing	Variable interest rate based on the two-year fixed deposit of Chunghwa Post Co., Ltd. and the actual receipt must not be less than 1%	Three-year grace period. Monthly installments after expiration of grace period
CTBC Bank Co., Ltd.	5,000,000	Machinery equipment: Ten years after the date of first borrowing Revolving fund: Seven years after the date of first borrowing	Variable interest rate based on the two-year fixed deposit of Chunghwa Post Co., Ltd. and the actual receipt must not be less than 1%	Three-year grace period. Monthly installments after expiration of grace period
Mega International Commercial Bank	4,000,000	Machinery equipment: Seven years after the date of first borrowing Factory building: Ten years after the date of first borrowing	Variable interest rate based on the two-year fixed deposit of Chunghwa Post Co., Ltd. and the actual receipt must not be less than 0.8%	Three-year grace period. Monthly installments after expiration of grace period
Chang Hwa Commercial Bank, Ltd.	560,000	Seven years after the date of first borrowing	Variable interest rate based on the two-year fixed deposit of Chunghwa Post Co., Ltd. and the actual receipt must not be less than 1%	Three-year grace period. Monthly installments after expiration of grace period
Chang Hwa Commercial Bank, Ltd.	2,000,000	Seven years after the date of first borrowing	Variable interest rate based on the two-year fixed deposit of Chunghwa Post Co., Ltd. and the actual receipt must not be less than 1.5%	Three-year grace period. Monthly installments after expiration of grace period

(Continued)

Creditor	Credit Lines	Credit Period	Interest Rate	Repayment Agreement
Bank of Taiwan and twenty one other financial institutions (3)	A: \$41,000,000	Five years after the date of first borrowing	A-1: Fixed rate based on a specific average rate of notes transacted in Taiwan A-2: TAIBIR 02 as benchmark interest rate	Sixty months after the date of first borrowing
	A-1: Mid-term demand loan \$25,600,000			
	A-2: Commercial paper guarantee \$20,500,000 The total credit lines of A-1 and A-2 do not exceed \$41,000,000			
	B: \$7,500,000	Three years after the date of first borrowing	Fixed rate based on a specific average rate of notes transacted in Taiwan	Repay every six months from 1 year after the date of first borrowing
Bank of Communications Co., Ltd.	2,000,000	2022.03.29-2024.03.29	Based on bank	Repay at maturity
Bank SinoPac Co., Ltd.	2,500,000	2021.07.23-2024.08.31	Based on bank	Repay at maturity
MUFG Bank, Ltd. Hong Kong Branch	US\$ 30,000	Two years from the date of first borrowing	Based on bank	Two years from the date of first borrowing
DBS Bank, Ltd.	US\$ 100,000	Two or three years from the date of first borrowing	Based on bank	Two or three years from the date of first borrowing
MUFG Bank, Ltd. (2)	3,500,000	Three years from the date of first borrowing	Fixed rate of 0.89% for the first year, and 0.90% for the second and third year	Three years from the date of first borrowing
MUFG Bank, Ltd.	US\$ 60,000	2021.10.05-2024.05.31	Based on bank	Repay at maturity
DBS Bank (Taiwan) Ltd.	1,000,000	2021.06.25-2024.06.25	Based on bank	Repay at maturity
DBS BANK LTD, Taipei Branch	1,000,000	2021.06.25-2024.06.25	Based on bank	Repay at maturity
Sumitomo Mitsui Banking Corporation	3,800,000	2021.10.12-2024.06.30	Based on bank	Repay at maturity
HSBC BANK LTD, Taipei Branch	US\$ 20,000	2021.07.15-2024.08.30	Based on bank	Repay at maturity
TFC Bank Co., Ltd.	US\$ 40,000	Three years from the date of first borrowing	Based on bank	Repay at maturity
Bank of Taiwan	3,000,000	2021.12.03-2024.10.20	Based on bank	Repay at maturity
Standard Chartered Bank (Hong Kong) Limited	US\$ 60,000	Two or three years from the date of first borrowing	Based on bank	Two or three years from the date of first borrowing
MIZUHO Bank, Ltd, Taipei Branch	US\$ 100,000	2022.12.30-2024.12.30	Based on bank	Repay at maturity
First Commercial Bank Co., Ltd.	1,000,000	2022.03.30-2024.04.30	Based on bank	Repay at maturity

(Concluded)

- 1) The Company will have to maintain its interim and annual current ratios, debt ratios, and interest coverage ratios at percentages specifies in the agreement.
- 2) The Company will have to maintain its annual debt ratios and interest coverage ratios at percentages specifies in the agreement.
- 3) The Company pledged the freehold land, office buildings and machinery equipment of the factory located in the administrative office in Xindian, New Taipei City, the Nan-Zi Branch, the Da-fa industrial estate and a capacitor-line factory in a village in Dashe, Kaohsiung City as collateral for the loans. The Company will have to maintain its interim and annual debt ratios and interest coverage ratios at percentages specified in the agreement.

16. BONDS PAYABLE

	December 31	
	2022	2021
Unsecured overseas convertible bonds (a)	\$ 5,387,040	\$ 5,387,040
Less: Discounts on bonds payable	<u>(156,317)</u>	<u>(219,665)</u>
	5,230,723	5,167,375
Unsecured domestic bonds (b)	14,500,000	10,000,000
Less: Discounts on bonds payable	<u>(13,699)</u>	<u>(12,013)</u>
	14,486,301	9,987,987
Less: Current portions	<u>(5,230,723)</u>	<u>-</u>
	<u>\$ 14,486,301</u>	<u>\$ 15,155,362</u>

a. Overseas convertible bonds

On March 2, 2020, the Corporation's board of directors resolved to issue overseas unsecured convertible bonds for the fifth time. This proposal was approved and became effective under the letter issued by the FSC dated March 26, 2020 (Financial-Supervisory-Securities-Corporate Issue No. 10903342431). The bonds with a duration of 5 years were listed on the Singapore Stock Exchange on May 26, 2020. This zero-coupon overseas convertible bonds have a face value of US\$180,000 thousand.

Bondholders may request the Company to convert the bonds into the Company's ordinary shares at any time within the period from the following day after three months from the issuance date to 10 days prior to maturity, or the date on which the bondholder exercises the right to buy back or until the fifth business day before the Company exercises the early redemption right. The conversion price (\$485 per share) at the time of issuance is determined by 30% premium to closing price of the Company's ordinary shares on the Taiwan Stock Exchange. Number of shares converted should be decided by face value of the bonds at a fixed exchange rate of US\$1:NT\$29.928, which is to be divided by the conversion price per share on the conversion date. The conversion price after the issuance of convertible bonds will be adjusted according to the anti-dilution clause of the Conversion Rules of the Company. As of December 31, 2022, the conversion price has been adjusted to \$512.40 per share.

The convertible bonds contain both liability and equity components. The equity component was presented in equity under the heading of capital surplus - equity component of convertible bonds. The effective interest rate of the liability component was 1.22% per annum on initial recognition.

Proceeds from issuance (less transaction costs of \$41,316 thousand)	\$ 5,345,724
Equity component (less transaction costs allocated to the equity component of \$1,963 thousand)	(252,844)
Buy-back/redemption rights derivative instruments	<u>(24,242)</u>
Liability component at the date of issue (less transaction costs allocated to the liability component of \$39,353 thousand)	5,068,638
Interest charged at an effective interest rate of 1.22%	<u>98,737</u>
Liability component at December 31, 2021	5,167,375
Interest charged at an effective interest rate of 1.22%	<u>63,348</u>
Liability component at December 31, 2022	<u>\$ 5,230,723</u>

The movements of derivative financial instruments were as follows:

	For the Year Ended December 31	
	2022	2021
Balance at January 1	\$ (2,693)	\$ (4,848)
Gain (loss) on fair value changes	<u>(29,629)</u>	<u>2,155</u>
Balance at December 31	<u>\$ (32,322)</u>	<u>\$ (2,693)</u>

b. Unsecured domestic bonds

On May 3, 2021, the Company issued five-year unsecured domestic bonds with an aggregate principal amount of \$5,500,000 thousand and an annual simple interest rate of 0.68%. The principal will be repaid in a lump sum on May 3, 2026.

On September 3, 2021, the Company issued three-year and five-year unsecured domestic bonds with aggregate principal amounts of \$1,000,000 thousand and 3,500,000 thousand, respectively. The three-year and five-year unsecured domestic bonds have annual simple interest rates of 0.47% and 0.60%, respectively. The principal will be repaid in lump sum at maturity.

On January 12, 2022, the Company issued five-year unsecured domestic bonds with an aggregate principal amount of \$4,500,000 thousand and an annual simple interest rate of 0.73%. The principal will be repaid in a lump sum on January 12, 2027.

17. OTHER LIABILITIES

	December 31	
	2022	2021
<u>Current</u>		
Other payables		
Payables for purchases of equipment	\$ 2,674,729	\$ 248,679
Payables for compensation of employees and remuneration of directors	2,291,874	2,043,114
Payables for salaries or bonuses	1,493,682	1,197,968
Payables for annual leave	71,578	64,776
Others	<u>7,682,666</u>	<u>3,504,532</u>
	<u>\$ 14,214,529</u>	<u>\$ 7,059,069</u>

18. RETIREMENT BENEFIT PLANS

a. Defined contribution plans

The Company adopted a pension plan under the Labor Pension Act (LPA), which is a state-managed defined contribution plan. Under the LPA, a company makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages.

b. Defined benefit plans

The defined benefit plans adopted by the Company in accordance with the Labor Standards Act is operated by the government of the ROC. Pension benefits are calculated on the basis of the length of service and average monthly salaries of the six months before retirement. The Company contributes amounts equal to 2% of total monthly salaries and wages to a pension fund administered by a pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee's name. Before the end of each year, the Company assesses the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Company is required to fund the difference in one appropriation that should be made before the end of March of the next year. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor (the "Bureau"); the Company has no right to influence the investment policy and strategy.

The amounts included in the balance sheets in respect of the Company's defined benefit plans were as follows:

	December 31	
	2022	2021
Present value of defined benefit obligation	\$ 346,045	\$ 390,023
Fair value of plan assets	<u>(205,117)</u>	<u>(210,613)</u>
Net defined benefit liability	<u>\$ 140,928</u>	<u>\$ 179,410</u>

Movements in the net defined benefit liability were as follows:

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liability
Balance at January 1, 2021	<u>\$ 415,035</u>	<u>\$ (212,578)</u>	<u>\$ 202,457</u>
Service cost			
Current service cost	2,040	-	2,040
Net interest expense (income)	<u>1,453</u>	<u>(758)</u>	<u>695</u>
Recognized in profit or loss	<u>3,493</u>	<u>(758)</u>	<u>2,735</u>
Remeasurement			
Actuarial (gain) loss			
Changes in demographic assumptions	14,962	-	14,962
Changes in financial assumptions	(12,621)	-	(12,621)
Experience adjustments	<u>(17,237)</u>	<u>(3,056)</u>	<u>(20,293)</u>
Recognized in other comprehensive income	<u>(14,896)</u>	<u>(3,056)</u>	<u>(17,952)</u>
Contributions from the employer	-	(7,830)	(7,830)
Benefits paid	<u>(13,609)</u>	<u>13,609</u>	<u>-</u>
Balance at December 31, 2021	<u>\$ 390,023</u>	<u>\$ (210,613)</u>	<u>\$ 179,410</u>
Balance at January 1, 2022	<u>\$ 390,023</u>	<u>\$ (210,613)</u>	<u>\$ 179,410</u>
Service cost			
Current service cost	1,640	-	1,640
Net interest expense (income)	<u>2,925</u>	<u>(1,609)</u>	<u>1,316</u>
Recognized in profit or loss	<u>4,565</u>	<u>(1,609)</u>	<u>2,956</u>

(Continued)

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liability
Remeasurement			
Actuarial loss			
Changes in financial assumptions	\$ (17,184)	\$ -	\$ (17,184)
Experience adjustments	<u>(85)</u>	<u>(16,315)</u>	<u>(16,400)</u>
Recognized in other comprehensive income	<u>(17,269)</u>	<u>(16,315)</u>	<u>(33,584)</u>
Contributions from the employer	-	(7,607)	(7,607)
Benefits paid	<u>(31,274)</u>	<u>31,027</u>	<u>(247)</u>
Balance at December 31, 2022	<u>\$ 346,045</u>	<u>\$ (205,117)</u>	<u>\$ 140,928</u> (Concluded)

An analysis by function of the amounts recognized in profit or loss in respect of the defined benefit plans is as follows:

	For the Year Ended December 31	
	2022	2021
Operating costs	\$ 2,278	\$ 2,167
Selling and marketing expenses	177	161
General and administrative expenses	400	311
Research and development expenses	<u>101</u>	<u>96</u>
	<u>\$ 2,956</u>	<u>\$ 2,735</u>

Through the defined benefit plans under the Labor Standards Act, the Company is exposed to the following risks:

- 1) Investment risk: The plan assets are invested in domestic and foreign equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets should not be below the interest rate for a 2-year time deposit with local banks.
- 2) Interest risk: A decrease in the government bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plan's debt investments.
- 3) Salary risk: The present value of the defined benefit obligation is calculated using the future salaries of plan participants. As such, an increase in the salaries of the plan participants will increase the present value of the defined benefit obligation.

The actuarial valuations of the present value of the defined benefit obligation were carried out by qualified actuaries. The significant assumptions used for the purposes of the actuarial valuations were as follows:

	December 31	
	2022	2021
Discount rates	1.400%	0.750%
Expected rates of salary increase	1.500%	1.500%

If possible reasonable change in each of the significant actuarial assumptions occur and all other assumptions remain constant, the present value of the defined benefit obligation will increase (decrease) as follows:

	December 31	
	2022	2021
Discount rates		
0.25% increase	<u>\$ (6,739)</u>	<u>\$ (8,034)</u>
0.25% decrease	<u>\$ 6,957</u>	<u>\$ 8,303</u>
Expected rates of salary increase		
0.25% increase	<u>\$ 6,753</u>	<u>\$ 8,015</u>
0.25% decrease	<u>\$ (6,574)</u>	<u>\$ (7,795)</u>

The above sensitivity analysis may not be representative of the actual changes in the present value of the defined benefit obligation as it is unlikely that the changes in assumptions will occur in isolation of one another as some of the assumptions may be correlated.

	December 31	
	2022	2021
Expected contributions to the plans for the next year	<u>\$ 7,607</u>	<u>\$ 7,830</u>
Average duration of the defined benefit obligation	10 years	10 years

19. EQUITY

a. Share capital

1) Ordinary shares

	December 31	
	2022	2021
Shares authorized (in thousands of shares)	<u>4,000,000</u>	<u>4,000,000</u>
Shares authorized	<u>\$ 40,000,000</u>	<u>\$ 40,000,000</u>
Shares issued and fully paid (in thousands of shares)	<u>421,261</u>	<u>495,919</u>
Shares issued and fully paid	<u>\$ 4,212,608</u>	<u>\$ 4,959,189</u>

Fully paid ordinary shares, which have a par value of NT\$10, carry one vote per share and carry a right to dividends.

The movements of the ordinary shares were due to the capital reduction, cancellation of treasury share, acquisition of Chilisin Electronics Corp. in a share exchange agreement, convertible bonds converted to ordinary shares and the exercise of employee share options.

For purpose of enhancing the return on equity, profitability per share and proper use of the capital, the capital was reduced through a cash return to shareholders, which was proposed by the Company's board on March 17, 2022 and resolved by the shareholders in the shareholders' meeting on June 8, 2022. The total amount of capital reduction was \$1,080,112 thousand, which represented 108,011 thousand shares cancelled, and the capital reduction ratio is 20%. The registration of the capital reduction was approved by the Taiwan Stock Exchange on July 6, 2022. The effective date of the capital reduction was July 28, 2022 and the effective date of the replacement of shares due to the capital reduction was October 28, 2022. The legal registration procedures have been completed on September 15, 2022.

2) Global depositary receipts

The Company's global depositary receipts (GDRs) as of December 31, 2021 were as follows:

	GDRs (In Thousand Units)	Equivalent Ordinary Shares (In Thousand Shares)
Initial offering	5,000	25,000
Converted from overseas convertible bonds	34,981	174,903
Net increase due to capital increase or capital reduction	81,552	407,763
Reissued within authorized units	66,960	334,801
GDRs transferred to ordinary shares	<u>(188,469)</u>	<u>(942,346)</u>
Outstanding GDRs issued	<u>24</u>	<u>121</u>

The owners of GDRs have the same rights as holders of ordinary shares, except that the GDR owners should exercise, through a depositary trust company, the following beneficial interests subject to the terms of the depositary agreements and the relevant Taiwan laws and regulations:

- a) Exercise voting rights;
- b) Convert the GDRs into ordinary shares; and
- c) Receive dividends and exercise preemptive rights or other rights and interests.

On April 14, 2020, the Company issued 12,680 thousand units (US\$51.25 per unit) of GDRs on the Luxembourg Stock Exchange. Each unit represents 5 ordinary shares of the Company.

b. Capital surplus

	December 31	
	2022	2021
May be used to offset a deficit, distributed as cash dividends or transferred to share capital (1)		
Issuance of ordinary shares and bonds conversion	\$ 41,250,842	\$ 20,221,583
<u>May only be used to offset a deficit</u>		
Share of changes in capital surplus of associates or subsidiaries (2)	151,159	1,574,490
<u>May not be used for any purpose</u>		
Equity component of convertible bonds	<u>277,878</u>	<u>252,844</u>
	<u>\$ 41,679,879</u>	<u>\$ 22,048,917</u>

- 1) Such capital surplus may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Company's capital surplus and to once a year).

- 2) Such capital surplus arises from the effect of changes in ownership interests in subsidiaries resulted from equity transactions other than actual disposal or acquisition, or from changes in capital surplus of subsidiaries accounted for by using equity method.

c. Retained earnings and dividend policy

Under the Company's Articles of Incorporation (the "Articles"), when the Company has earnings for the year, the Company shall appropriate for remuneration of directors at 3% or less and for employees' bonus of at least 2% of the earnings. Then, the Company shall make payments for taxes and offset past years' deficit, if any. The remaining profit shall be distributed in the following order:

- 1) Legal reserve is appropriated at 10% of the remaining profit until the legal reserve equals the Company's paid-in capital.
- 2) Special reserve is appropriated or reversed in accordance with the laws and regulations.
- 3) Appropriations for dividends and bonuses, of at least 10% of the remaining profit after appropriations for legal reserve and special reserve, may be proposed by the Company's board of directors and approved at the shareholders' meeting. However, if the earnings distribution proposal is for the distribution of dividend and bonus in cash entirely or partially, it shall be resolved by the board of directors with the attendance of more-than-two-thirds of the directors and consent of the majority of attending directors; also it shall be reported in the shareholders' meeting.

The Company's dividend policy takes into account the Company's current and future competitiveness in the domestic and foreign markets, the investment environment and cash requirements. The policy authorizes the Company's board to propose an earnings distribution in the form of shares or in cash appropriately in accordance with the laws and regulations, with the board's proposal subject to approval at the shareholders' meeting. For the policies on distribution of the compensation of employees and remuneration of directors and supervisors set forth in the Articles, refer to e. compensation of employees and remuneration of directors in Note 20.

If the Company has no loss, the legal reserve and the Company's additional paid-in capital as stipulated in Paragraph 1, Article 241 of the Company Law can be distributed to the shareholders proportionally according to the resolution of the Board of Directors with the attendance of more than two-thirds of the directors and the consent of the majority of attending directors; also, it shall be reported in the shareholders meeting.

Appropriation of earnings to the legal reserve shall be made until the legal reserve equals the Company's paid-in capital. The legal reserve may be used to offset deficit. If the Company has no deficit and the legal reserve has exceeded 25% of the Company's paid-in capital, the excess may be transferred to capital or distributed in cash.

The Company's earnings distribution or loss recovery can be completed at the end of each interim fiscal year. The Company before distributing the earnings of the first half of the fiscal year as stated in the preceding paragraph should estimate and retain the amount of tax payable, loss coverage, compensation of employees, and the provision of earnings reserved in advance. However, when the legal reserve equals to the amount of paid-in capital, it is not subject to this restriction.

The appropriations of earnings for 2021 and 2020 were as follows:

	2021	2020
Legal reserve	<u>\$ 2,072,668</u>	<u>\$ 1,289,970</u>
Special reserve	<u>\$ 5,316,805</u>	<u>\$ 1,649,104</u>
Cash dividends	<u>\$ 5,400,560</u>	<u>\$ 3,967,351</u>
Cash dividends per share (NT\$)	\$ 10.00	\$ 8.00

The above 2021 and 2020 appropriations for cash dividends were resolved by the Company's board of directors on March 17, 2022 and April 22, 2021, respectively; the other proposed appropriations for 2021 and 2020 were resolved by the shareholders in the shareholders' meetings on June 8, 2022 and July 7, 2021, respectively.

On April 22, 2021, the Company's board of directors resolved to issue cash dividends of \$991,838 thousand from capital surplus, at NT\$2 per share, and plus the above cash dividends at NT\$8 per share. The total cash dividends at NT\$10 per share was issued for 2020.

The appropriation of earnings for 2022, which were proposed by the Company's board of directors on March 14, 2023, were as follows:

	For the Year Ended December 31, 2022
Legal reserve	<u>\$ 1,892,330</u>
Special reserve	<u>\$ (9,300,817)</u>
Cash dividends	<u>\$ 4,186,652</u>
Cash dividends per share (NT\$)	\$ 10.00

The above appropriation for cash dividends has been resolved by the Company's board of directors; the other proposed appropriations will be resolved by the shareholders in their meeting to be held on June 6, 2023.

d. Special reserves

	For the Year Ended December 31	
	2022	2021
Balance at January 1	\$ 4,594,931	\$ 2,945,827
Appropriations in respect of debit to other equity items	<u>5,316,805</u>	<u>1,649,104</u>
Balance at December 31	<u>\$ 9,911,736</u>	<u>\$ 4,594,931</u>

e. Other equity items

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

	For the Year Ended December 31	
	2022	2021
Balance at January 1	\$ (9,753,973)	\$ (4,665,523)
Recognized for the year		
Share from subsidiaries and associates accounted for using the equity method	10,291,090	(5,088,450)
Reclassification adjustments		
Former owner of business combinations under common control transferred to owners of the Company	(952,675)	-
Disposal of share from subsidiaries accounted for using the equity method	<u>(5,714)</u>	<u>-</u>
Balance at December 31	<u>\$ (421,272)</u>	<u>\$ (9,753,973)</u>

	Amount Before Tax	Related Income Tax	Amount After Tax
Balance at January 1, 2021	\$ (5,843,521)	\$ 1,177,998	\$ (4,665,523)
Other comprehensive income (loss) recognized for the year	<u>(6,360,563)</u>	<u>1,272,113</u>	<u>(5,088,450)</u>
Balance at December 31, 2021	<u>\$ (12,204,084)</u>	<u>\$ 2,450,111</u>	<u>\$ (9,753,973)</u>
Balance at January 1, 2022	\$ (12,204,084)	\$ 2,450,111	\$ (9,753,973)
Other comprehensive income (loss) recognized for the year	12,621,407	(2,336,031)	10,285,376
Reclassification adjustments	<u>(952,675)</u>	<u>-</u>	<u>(952,675)</u>
Balance at December 31, 2022	<u>\$ (535,352)</u>	<u>\$ 114,080</u>	<u>\$ (421,272)</u>

2) Unrealized valuation gain/(loss) on financial assets at FVTOCI

	For the Year Ended December 31	
	2022	2021
Balance at January 1	\$ 81,021	\$ 71,291
Recognized for the year		
Unrealized gain (loss) - equity instruments	(39,649)	1,404
Share from subsidiaries and associates accounted for using the equity method	(58,052)	11,290
Reclassification adjustments		
Former owner of business combinations under common control transferred to owners of the Company	1,993	-
Cumulative unrealized gain of equity instruments transferred to retained earnings due to disposal	<u>589</u>	<u>(2,964)</u>
Balance at December 31	<u>\$ (14,098)</u>	<u>\$ 81,021</u>

3) Gain (loss) on hedging instruments

	For the Year Ended December 31	
	2022	2021
Balance at January 1	\$ 198,811	\$ 350,307
Recognized for the year		
Share from subsidiaries accounted for using the equity method	<u>432,724</u>	<u>(151,496)</u>
Balance at December 31	<u>\$ 631,535</u>	<u>\$ 198,811</u>

f. Former owner of business combination under common control

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

	For the Year Ended December 31	
	2022	2021
Balance at January 1	\$ (46,739)	\$ (33,612)
Recognized for the year		
Exchange differences on translation of the financial statements of foreign operations	-	(13,149)
Related income tax	-	22
Reclassification adjustments		
Former owner of business combinations under common control transferred to owners of the Company	<u>46,739</u>	<u>-</u>
Balance at December 31	<u>\$ -</u>	<u>\$ (46,739)</u>

2) Unrealized valuation gain/(loss) on financial assets at FVTOCI

	For the Year Ended December 31	
	2022	2021
Balance at January 1	\$ 473	\$ 1,162
Recognized for the year		
Unrealized gain - equity instruments	-	(689)
Reclassification adjustments		
Former owner of business combinations under common control transferred to owners of the Company	<u>(473)</u>	<u>-</u>
Balance at December 31	<u>\$ -</u>	<u>\$ 473</u>

g. Treasury shares

Purpose of Buy-back	Shares Transferred to Employees (In Thousands of Shares)	Shares Cancelled (In Thousands of Shares)	Shares Held by Subsidiaries (In Thousands of Shares)	Total (In Thousands of Shares)
Number of shares at January 1, 2021	2,965	-	-	2,965
Increase during the year	4,000	-	-	4,000
Decrease during the year	<u>(2,965)</u>	<u>-</u>	<u>-</u>	<u>(2,965)</u>
Number of shares at December 31, 2021	<u>4,000</u>	<u>-</u>	<u>-</u>	<u>4,000</u>
Number of shares at January 1, 2022	4,000	-	-	4,000
Increase through business combinations	-	-	1,008	1,008
Increase during the year	-	14,788	-	14,788
Decrease during the year	<u>(816)</u>	<u>(14,788)</u>	<u>(206)</u>	<u>(15,810)</u>
Number of shares at December 31, 2022	<u>3,184</u>	<u>-</u>	<u>802</u>	<u>3,986</u>

To boost employee morale, the Company's board resolved on July 17, 2018, to buy back up to 4,500 thousand ordinary shares with the buyback price ranging from NT\$632.80 to NT\$1,616.80 from July 19, 2018 to September 17, 2018 on the Taiwan Stock Exchange. As of September 17, 2018, the last day of the buyback period, the Company bought back 2,965 thousand shares at a total amount of \$2,421,552 thousand. The Company canceled the buyback shares on August 23, 2021.

To boost employee morale, the Company's board resolved on May 13, 2021, to buy back up to 4,000 thousand ordinary shares with the buyback price ranging from NT\$409.50 to NT\$655.00 from May 17, 2021 to July 13, 2021 on the Taiwan Stock Exchange. As of June 10, 2021, the Company bought back 4,000 thousand shares at a total amount of \$1,879,155 thousand.

To maintain Company's credit and shareholders' equity, the Company's board resolved on April 26, 2022 to buy back up to 5,500 thousand ordinary shares with the buyback price ranging from NT\$280.00 to NT\$628.00 per share from April 27, 2022 to June 26, 2022 on the Taiwan Stock Exchange. As of June 16, 2022, the Company bought back 5,500 thousand shares at a total amount of \$2,172,957 thousand. The Company canceled the buyback shares on September 30, 2022.

To maintain Company's credit and shareholders' equity, the Company's board resolved on July 11, 2022, to buy back up to 11,000 thousand ordinary shares with the buyback price ranging from NT\$304.00 to NT\$531.00 from July 12, 2022 to September 11, 2022 on the Taiwan Stock Exchange. As of September 7, 2022, the Company bought back 9,288 thousand shares at a total amount of \$2,999,458 thousand. The Company canceled the buyback shares on September 30, 2022.

As described in Note 1, Ko-Shin Investment Limited., the subsidiary of the Company, converted all the ordinary shares originally held in Chilisin Electronics Corp. into ordinary shares of the Company according to the share exchange agreement. Related information regarding shares of the Company held by its subsidiaries on the balance sheet date was as follows:

Name of Subsidiary	Number of Shares Held (In Thousands of Shares)	Carrying Amount	Market Price
<u>December 31, 2022</u>			
Ko-Shin Investment Limited	802	\$ 535,053	\$ 361,730

Under the Securities and Exchange Act, the Company shall neither pledge treasury shares nor exercise shareholders' rights on these shares, such as the rights to dividends and to vote. The subsidiaries holding treasury shares, however, are bestowed shareholders' rights, except the rights to participate in any share issuance for cash and to vote.

20. NET PROFIT FOR THE YEAR

a. Other gains and losses

	For the Year Ended December 31	
	2022	2021
Net gain on disposal of property, plant and equipment	\$ 1,293	\$ 1,435
Net foreign exchange gains (losses)	(689,285)	177,156
Dividend income	9,197	-
Other	<u>57,180</u>	<u>7,395</u>
	<u>\$ (621,615)</u>	<u>\$ 185,986</u>

b. Finance costs

	For the Year Ended December 31	
	2022	2021
Interest on bank loans	\$ 407,451	\$ 336,156
Interest on short-term bills	194,866	106,374
Interest on convertible bonds	163,312	97,518
Interest on loans from related parties	14,145	49,580
Other finance costs	<u>14,268</u>	<u>24,279</u>
	<u>\$ 794,042</u>	<u>\$ 613,907</u>

c. Depreciation and amortization

	For the Year Ended December 31	
	2022	2021
An analysis of depreciation by function		
Operating costs	\$ 1,123,780	\$ 1,005,712
Operating expenses	<u>102,851</u>	<u>98,725</u>
	<u>\$ 1,226,631</u>	<u>\$ 1,104,437</u>
An analysis of amortization by function		
Operating costs	\$ 805	\$ 528
Operating expenses	26,178	50,544
Other expenses	<u>9,410</u>	<u>9,410</u>
	<u>\$ 36,393</u>	<u>\$ 60,482</u>

d. Employee benefit expense

	For the Year Ended December 31	
	2022	2021
Post-employment benefits		
Defined contribution plans	\$ 96,173	\$ 99,069
Defined benefit plans (Note 18)	2,956	2,735
Other employee benefits	<u>4,275,521</u>	<u>4,514,387</u>
Total employee benefit expense	<u>\$ 4,374,650</u>	<u>\$ 4,616,191</u>
An analysis of employee benefit expense by function		
Operating costs	\$ 2,292,293	\$ 2,447,962
Operating expenses	<u>2,082,357</u>	<u>2,168,229</u>
	<u>\$ 4,374,650</u>	<u>\$ 4,616,191</u>

e. Compensation of employees and remuneration of directors

The Company accrued compensation of employees and remuneration of directors at rates of no less than 2% and no higher than 3%, respectively, of net profit before income tax, compensation of employees, and remuneration of directors. The compensation of employees and remuneration of directors for the years ended December 31, 2022 and 2021, which were approved by the Company's board of directors on March 14, 2023 and March 17, 2022, respectively, were as follows:

Accrual rate

	For the Year Ended December 31	
	2022	2021
Compensation of employees	3%	3%
Remuneration of directors	3%	3%

Amount

	For the Year Ended December 31			
	2022		2021	
	Cash	Shares	Cash	Shares
Compensation of employees	\$ 766,476	\$ -	\$ 807,874	\$ -
Remuneration of directors	766,476	-	807,874	-

If there is a change in the amounts after the annual financial statements are authorized for issue, the differences are recorded as a change in the accounting estimate.

There was no difference between the actual amounts of compensation of employees and remuneration of directors paid and the amounts recognized in the financial statements for the years ended December 31, 2021 and 2020.

Information on the compensation of employees and remuneration of directors resolved by the Company's board of directors is available at the Market Observation Post System website of the Taiwan Stock Exchange.

- f. Gain or loss on foreign currency exchange

	For the Year Ended December 31	
	2022	2021
Foreign exchange gains	\$ 1,332,877	\$ 1,118,439
Foreign exchange losses	<u>(2,022,162)</u>	<u>(941,283)</u>
	<u>\$ (689,285)</u>	<u>\$ 177,156</u>

21. INCOME TAXES

- a. Income tax recognized in profit or loss

Major components of income tax expense are as follows:

	For the Year Ended December 31	
	2022	2021
<u>Current tax</u>		
In respect of current year	\$ 775,562	\$ 1,011,721
Income tax on unappropriated earnings	511,612	199,687
Adjustments for prior years	<u>505,435</u>	<u>870,003</u>
	<u>1,792,609</u>	<u>2,081,411</u>
<u>Deferred tax</u>		
In respect of current year	(415,773)	366,904
Adjustments for prior years	<u>(91,065)</u>	<u>(37,473)</u>
	<u>(506,838)</u>	<u>329,431</u>
Income tax expense recognized in profit or loss	<u>\$ 1,285,771</u>	<u>\$ 2,410,842</u>

A reconciliation of accounting profit and income tax expenses were as follows:

	For the Year Ended December 31	
	2022	2021
Profit before tax	<u>\$ 24,017,481</u>	<u>\$ 25,253,955</u>
Income tax expense calculated at the statutory rate	\$ 4,803,496	\$ 5,050,791
Unrecognized deductible temporary differences	(4,466,014)	(3,684,300)
Others	22,307	12,134
Income tax on unappropriated earnings	511,612	199,687
Adjustments for prior years' tax	<u>414,370</u>	<u>832,530</u>
Income tax expense recognized in profit or loss	<u>\$ 1,285,771</u>	<u>\$ 2,410,842</u>

b. Income tax recognized in other comprehensive income

	For the Year Ended December 31	
	2022	2021
<u>Deferred tax</u>		
In respect of the current year		
Share of other comprehensive income of subsidiaries and associates for using the equity method	\$ 2,336,031	\$ (1,272,135)
Remeasurement of defined benefit plans	<u>6,717</u>	<u>3,590</u>
	<u>\$ 2,342,748</u>	<u>\$ (1,268,545)</u>

c. Current tax liabilities

	December 31	
	2022	2021
Current tax liabilities		
Income tax payable	<u>\$ 2,987,156</u>	<u>\$ 2,444,246</u>

d. Deferred tax assets and liabilities

The movements of deferred tax assets and deferred tax liabilities were as follows:

For the year ended December 31, 2022

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Closing Balance
<u>Deferred tax assets</u>				
Temporary differences				
Impairment loss on property, plant and equipment	\$ 196,970	\$ (14,746)	\$ -	\$ 182,224
Inventory write-downs	62,202	6,744	-	68,946
Accrued expenses	384,665	474,507	-	859,172
Defined benefit obligation	30,390	(955)	(6,717)	22,718
Exchange difference on foreign operation	2,450,110	-	(2,336,031)	114,079
Others	<u>423,926</u>	<u>129,068</u>	<u>-</u>	<u>552,994</u>
	<u>\$ 3,548,263</u>	<u>\$ 594,618</u>	<u>\$ (2,342,748)</u>	<u>\$ 1,800,133</u>
<u>Deferred tax liabilities</u>				
Temporary differences				
Others	<u>\$ -</u>	<u>\$ 87,780</u>	<u>\$ -</u>	<u>\$ 87,780</u>

For the year ended December 31, 2021

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehen- sive Income	Closing Balance
<u>Deferred tax assets</u>				
Temporary differences				
Impairment loss on property, plant and equipment	\$ 207,842	\$ (10,872)	\$ -	\$ 196,970
Inventory write-downs	67,835	(5,633)	-	62,202
Accrued expenses	372,683	11,982	-	384,665
Defined benefit obligation	35,020	(1,040)	(3,590)	30,390
Exchange difference on foreign operation	1,177,997	-	1,272,113	2,450,110
Others	<u>747,794</u>	<u>(323,868)</u>	<u>-</u>	<u>423,926</u>
	<u>\$ 2,609,171</u>	<u>\$ (329,431)</u>	<u>\$ 1,268,523</u>	<u>\$ 3,548,263</u>

e. Income tax assessments

The Company's income tax returns through 2019 have been assessed by the tax authorities.

22. EARNINGS PER SHARE

Unit: NT\$ Per Share

	<u>For the Year Ended December 31</u>	
	2022	2021
Basic earnings per share	<u>\$ 44.22</u>	<u>\$ 46.13</u>
Diluted earnings per share	<u>\$ 43.21</u>	<u>\$ 44.85</u>

The earnings and weighted average number of ordinary shares outstanding used in the computation of earnings per share were as follows:

Net Profit for the Year

	<u>For the Year Ended December 31</u>	
	2022	2021
Profit for the year attributable to owners of the Company	\$ 22,730,465	\$ 22,902,546
Profit for the year attributable to former owner of business combination under common control	<u>1,245</u>	<u>(59,433)</u>
Earnings used in the computation of basic earnings per share	<u>22,731,710</u>	<u>22,843,113</u>
Effect of potentially dilutive ordinary shares		
Interest on convertible bonds (after tax)	55,605	56,717
Net loss on financial instrument at fair value through profit or loss	<u>30,194</u>	<u>1,571</u>
Earnings used in the computation of basic earnings per share	<u>\$ 22,817,509</u>	<u>\$ 22,901,401</u>

The weighted average number of ordinary shares outstanding (in thousand of shares) is as follows:

	For the Year Ended December 31	
	2022	2021
Weighted average number of ordinary shares used in the computation of basic earnings per share	514,008	495,171
Effect of potentially dilutive ordinary shares:		
Convertible bonds	11,949	13,648
Compensation of employees	<u>2,097</u>	<u>1,843</u>
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>528,054</u>	<u>510,662</u>

The share exchange between the Company and Chilisun Electronics Corp. was regarded as an organizational restructuring under common control, and the earnings per share of prior periods were calculated based on the weighted average number of ordinary shares outstanding retrospectively adjusted in accordance with share exchange ratio stated in the joint share exchange agreement.

The Company may settle the compensation of employees in cash or shares; therefore, the Company assumes that the entire amount of the compensation will be settled in shares, and the resulting potential shares are included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares was included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

23. SHARE-BASED PAYMENT ARRANGEMENTS

a. Employee share option plan in 2014

Qualified employees of the Company and its subsidiaries were granted 40,000 thousand units of share options in May 2014. Each option represents one share of the Company's ordinary shares. The vesting period of these options is 10 years. Qualified employees may exercise at certain percentages of the options after two years, from the grant date. The options were granted at an exercise price equal to the closing price of the Company's ordinary shares listed on the on the grant date. For any subsequent changes in the Company's capital surplus, the exercise price is adjusted accordingly. In 2020, the Company adjusted the exercise price from \$40.20 to \$38.90, according to the formulas as specified by the employee share option plan. Information on employee share options was as follows:

	For the Year Ended December 31			
	2022		2021	
	Number of Options (In Thousands of Units)	Weighted-average Exercise Price (NT\$)	Number of Options (In Thousands of Units)	Weighted-average Exercise Price (NT\$)
Balance at January 1	-	\$ -	2,042	\$ 38.90
Options exercised	-	-	(1,900)	38.90
Options expired	<u>-</u>	-	<u>(142)</u>	-
Balance at December 31	<u>-</u>	-	<u>-</u>	-
Options exercisable, end of year	<u>-</u>		<u>-</u>	

The weighted average share prices on the exercise date of the share options for the years ended December 31, 2021 was \$583.36.

Options granted in May 2014 were priced using the binomial option pricing model and the inputs to the model were as follows:

	May 2015
Grant-date share price	\$17.70
Exercise price	\$17.70
Expected volatility	37.50%
Expected life (in years)	10
Expected dividend yield	-
Risk-free interest rate	1.52%

Expected volatility was based on the historical share price volatility over the past 10 years. To allow for the effects of early exercise, the Company assumed that employees would exercise their options after the vesting date when the share price was 1.3 times the exercise price.

b. Employee share option plan of a subsidiary

Chilisin Electronics Corp., a subsidiary of the Company, qualified employees of Chilisin Electronics Corp. and its subsidiaries were granted 7,000 thousand units of share options in April 2015. Each option represents one ordinary share of Chilisin Electronics Corp. The vesting period of these options is 8 years. Qualified employees may exercise the share options at certain percentages of the options after three years from the grant date. The options were granted at an exercise price equal to the closing price of Chilisin Electronics Corp.'s ordinary shares listed on the grant date. For any subsequent changes in Chilisin Electronics Corp.'s capital surplus, the exercise price is adjusted accordingly.

As described in Note 1, the Company assumed Chilisin Electronics Corp.'s obligations of outstanding employee share option plans starting from January 5, 2022. The holder of each unexercised employee share option can subscribe for 0.2002 per shares of the Company's ordinary shares. The other conditions were the same, except that the exercise price and quantity were adjusted according to the share exchange ratio specified in the share exchange agreement and the execution target of the agreement was changed to the Company's ordinary shares.

From January 5, 2022, information on employee share options issued and accepted by the Company was as follows:

	From January 5 to December 31, 2022	
	Number of Options (In Thousands)	Weighted- average Exercise Price
Balance at January 1	-	\$ -
Options transferred from Chilisin Electronics Corp.	4	211.8
Options exercised	<u>(4)</u>	211.8
Balance at December 31	<u><u>-</u></u>	-
Options exercisable, end of year	<u><u>-</u></u>	

24. DISPOSAL OF SUBSIDIARIES - WITH LOSS OF CONTROL

In June 2022, the Company and Ko-Shin Investment Limited., a subsidiary of the Company, subscribed for additional new shares of XSemi Corporation, a subsidiary of the Company, at a percentage different from its existing ownership percentage, and reduced its continuing interest from 55% to 44%; thus, control of XSemi Corporation passed to the acquirer. For details about the disposal of XSemi Corporation, refer to Note 29 to the Company's consolidated financial statements for the year ended December 31, 2022.

25. CAPITAL MANAGEMENT

The Company manages its capital to ensure that entities in the Company will be able to continue as going concerns while maximizing the return to shareholders through the optimization of the debt and equity balance. The Company's overall strategy in accordance with the Company operations and cash flow to assess the situation and to be properly adjusted to adapt to changes in the market in a timely manner.

The capital structure of the Company consists of net debt (borrowings offset by cash and cash equivalents) and equity attributable to owners of the Company (comprising issued capital, reserves, retained earnings and other equity).

Key management personnel of the Company review the capital structure on an annual basis. As part of this review, the key management personnel consider the cost of capital and the risks associated with each class of capital. Based on recommendations of the key management personnel, in order to balance the overall capital structure, the Company may adjust the amount of dividends paid to shareholders, the number of new shares issued or repurchased, and the amount of new debt issued or existing debt redeemed.

26. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments not measured at fair value

December 31, 2022

	Carrying Amount	Fair Value			
		Level 1	Level 2	Level 3	Total
<u>Financial liabilities</u>					
Financial liabilities at amortized cost					
Convertible bonds	\$ 5,230,723	\$ -	\$ -	\$ 4,791,772	\$ 4,791,772

December 31, 2021

	Carrying Amount	Fair Value			
		Level 1	Level 2	Level 3	Total
<u>Financial liabilities</u>					
Financial liabilities at amortized cost					
Convertible bonds	\$ 5,167,375	\$ -	\$ -	\$ 5,074,053	\$ 5,074,053

b. Fair value of financial instruments that are measured at fair value on a recurring basis

1) Fair value hierarchy

December 31, 2022

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Derivative financial assets	\$ -	\$ 607,680	\$ -	\$ 607,680
Domestic unlisted shares	-	-	482	482
Structured notes	-	<u>130,442</u>	-	<u>130,442</u>
	<u>\$ -</u>	<u>\$ 738,122</u>	<u>\$ 482</u>	<u>\$ 738,604</u>
Financial assets at FVTOCI				
Investments in equity instruments				
Domestic listed shares	<u>\$ 461,741</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 461,741</u>
Financial liabilities at FVTPL				
Derivative financial liabilities	<u>\$ -</u>	<u>\$ 160,694</u>	<u>\$ 32,322</u>	<u>\$ 193,016</u>

December 31, 2021

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Derivative financial assets	\$ -	\$ 93,097	\$ -	\$ 93,097
Domestic unlisted shares	-	-	482	482
Structured deposits	-	<u>312,963</u>	-	<u>312,963</u>
	<u>\$ -</u>	<u>\$ 406,060</u>	<u>\$ 482</u>	<u>\$ 406,542</u>
Financial assets at FVTOCI				
Investments in equity instruments				
Domestic listed shares	<u>\$ 447,604</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 447,604</u>
Financial liabilities at FVTPL				
Derivative financial liabilities	<u>\$ -</u>	<u>\$ 38,512</u>	<u>\$ 2,693</u>	<u>\$ 41,205</u>

There were no transfers between Levels 1 and 2 in the current and prior year.

2) Reconciliation of Level 3 fair value measurements of financial instruments

For the year ended December 31, 2022

	Financial Liabilities at FVTPL Derivative Instruments
<u>Financial liabilities</u>	
Balance at January 1, 2022	\$ 2,693
Recognized in profit or loss	<u>29,629</u>
Balance at December 31, 2022	<u>\$ 32,322</u>

For the year ended December 31, 2021

	Financial Liabilities at FVTPL Derivative Instruments
<u>Financial liabilities</u>	
Balance at January 1, 2021	\$ 4,848
Recognized in profit or loss	<u>(2,155)</u>
Balance at December 31, 2021	<u>\$ 2,693</u>

3) Valuation techniques and inputs used for Level 2 fair value measurement

<u>Financial Instruments</u>	<u>Valuation Techniques and Inputs</u>
Derivatives - foreign exchange forward contracts and swap contracts	Discounted cash flow: Future cash flows are estimated on the basis of observable forward exchange rates at the end of the reporting period and contract forward rates, discounted at a rate that reflects the credit risk of various counterparties.
Derivatives - cross-currency swap contracts	Use the evaluation information provided by the banks and evaluate using the discounted cash flow method, future cash flows are estimated on the basis of observable forward exchange rates and contract interest rates at the end of the reporting period, discounted at a rate that reflects the credit risk of various banks.
Structured notes and structured deposits	Use the valuation technique or the quoted market price of its competitors.

4) Valuation techniques and inputs applied for Level 3 fair value measurement

The fair values of unlisted equity securities - ROC were determined using the income approach. In this approach, the discounted cash flow method was used to capture the present value of the expected future economic benefits to be derived from the ownership of these investees. Long-term revenue growth rates, long-term pre-tax operating margin, weighted average cost of capital (WACC) and discount for the lack of marketability. An increase in long-term revenue growth rates or long-term pre-tax operating margin or a decrease in WACC or discount for the lack of marketability used in isolation would result in increase in fair value.

c. Categories of financial instruments

	December 31	
	2022	2021
<u>Financial assets</u>		
FVTPL		
Mandatorily classified as at FVTPL	\$ 738,604	\$ 406,542
Financial assets at amortized cost (1)	14,822,947	17,275,009
Financial assets at FVTOCI		
Equity instruments	461,741	447,604
<u>Financial liabilities</u>		
FVTPL		
Mandatorily classified as at FVTPL	193,016	41,205
Amortized cost (2)	118,924,166	99,840,162

- 1) The balances included financial assets at amortized cost, which comprise cash and cash equivalents, debt investments, trade and other receivables (including related parties) and refundable deposits.
- 2) The balances included financial liabilities at amortized cost, which comprise short-term borrowings, short-term bills payable, notes payable, trade payables and other payables (including related parties), current portion of long-term borrowings and bonds payable, bonds payable, long-term borrowings and guarantee deposits received.

d. Financial risk management objectives and policies

The Company's major financial instruments include equity and debt investments, trade receivables, trade payables, bonds payable and borrowings. The Company's Corporate Treasury function provides services to the business, coordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Company through internal risk reports that analyze exposures by degree and magnitude of risks. These risks include market risk (including foreign currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Company sought to minimize the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives was governed by the Company's policies approved by the board of directors, which provided written principles on foreign exchange risk, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments, and the investment of excess liquidity. Compliance with policies and exposure limits was reviewed by the internal auditors on a continuous basis. The Company did not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The Company's impairment financial activities are reviewed by the board of directors in accordance with related standard and internal controls. In executing financial plan, the Company have to obey the related financial operating procedures regarding financial risk management and segregation of duties.

1) Market risk

The Company's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates (see (a) below) and interest rates (see (b) below). The Company entered into foreign exchange forward contracts and cross-currency swap contracts to manage its exposure to foreign currency risk.

There had been no change to the Company's exposure to market risks or the manner in which these risks were managed and measured.

a) Foreign currency risk

The Company had foreign currency denominated sales and purchases, which exposed the Company to foreign currency risk. Exchange rate exposures were managed within approved policy parameters utilizing forward foreign exchange contracts and cross-currency swap contracts.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities and of the derivatives exposing to foreign currency risk at the end of the reporting period are set out in Note 30.

Sensitivity analysis

The Company assessed the foreign currency risk of its significant assets and liabilities as well as taking unexpired exchange forward contracts, swap contracts and cross-currency swap contracts into consideration.

The Company was mainly exposed to the USD, EUR and JPY.

The following table details the Company's sensitivity to a 1% increase and decrease in New Taiwan dollars (the functional currency) against the relevant foreign currencies. 1% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis included only outstanding foreign currency denominated monetary items and foreign exchange forward contracts designated as cash flow hedges, and adjusts their translation at the end of the year for a 1% change in foreign currency rates. A negative number below indicates an increase (a decrease) in pre-tax profit associated with New Taiwan dollars strengthening 1% against the relevant currency. For a 1% weakening of New Taiwan dollars against the relevant currency, there would be an equal and opposite impact on pre-tax profit and the balances below would be positive.

	USD Impact		EUR Impact		JPY Impact	
	For the Year Ended		For the Year Ended		For the Year Ended	
	December 31		December 31		December 31	
	2022	2021	2022	2021	2022	2021
Profit or loss	\$ (60,522)	\$ (54,179)	\$ (10,488)	\$ (26,853)	\$ (11,852)	\$ 1,717

The analysis of profit or loss of the table was mainly attributable to the exposure to outstanding USD, EUR and JPY which were not hedged, at the end of the reporting period.

The Company's sensitivity to foreign currency exchange has not changed significantly from the prior year.

b) Interest rate risk

The Company was exposed to interest rate risk because entities in the Company borrowed funds at both fixed and floating interest rates. The risk is managed by the Company by maintaining an appropriate mix of fixed and floating rate.

The carrying amount of the Company's financial assets and financial liabilities with exposure to interest rates at the end of the reporting period were as follows:

	December 31	
	2022	2021
Fair value interest rate risk		
Financial assets	\$ 3,887,262	\$ 3,295,020
Financial liabilities	77,440,381	69,188,317
Cash flow interest rate risk		
Financial assets	7,533,865	8,135,232
Financial liabilities	22,949,722	16,661,908

The Company's fixed-term time deposits, bank borrowings, short-term bills and bonds payable are exposed to fair value interest rate risk; however, this expected risk is insignificant.

Sensitivity analysis

The sensitivity analysis below was determined based on the Company's exposure to interest rates for both derivative and non-derivative instruments at the end of the year. For floating rate liabilities, the analysis was prepared assuming the amount of each liability outstanding at the end of the year was outstanding for the whole year. A 1% increase or decrease was used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 1% higher and all other variables were held constant, the Company's variable-rate financial assets for the years ended December 31, 2022 and 2021 would have resulted in cash inflows by \$154,159 thousand and \$85,267 thousand, respectively.

The Company's sensitivity to interest rates increased during the current year mainly due to the increase in variable-rate financial assets from the current year.

c) Other price risk

The Company was exposed to equity price risk through its investments in equity securities.

Sensitivity analysis

The sensitivity analysis below was determined based on the exposure to equity price risks at the end of the year.

If equity prices had been 1% lower, the pre-tax profit for the years ended December 31, 2022 and 2021 would both have decreased by \$5 thousand, respectively, as a result of the changes in fair value of financial assets at FVTPL. If equity prices had been 1% lower, the comprehensive income for the year ended December 31, 2022 and 2021 would have decreased by \$4,617 and \$4,476 thousand, respectively, as a result of the changes in fair value of financial assets at FVTOCI.

The Company's sensitivity to investments in equity securities has not changed significantly from the prior year.

2) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. At the end of the year, the Company's maximum exposure to credit risk, which would cause a financial loss to the Company due to failure of counterparties to discharge an obligation and financial guarantees provided by the Company could be equal to the total of the following:

- a) The carrying amount of the respective recognized financial assets as stated in the balance sheets; and
- b) The amount of contingent liabilities in relation to financial guarantee issued by the Company.

The Company adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company only transacts with entities that are rated the equivalent of investment grade and above. This information is supplied by independent rating agencies where available and, if not available, the Company uses other publicly available financial information and its own trading records to rate its major customers. The Company's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the risk management committee annually.

In order to minimize credit risk, management of the Company has delegated a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Company reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate allowances are made for irrecoverable amounts. In this regard, management believes the Company's credit risk was significantly reduced.

The credit risk on liquid funds and derivatives was limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

Ongoing credit evaluation is performed on the financial condition of trade receivables.

The Company did transactions with a large number of unrelated customers and, thus, no concentration of credit risk was observed.

3) Liquidity risk

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

The Company relies on bank borrowings as a significant source of liquidity. As of December 31, 2022 and 2021, the Company had available unutilized short-term bank loan facilities of \$42,151,244 thousand and \$28,371,620 thousand, respectively.

a) Liquidity and interest rate risk tables for non-derivative financial liabilities

The table below summarizes the maturity profile of the Company's financial liabilities based on undiscounted contractual payments but did not include the financial liabilities with carrying amounts that approximated contractual cash flows:

	Carrying Amount	Contractual Cash Flows	Within 1 Year	More than 1 Year
<u>December 31, 2022</u>				
Short-term borrowings	\$ 9,872,320	\$ 9,947,247	\$ 9,947,247	\$ -
Short-term bills payable	28,075,967	28,150,000	28,150,000	-
Long-term borrowings	30,441,592	30,919,187	2,510,349	28,408,838
Bonds payable	<u>19,717,024</u>	<u>20,057,924</u>	<u>5,326,673</u>	<u>14,731,251</u>
	<u>\$ 88,106,903</u>	<u>\$ 89,074,358</u>	<u>\$ 45,934,269</u>	<u>\$ 43,140,089</u>
<u>December 31, 2021</u>				
Short-term borrowings	\$ 20,863,300	\$ 20,908,837	\$ 20,908,837	\$ -
Short-term bills payable	19,978,155	20,000,000	20,000,000	-
Long-term borrowings	20,161,908	20,337,227	-	20,337,227
Bonds payable	<u>15,155,362</u>	<u>15,427,962</u>	<u>63,100</u>	<u>15,364,862</u>
	<u>\$ 76,158,725</u>	<u>\$ 76,674,026</u>	<u>\$ 40,971,937</u>	<u>\$ 35,702,089</u>

b) Liquidity and interest rate risk tables for derivative financial liabilities

The following table detailed the Company's liquidity analysis for its derivative financial instruments. The table was based on the undiscounted contractual net cash inflows and outflows on derivative instruments that settle on a net basis, and the undiscounted gross inflows and outflows on those derivatives that require gross settlement. When the amount payable or receivable is not fixed, the amount disclosed has been determined by reference to the projected interest rates as illustrated by the yield curves at the end of the year.

December 31, 2022

	On Demand or Less than 3 Months	3 Months to 6 Months	Over 6 Months to 12 Months	1 Year to 5 Years
<u>Gross settled</u>				
Foreign exchange forward contracts				
Inflows	\$ 3,357,199	\$ 7,069,521	\$ 1,903,191	\$ -
Outflows	<u>(3,238,795)</u>	<u>(6,952,115)</u>	<u>(1,815,826)</u>	<u>-</u>
	<u>\$ 118,404</u>	<u>\$ 117,406</u>	<u>\$ 87,365</u>	<u>\$ -</u>

(Continued)

	On Demand or Less than 3 Months	3 Months to 6 Months	Over 6 Months to 12 Months	1 Year to 5 Years
<u>Gross settled</u>				
Swap contracts				
Inflows	\$ 614,160	\$ -	\$ 1,228,320	\$ -
Outflows	<u>(561,000)</u>	<u>-</u>	<u>(1,210,000)</u>	<u>-</u>
	<u>\$ 53,160</u>	<u>\$ -</u>	<u>\$ 18,320</u>	<u>\$ -</u>

Gross settled

Cross-currency swap contracts				
Inflows	\$ 1,284,105	\$ 921,240	\$ 294,585	\$ 614,160
Outflows	<u>(1,271,175)</u>	<u>(868,860)</u>	<u>(272,646)</u>	<u>(547,700)</u>
	<u>\$ 12,930</u>	<u>\$ 52,380</u>	<u>\$ 21,939</u>	<u>\$ 66,460</u> (Concluded)

December 31, 2021

	On Demand or Less than 3 Months	3 Months to 6 Months	Over 6 Months to 12 Months	1 Year to 5 Years
<u>Gross settled</u>				
Foreign exchange forward contracts				
Inflows	\$ 6,029,290	\$ 3,466,697	\$ 5,569,439	\$ 280,101
Outflows	<u>(5,994,011)</u>	<u>(3,392,780)</u>	<u>(5,469,912)</u>	<u>(273,512)</u>
	<u>\$ 35,279</u>	<u>\$ 73,917</u>	<u>\$ 99,527</u>	<u>\$ 6,589</u>

Gross settled

Cross-currency swap contracts				
Inflows	\$ -	\$ 1,107,600	\$ 830,700	\$ -
Outflows	<u>-</u>	<u>1,114,000</u>	<u>(837,000)</u>	<u>-</u>
	<u>\$ -</u>	<u>\$ (6,400)</u>	<u>\$ (6,300)</u>	<u>\$ -</u>

27. TRANSACTIONS WITH RELATED PARTIES

Besides as disclosed elsewhere in the other notes, details of transactions between the Company and other related parties are disclosed as follows.

a. Related party name and category

<u>Related Party Name</u>	<u>Related Party Category</u>
Yageo Electronics (China) Co., Ltd.	Subsidiary
Yageo Components (Suzhou) Co., Ltd.	Subsidiary
Yageo Electronics (Dongguan) Co., Ltd.	Subsidiary
Yageo Trade (Suzhou) Co., Ltd.	Subsidiary
Vitrohm Portuguesa	Subsidiary
Ko-E (Hong Kong), Ltd.	Subsidiary
Ko-E Electronics Trade Co., Ltd.	Subsidiary
Brightking Enterprise (H.K.) Co., Ltd.	Subsidiary
Ko-E Component Co., Ltd.	Subsidiary
Pulse Electronics (Singapore) PTE. LTD.	Subsidiary
Pulse Electronics (Singapore) Pte. Ltd	Subsidiary
Pulse Suzhou Wireless Products Co., Ltd.	Subsidiary
Yageo U.S.A (H.K.) Limited	Subsidiary
Yageo Japan	Subsidiary
Yageo Korea	Subsidiary
KEMET Electronics Corporation	Subsidiary
KEMET Electronics Marketing (S) Pte	Subsidiary
TOKIN Corporation	Subsidiary
Yageo Europe Holding B.V.	Subsidiary
Yageo America LLC.	Subsidiary
Yageo Corporation (South Asia) PTE. LTD.	Subsidiary
Ko-Shin Investment Ltd.	Subsidiary
Yageo Holding (Bermuda) Ltd.	Subsidiary
KEMET ELECTRONICS ASIA LIMITED TAIWAN BRANCH (HONG KONG)	Subsidiary
TOKIN TAIWAN CO., LTD.	Subsidiary
Chilisin Electronics Corp.	Subsidiary
Mag.Layers Scientific-Technics Co., Ltd.	Subsidiary
Kaimei Electronics Corp.	Associate
Ralec Electronic Corp.	Subsidiary of associate
ASJ Pte. Limited	Subsidiary of associate
ASJ Components (M) Sdn. Bhd.	Subsidiary of associate
XSemi Corporation	Associate
Hsin Bung International Co., Ltd.	Substantial related party
Yixin International Co., Ltd.	Substantial related party
Yageo Professional Competition Development Association	Substantial related party
Tong Hsing Electronic Industries, Ltd.	Other related party

b. Sales of goods

Line Item	Related Party Category/Name	For the Year Ended December 31	
		2022	2021
Sales	Subsidiary		
	Yageo USA (H.K.) Limited	\$ 13,967,246	\$ 20,350,147
	Yageo Electronics (Dongguan) Co., Ltd.	2,786,571	3,601,578
	Others	6,195,897	8,196,420
	Substantial related party	11,022	48,479
	Associate	9,821	13,615
	Other related party	<u>205</u>	<u>61</u>
		<u>\$ 22,970,762</u>	<u>\$ 32,210,300</u>

c. Purchases of goods

Related Party Category/Name	For the Year Ended December 31	
	2022	2021
Subsidiary		
Yageo Electronics (China) Co., Ltd.	\$ 8,579,905	\$ 12,164,035
Yageo Electronics (Dongguan) Co., Ltd.	7,050,162	9,977,589
Others	305,917	241,835
Substantial related party	704,153	747,411
Associate	<u>45,232</u>	<u>37,589</u>
	<u>\$ 16,685,369</u>	<u>\$ 23,168,459</u>

d. Contract liabilities

Related Party Category/Name	December 31	
	2022	2021
Subsidiary		
Yageo USA (H.K.) Limited	<u>\$ 2,769,587</u>	<u>\$ 3,554,854</u>

e. Receivables from related parties (excluding loans to related parties)

Line Item	Related Party Category/Name	December 31	
		2022	2021
Trade receivables	Subsidiary		
	Yageo USA (H.K.) Limited	\$ 1,288,465	\$ 2,599,614
	KEMET Electronics Corporation	477,440	167,755
	Yageo Electronics (China) Co., Ltd.	226,620	977,361
	Yageo Europe Holding B.V.	198,474	568,826
	Others	285,029	438,370
	Substantial related party	2,802	6,942
	Associate	825	5,558
	Other related party	<u>6</u>	<u>64</u>
		<u>\$ 2,479,661</u>	<u>\$ 4,764,490</u>
Other receivables	Subsidiary	<u>\$ 50,357</u>	<u>\$ 25,861</u>

The outstanding trade receivables from related parties are unsecured. For the years ended December 31, 2022 and 2021, no impairment loss was recognized for trade receivable from related parties.

f. Payables to related parties (excluding loans from related parties)

Line Item	Related Party Category/Name	December 31	
		2022	2021
Trade payables	Subsidiary		
	Yageo Electronics (Dongguan) Co., Ltd.	\$ 1,449,496	\$ 1,308,962
	Yageo Electronics (China) Co., Ltd.	989,922	3,150,718
	Others	184,845	199,525
	Substantial related party	92,191	173,343
	Associate	<u>6,576</u>	<u>13,599</u>
		<u>\$ 2,723,030</u>	<u>\$ 4,846,147</u>
Other payables	Subsidiary	<u>\$ 17,424</u>	<u>\$ 104,487</u>

The outstanding trade payables to related parties are unsecured.

The payment terms for the trade receivable from (trade payable to) related parties were based on the terms of the related contracts. Other related-party transactions were conducted under normal terms.

g. Lease arrangement - Company is lessor

The Company as lessor leases office and plant to its associate and subsidiaries under operating leases with lease term of 2-5 years. As of December 31, 2022 and 2021, the balances of the gross lease payments receivable were \$23,225 thousand and \$19,330 thousand, respectively.

Lease income was as follows:

Related Party Category	For the Year Ended December 31	
	2022	2021
Subsidiary	\$ 12,984	\$ 9,126
Associate	<u>197</u>	<u>197</u>
	<u>\$ 13,181</u>	<u>\$ 9,323</u>

All the terms and conditions of above rental contracts conformed to normal business practice.

h. Acquisition of property, plant and equipment

Related Party Category/Name	Purchase Price	
	For the Year Ended December 31	
	2022	2021
Subsidiary	<u>\$ 217,881</u>	<u>\$ 4,996</u>

i. Disposal of property, plant and equipment

Related Party Category/Name	Proceeds		Gain (Loss) on Disposal	
	For the Year Ended		For the Year Ended	
	December 31		December 31	
	2022	2021	2022	2021
Subsidiary	\$ -	\$ 28,804	\$ -	\$ 698

j. Other transactions with related parties

Line Item	Related Party Category/Name	For the Year Ended December 31	
		2022	2021
Commission expenses	Subsidiary	\$ 58,820	\$ 131,721
Other expenses	Substantial related party	\$ 1,000	\$ 1,000
Other - expense reduction	Subsidiary	\$ (124)	\$ (108)
Other income	Subsidiary	\$ 33,903	\$ -
	Associate	10,655	-
		\$ 44,558	\$ -

k. Loans to related parties

Interest revenue

Related Party Category/Name	For the Year Ended December 31	
	2022	2021
Subsidiaries		
Token Corporation	\$ -	\$ 8,264

The Company provided Token Corporation with unsecured short-term loans at rates comparable to market interest rates and was paid off in 2021.

l. Loans from related parties

Related Party Category/Name	December 31	
	2022	2021
Subsidiary		
Yageo Holding (Bermuda) Ltd.	\$ 9,212,400	\$ -
Yageo USA (H.K.) Limited	-	8,307,000
Pulse Electronics (Singapore) Pte. Ltd	3,070,800	1,384,500
	\$ 12,283,200	\$ 9,691,500

Interest expense

Related Party Category/Name	For the Year Ended December 31	
	2022	2021
Subsidiaries		
Pulse Electronics (Singapore) Pte. Ltd	\$ 14,145	\$ 6,977
Yageo USA (H.K.) Limited	<u>-</u>	<u>42,603</u>
	<u>\$ 14,145</u>	<u>\$ 49,580</u>

The Company obtained loans from related parties at rates comparable to market interest rates. The loans from the subsidiaries are unsecured.

m. Remuneration of key management personnel

	For the Year Ended December 31	
	2022	2021
Short-term employee benefits	\$ 937,297	\$ 974,688
Post-employment benefits	<u>769</u>	<u>915</u>
	<u>\$ 938,066</u>	<u>\$ 975,603</u>

The remuneration of directors and key executives, as determined by the remuneration committee, is based on the performance of individuals and market trends.

28. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets were provided as collateral for bank borrowings:

	December 31	
	2022	2021
Property, plant and equipment, net	<u>\$ 2,740,404</u>	<u>\$ 2,616,708</u>

The pledged assets mentioned above were provided as collateral for the available unutilized bank borrowings.

29. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

In addition to those disclosed in other notes, significant commitments and unrecognized commitments of the Company as of December 31, 2022 and 2021, were as follows:

a. Significant unrecognized commitments

1) Unrecognized commitments were as follows:

	December 31	
	2022	2021
Acquisition of property, plant and equipment	<u>\$ 4,978,495</u>	<u>\$ 4,965,399</u>

- 2) The Company continued to focus on the operating strategy of the high-end niche field and the expansion of the highly designed product portfolio in order to become a leading supplier of high-end electronic component solutions. The Company's board of directors resolved to acquire 100% interest of the advanced temperature sensor business division of Heraeus Nexensos and the advanced industrial and telemecanique sensors business division of Schneider Electric for cash consideration of EUR79.40 million and EUR686 million in August and October 2022, respectively.

b. Contingencies

Contingent liabilities

Please refer to Table 2 about the endorsements/guarantees and between the Company and subsidiaries.

30. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The Company's significant financial assets and liabilities denominated in foreign currencies aggregated by the foreign currencies other than functional currencies of the entities and the related exchange rates between foreign currencies and respective functional currencies were as follows:

December 31, 2022

	Foreign Currency (In Thousands)	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 293,528	30.7080 (USD:NTD)	\$ 9,013,658
JPY	7,004,279	0.2330 (JPY:NTD)	1,631,997
EUR	32,898	32.7317 (EUR:NTD)	1,076,807
RMB	168,074	4.4175 (RMB:NTD)	<u>742,467</u>
			<u>\$ 12,464,929</u>
<u>Financial liabilities</u>			
Monetary items			
USD	96,438	30.7080 (USD:NTD)	\$ 2,961,418
JPY	1,917,517	0.2330 (JPY:NTD)	446,781
EUR	855	32.7317 (EUR:NTD)	<u>27,986</u>
			<u>\$ 3,436,185</u>
Non-monetary items			
Investments accounted for using equity method			
USD	10,461	30.7080 (USD:NTD)	<u>\$ 321,241</u>

December 31, 2021

	Foreign Currency (In Thousands)	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 286,952	27.6900 (USD:NTD)	\$ 7,945,701
EUR	86,787	31.3285 (EUR:NTD)	2,718,907
RMB	270,466	4.3438 (RMB:NTD)	1,174,850
HKD	106,001	3.5505 (HKD:NTD)	376,357
JPY	1,013,528	0.2405 (JPY:NTD)	<u>243,753</u>
			<u>\$ 12,459,568</u>
<u>Financial liabilities</u>			
Monetary items			
USD	91,289	27.6900 (USD:NTD)	\$ 2,527,792
JPY	1,727,252	0.2405 (JPY:NTD)	415,404
EUR	1,074	31.3285 (EUR:NTD)	<u>33,647</u>
			<u>\$ 2,976,843</u>
Non-monetary items			
Investments accounted for using equity method			
USD	8,994	27.6900 (USD:NTD)	<u>\$ 249,050</u>

For the years ended December 31, 2022 and 2021, realized and unrealized net foreign exchange gains (losses) were \$(689,285) thousand and \$177,156 thousand, respectively. It is impractical to disclose net foreign exchange gains (losses) by each significant foreign currency due to the variety of the foreign currency transactions and functional currencies of the entities in the Company.

31. SEPARATELY DISCLOSED ITEMS

a. Information on significant transactions:

- 1) Financing provided to others (Table 1)
- 2) Endorsements/guarantees provided (Table 2)
- 3) Marketable securities held (excluding investments in subsidiaries, associates and joint controlled entities) (Table 3)
- 4) Marketable securities acquired or disposed of at costs or prices at least NT\$300 million or 20% of the paid-in capital (Table 4)
- 5) Acquisition of individual real estate at costs of at least NT\$300 million or 20% of the paid-in capital (Table 5)
- 6) Disposal of individual real estate at prices of at least NT\$300 million or 20% of the paid-in capital (None)

- 7) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital (Table 6)
 - 8) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital (Table 7)
 - 9) Trading in derivative instruments (Notes 7 and 26)
- b. Information on investees. (Table 8)
- c. Information on investments in mainland China
- 1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the year, repatriations of investment income, and limit on the amount of investment in the mainland China area. (Table 9)
 - 2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses:
 - a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the year. (Table 6)
 - b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the year. (Table 6)
 - c) The amount of property transactions and the amount of the resultant gains or losses. (None)
 - d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the year and the purposes. (Table 2)
 - e) The highest balance, the ending balance, the interest rate range, and total current year interest with respect to financing of funds. (Table 1)
 - f) Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as the rendering or receiving of services.
- d. Information on major shareholders: List all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder (Table 10)

TABLE 1

YAGEO CORPORATION AND SUBSIDIARIES

FINANCINGS PROVIDED

FOR THE YEAR ENDED DECEMBER 31, 2022

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

No.	Financing Company	Counterparty	Financial Statement Account	Related Party	Maximum Balance for the Period (Foreign Currency in Thousands)	Ending Balance (Foreign Currency in Thousands)	Amount Actually Drawn (Foreign Currency in Thousands)	Interest Rate	Nature for Financing (Note 3)	Transaction Amounts	Reason for Financing	Allowance for Impairment Loss	Collateral		Financing Limits for Each Borrowing Company (Foreign Currency in Thousands) (Note 1)	Financing Company's Total Financing Amount Limits (Foreign Currency in Thousands) (Note 2)
													Item	Value		
0	Yageo Corporation	Kuo-Shin Investment Limited	Receivables from related parties	Yes	\$ 2,000,000	\$ 2,000,000	\$ -	1.04%	b	\$ -	For revolving fund	\$ -	None	\$ -	\$ 48,537,743	\$ 48,537,743
1	Yageo Holding (Bermuda) Ltd.	Yageo Europe Holding B.V.	Loans to subsidiaries considered as a component of investment	Yes	EUR 172,956	EUR 172,956	EUR 172,956	-	b	-	For revolving fund	-	None	-	US\$ 1,960,460	US\$ 1,960,460
		Brightking Holdings Ltd.	Receivables from related parties	Yes	US\$ 5,000	US\$ 2,200	US\$ 2,200	-	b	-	For revolving fund	-	None	-	US\$ 1,960,460	US\$ 1,960,460
		Yageo Corporation	Receivables from related parties	Yes	US\$ 300,000	US\$ 300,000	US\$ 300,000	-	b	-	For revolving fund	-	None	-	US\$ 1,960,460	US\$ 1,960,460
		Yageo USA (H.K.) Limited	Receivables from related parties	Yes	US\$ 518,182	US\$ 218,182	US\$ 218,182	-	b	-	For revolving fund	-	None	-	US\$ 1,960,460	US\$ 1,960,460
2	Vitrohm Holding GmbH	Yageo Holding (Bermuda) Ltd.	Receivables from related parties	Yes	EUR 6,568	EUR 6,568	EUR 6,486	1.25%	b	-	For revolving fund	-	None	-	EUR 14,176	EUR 14,176
3	Yageo USA (H.K.) Limited	Yageo Holding (Bermuda) Ltd.	Receivables from related parties	Yes	US\$ 50,000	-	-	-	b	-	For revolving fund	-	None	-	US\$ 31,856	US\$ 31,856
		Yageo Corporation	Receivables from related parties	Yes	US\$ 400,000	-	-	-	b	-	For revolving fund	-	None	-	US\$ 31,856	US\$ 31,856
4	Yageo (Suzhou) Trade Co., Ltd.	Yageo Electronics (China) Co., Ltd.	Receivables from related parties	Yes	RMB 300,000	RMB 300,000	-	2.00%	b	-	For revolving fund	-	None	-	RMB 150,878	RMB 150,878
5	Yageo Europe Holding B.V.	Yageo USA (H.K.) Limited	Receivables from related parties	Yes	US\$ 52,000	US\$ 52,000	US\$ 52,000	0.50%	b	-	For revolving fund	-	None	-	EUR 133,904	EUR 133,904
6	Bestbright Electronics Co., Ltd.	Yageo Components (Jiashan) Co., Ltd.	Other receivables - related parties	Yes	RMB 5,000	-	-	-	b	-	For revolving fund	-	None	-	RMB 230,946	RMB 230,946
7	Kuo-Shin Investment Limited	Ko-E Component Co., Ltd.	Receivables from related parties	Yes	200,000	200,000	115,000	1.50%	b	-	For revolving fund	-	None	-	401,727	401,727
8	Yageo Holding Hungary LLC	KEMET Corporation	Receivables from related parties	Yes	US\$ 100,000	-	-	-	b	-	For revolving fund	-	None	-	US\$ 2,457,352	US\$ 2,457,352
9	Pulse Components. Ltd.	Pulse Electronics (Singapore) Pte. Ltd.	Receivables from related parties	Yes	US\$ 18,000	US\$ 18,000	US\$ 18,000	-	a	US\$ 32,273	-	-	None	-	US\$ 32,273	US\$ 32,273
10	Pulse Electronics (Singapore) Pte. Ltd.	Yageo Corporation	Receivables from related parties	Yes	US\$ 100,000	US\$ 100,000	US\$ 100,000	0.50%	b	-	For revolving fund	-	None	-	US\$ 218,792	US\$ 218,792
		Pulse India	Receivables from related parties	Yes	US\$ 5,600	US\$ 5,600	US\$ 5,600	1.00%	b	-	For revolving fund	-	None	-	US\$ 218,792	US\$ 218,792
11	TOKIN Corporation	KEMET Corporation	Receivables from related parties	Yes	JPY 11,000,000	JPY 5,500,000	JPY 5,500,000	2.13636%	b	-	For revolving fund	-	None	-	JPY 54,297,557	JPY 54,297,557
		KEMET Corporation	Receivables from related parties	Yes	JPY 16,500,000	JPY 16,500,000	JPY 16,500,000	2.38636%	b	-	For revolving fund	-	None	-	JPY 54,297,557	JPY 54,297,557
12	KEMET Electronics Corporation	KEMET Electronics Bulgaria EAD	Receivables from related parties	Yes	EUR 8,000	EUR 8,000	EUR 7,500	2.50%	b	-	For revolving fund	-	None	-	US\$ 1,720,123	US\$ 1,720,123
		KEMET Electronics Italia SRL	Receivables from related parties	Yes	EUR 26,376	EUR 26,376	EUR 26,376	-	b	-	For revolving fund	-	None	-	US\$ 1,720,123	US\$ 1,720,123
13	KEMET Electronics (Suzhou) Co., Ltd.	Shanghai Arcotronics Components & Machineries Co., Ltd.	Receivables from related parties	Yes	RMB 5,300	RMB 5,300	-	3.65%	b	-	For revolving fund	-	None	-	US\$ 103,027	US\$ 103,027
14	EGSTON System Electronics Eggenburg GmbH	EGSTON System Electronic spol.s.r.o.	Receivables from related parties	Yes	EUR 5,100	EUR 5,100	EUR 4,100	4.547%	b	-	For revolving fund	-	None	-	US\$ 18,424	US\$ 18,424
15	EGSTON Automotive Eggenburg GmbH	EGSTON Holding GmbH	Receivables from related parties	Yes	EUR 1,500	EUR 1,500	-	4.547%	b	-	For revolving fund	-	None	-	US\$ 2,457	US\$ 2,457

(Continued)

No.	Financing Company	Counterparty	Financial Statement Account	Related Party	Maximum Balance for the Period (Foreign Currency in Thousands)	Ending Balance (Foreign Currency in Thousands)	Amount Actually Drawn (Foreign Currency in Thousands)	Interest Rate	Nature for Financing (Note 3)	Transaction Amounts	Reason for Financing	Allowance for Impairment Loss	Collateral		Financing Limits for Each Borrowing Company (Foreign Currency in Thousands) (Note 1)	Financing Company's Total Financing Amount Limits (Foreign Currency in Thousands) (Note 2)
													Item	Value		
16	EGSTON Far East GmbH	EGSTON System Electronics Eggenburg GmbH	Receivables from related parties	Yes	EUR 2,200	EUR 2,200	\$ -	4.547%	b	\$ -	For revolving fund	\$ -	None	\$ -	US\$ 3,848	US\$ 3,848
17	Maxtop Profits Limited	Pulse Component Ltd. Acadia Electronics Co., Ltd.	Receivables from related parties	Yes	US\$ 13,500	US\$ 12,055	US\$ 12,055	-	b	-	For revolving fund	-	None	-	US\$ 25,250	US\$ 25,250
			Receivables from related parties	Yes	US\$ 12,000	US\$ 9,145	US\$ 9,145	-	b	-	For revolving fund	-	None	-	US\$ 25,250	US\$ 25,250
18	Pulse Finland Oy	Pulse Electronics Korea YH	Receivables from related parties	Yes	EUR 5,000	EUR 5,000	EUR 4,992	0.50%	b	-	For revolving fund	-	None	-	US\$ 7,736	US\$ 7,736
19	Pulse Electronics Inc.	Pulse Electronics (Singapore) Pte Ltd.	Receivables from related parties	Yes	US\$ 35,000	US\$ 35,000	US\$ 35,000	1.60%	b	-	For revolving fund	-	None	-	US\$ 241,175	US\$ 241,175
20	Dongguan Chilisin Electronics Co., Ltd.	Mag. Layers International Co., Ltd.	Other receivables - related parties	Yes	RMB 204,750	RMB 204,750	RMB 204,750	3.50%	b	-	For revolving fund	-	None	-	RMB 555,810	RMB 555,810
21	Chilisin Holding (Hong Kong) Limited	Mag. Layers International Co., Ltd.	Other receivables - related parties	Yes	US\$ 5,200	US\$ 5,200	US\$ 5,200	1.10%	b	-	For revolving fund	-	None	-	US\$ 112,456	US\$ 112,456
22	Bothhand International Investment Co., Ltd.	Chilisin International Ltd.	Other receivables - related parties	Yes	US\$ 9,000	-	-	-	b	-	For revolving fund	-	None	-	US\$ 55,259	US\$ 55,259

Note 1: For the Company and its domestic investees (Kuo-Shin Investment Limited) business relationship, financing limit to each borrowing company is the amount of business operation (based on the previous year’s actual sales and purchase amount when the loan contract was awarded). The financing limit to the counterparty which has short-term loan need is 40% of its net worth presented in the latest financial statements audited or reviewed by auditors. According to the financing procedure for Company’s overseas investees, maximum financing amount that can be made by Yageo Holding (Bermuda) Ltd., Yageo USA (H.K.) Limited, Yageo (Suzhou) Trade Co., Ltd., Yageo Holding Hungary LLC, Vitrohm Holding GmbH, Yageo Europe Holding B.V., Bestbright Electronics Co., Ltd., Pulse Electronics (Singapore) Pte. Ltd., Pulse Electronics Inc., EGSTON System Electronics Eggenburg GmbH, EGSTON Automotive Eggenburg GmbH, EGSTON Far East GmbH, Maxtop Profits Limited, TOKIN Corporation, KEMET Electronics Corporation, KEMET Electronics (Suzhou) Co., Ltd., Dongguan Chilisin Electronics Co., Ltd., Chilisin Holding (Hong Kong) Limited and Bothhand International Investment Co., Ltd. is 100% of each net worth presented in the latest financial statements audited or reviewed by auditors. For Pulse Finland Oy, the maximum financing amount that can be made is limited to 200% of each net worth presented in the latest financial statements audited or reviewed by auditors. For Pulse Components Ltd., the maximum financing amount that can be made is limited to the transaction amount between the two parties in the past year or expected in the next year.

Note 2: For the Company and its domestic investees (Kuo-Shin Investment Limited) the financing amount to each counterparty is limited to 40% of its net worth presented in the latest financial statements audited or reviewed by auditors. According to the financing procedures for Company’s overseas investees, maximum financing amount that can be made by Yageo Holding (Bermuda) Ltd., Yageo USA (H.K.) Limited, Yageo (Suzhou) Trade Co., Ltd., Yageo Holding Hungary LLC, Vitrohm Holding GmbH, Yageo Europe Holding B.V., Bestbright Electronics Co., Ltd., Pulse Electronics (Singapore) Pte. Ltd., Pulse Electronics Inc., EGSTON System Electronics Eggenburg GmbH, EGSTON Automotive Eggenburg GmbH, EGSTON Far East GmbH, Maxtop Profits Limited, TOKIN Corporation, KEMET Electronics Corporation, KEMET Electronics (Suzhou) Co., Dongguan Chilisin Electronics Co., Ltd., Chilisin Holding (Hong Kong) Limited and Bothhand International Investment Co., Ltd. is 100% of each net worth presented in the latest financial statements audited or reviewed by auditors. For Pulse Finland Oy, the maximum financing amount that can be made is 200% of each net worth presented in the latest financial statements audited or reviewed by auditors. For Pulse Components Ltd., the maximum financing amount that can be made is limited to the transaction amount between the two parties in the past year or expected in the next year.

Note 3: Reasons for financing are as follows:

a. Business relationship.

b. For financing. According to Letter No. 0980000271 issued by the FSC on January 15, 2009, which revised article 3 of the operating procedures of the regulation on financing provided and endorsement/guarantee provided, the overseas investees in which the Company has 100% ownership and voting rights directly and indirectly, the financing amount to each counterparty is not subject to the short-term financing limit. However, the limits and the terms for the financing should still be specified by the financing procedures.

Note 4: The currency exchange rates on December 31, 2022 of NTD to HKD, USD, JPY, EUR and RMB were 1:3.9382, 1:30.708, 1:0.233, 1:32.7317 and 1:4.4175, respectively; the currency exchange rates of USD to HKD, JPY, EUR, and RMB were 1:0.1282, 1:0.0076, 1:1.0659 and 1:0.1439, respectively.

TABLE 2

YAGEO CORPORATION AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2022
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

No.	Endorsement/ Guarantee Provider	Guaranteed Party		Limits on Endorsement/ Guarantee Amount Provided to Each Guaranteed Party (Note 1)	Maximum Balance for the Period (Foreign Currency in Thousands)	Ending Balance (Foreign Currency in Thousands)	Amount Actually Drawn (Foreign Currency in Thousands)	Amount of Endorsement/ Guarantee Collateralized by Properties	Ratio of Accumulated Endorsement/ Guarantee to Net Equity per Latest Financial Statements	Maximum Endorsement/ Guarantee Amount Allowable (Note 2)	Guarantee Provided by Parent Company	Guarantee Provided by A Subsidiary	Guarantee Provided to Subsidiaries in Mainland China
		Name	Nature of Relationship										
0	Yageo Corporation	Yageo Holding (Bermuda) Ltd.	Subsidiary	\$ 121,344,357	\$ 9,721,072 (US\$ 284,000 NT\$ 1,000,000)	\$ 6,650,272 (US\$ 184,000 NT\$ 1,000,000)	\$ -	\$ -	5.48%	\$ 182,016,536	Yes	No	No
		The shared borrowing facilities of Yageo Electronics (China) Co., Ltd. and Yageo Electronics (Dongguan) Co., Ltd.	Subsidiary	121,344,357	736,992 (US\$ 24,000)	736,992 (US\$ 24,000)	-	-	0.61%	182,016,536	Yes	No	Yes
		Yageo USA (H.K.) Limited	Subsidiary	121,344,357	61,416 (US\$ 2,000)	61,416 (US\$ 2,000)	-	-	0.05%	182,016,536	Yes	No	No
		Kuo-Shin Investment Limited	Subsidiary	121,344,357	500,000	500,000	100,000	-	0.41%	182,016,536	Yes	No	No
		Ko-E Component Co., Ltd.	Subsidiary	121,344,357	33,071	-	-	-	-	182,016,536	Yes	No	No
		TOKIN Corporation	Subsidiary	121,344,357	6,407,500 (JPY 27,500,000)	6,407,500 (JPY 27,500,000)	2,074,632 (JPY 8,904,000)	-	5.28%	182,016,536	Yes	No	No
1	TOKIN Corporation	TOKIN Electronics (Thailand) Co., Ltd.	Subsidiary	12,651,331	1,222,221 (JPY 5,245,583)	1,222,221 (JPY 5,245,583)	-	-	8.55%	18,976,997	Yes	No	No
2	KEMET Corporation, The Forest Electric Company	KEMET Electronics Corporation/The Forest Electric Company/KEMET Electronics Marketing Services Singapore	Subsidiary	72,114,022	2,303,100 (US\$ 75,000)	1,535,400 (US\$ 50,000)	-	-	2.13%	108,071,033	Yes	No	No
3	Chilisin Electronics Corp.	Chilisin International Ltd.	Subsidiary	13,679,988	2,210,976	1,627,524	-	-	5.95%	27,359,976	Yes	No	No
		Chilisin Electronics (Vietnam) Limited company	Subsidiary	13,679,988	2,630,268	2,538,144	98,266	-	9.28%	27,359,976	Yes	No	No
		Ferroxcube Hong Kong Limited	Subsidiary	13,679,988	331,646	331,646	-	-	1.21%	27,359,976	Yes	No	No
		Ferroxcube Polska Sp. Z.o.o.	Subsidiary	13,679,988	61,416	61,416	-	-	0.22%	27,359,976	Yes	No	No
4	Magic Technology Co., Ltd.	Classic Magic Developments Limited (Samoa)	Subsidiary	533,210	218,126	-	-	-	-	1,066,419	Yes	No	No

Note 1: For the Company and its overseas investees, endorsements or guarantees to each counterparty are limited to 100% of its net worth presented in the latest financial statements. For Chilisin Electronics Corp. and Magic Technology Co., Ltd., endorsements or guarantees to each counterparty are limited to 50% of its net worth presented in the latest financial statements.

Note 2: Maximum endorsements/guarantees allowed for the Company and its overseas investees are 150% of its net worth presented in the latest financial statements. Maximum endorsements/guarantees allowed for Chilisin Electronics Corp. and Magic Technology Co., Ltd. are 100% of its net worth presented in the latest financial statements.

Note 3: The endorsements/guarantees were based on the currency exchange rates on December 31, 2022, of NTD to USD and JPY, which were 1:30.708 and 1:0.233, respectively.

TABLE 3

YAGEO CORPORATION AND SUBSIDIARIES

MARKETABLE SECURITIES HELD

DECEMBER 31, 2022

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

Holding Company Name	Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	December 31, 2022				Note
				Shares/Units (In Thousands)	Carrying Value	Percentage of Ownership (%)	Fair Value (Note)	
Yageo Corporation	<u>Shares</u>							
	Linko International Golf & Country Club	-	Financial assets at FVTPL - non-current	-	\$ 482	0.10	\$ 482	1
	Fubon Financial Holding Co., Ltd. Preferred Shares C	-	Financial assets at FVTOCI - non-current	5,000	275,500	1.50	275,500	1
	Cathay Financial Holding Co., Ltd. Preferred Shares A	-	Financial assets at FVTOCI - non-current	1,598	90,447	0.19	90,447	1
	Fubon Financial Holding Co., Ltd. Preferred Shares A	-	Financial assets at FVTOCI - non-current	1,586	95,794	0.26	95,794	1
	<u>Bonds</u>							
	Citigroup Global Markets Holdings	-	Financial assets at amortized cost - non-current	-	448,440	-	448,440	2
	HSBC Holdings PLC	-	Financial assets at amortized cost - non-current	-	408,708	-	408,708	2
	Goldman Sachs BDC Inc.	-	Financial assets at amortized cost - non-current	-	402,186	-	402,186	2
	Bnp Paribas	-	Financial assets at amortized cost - non-current	-	287,138	-	287,138	2
	QNBK	-	Financial assets at amortized cost - non-current	-	287,138	-	287,138	2
	TSMC Global Ltd.	-	Financial assets at amortized cost - non-current	-	285,294	-	285,294	2
	Hon Hai Technology Group (Foxconn)	-	Financial assets at amortized cost - non-current	-	118,553	-	118,553	2
	UBS Group	-	Financial assets at amortized cost - non-current	-	114,405	-	114,405	2
	<u>Structured notes</u>							
	Sercomm Corporation credit-linked structured notes	-	Financial assets at FVTPL - non-current	-	100,224	-	100,224	1
	Giant Manufacturing Co., Ltd. credit-linked structured notes	-	Financial assets at FVTPL - non-current	-	30,218	-	30,218	1
Kuo-Shin Investment Limited	<u>Shares</u>							
	Hsin Bung International Co., Ltd.	-	Financial assets at FVTPL - non-current	2,761	33,622	16.59	33,622	1
	Jihsun Securities Investment Trust Co., Ltd.	-	Financial assets at FVTPL - non-current	1,560	12,000	4.00	12,000	1
	Ta-I Technology Co., Ltd.	-	Financial assets at FVTOCI - non-current	-	1	-	1	1
	Yageo Corporation	Parent company	Financial assets at FVTOCI - non-current	802	361,730	0.19	361,730	1, 3
Yageo Holding (Bermuda) Ltd.	<u>Shares</u>							
	Canoo Inc.	-	Financial assets at FVTPL - current	1,000	37,771	0.28	37,771	1
	<u>Bonds</u>							
	Chailease Int'L Finance Corp.	-	Financial assets at amortized cost - non-current	-	822,961	-	822,961	2
	Citigroup Global Markets Holdings Inc.	-	Financial assets at amortized cost - non-current	-	755,426	-	755,426	2
	Formosa Plastics Corporation	-	Financial assets at amortized cost - non-current	-	626,983	-	626,983	2
	Sumitomo Mitsui Trust Bank	-	Financial assets at amortized cost - non-current	-	597,783	-	597,783	2
	Hon Hai Technology Group (Foxconn)	-	Financial assets at amortized cost - non-current	-	471,472	-	471,472	2
	HBC Holdings PLC	-	Financial assets at amortized cost - non-current	-	380,730	-	380,730	2
	Lloyds Banking Group	-	Financial assets at amortized cost - non-current	-	313,137	-	313,137	2

(Continued)

Holding Company Name	Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	December 31, 2022				Note
				Shares/Units (In Thousands)	Carrying Value	Percentage of Ownership (%)	Fair Value (Note)	
Yageo Europe Holding B.V.	Goldman Sachs Finance Corp International Ltd	-	Financial assets at amortized cost - non-current	-	\$ 300,938	-	\$ 300,938	2
	Nissan Motor Co., Ltd.	-	Financial assets at amortized cost - non-current	-	300,135	-	300,135	2
	Mitsubishi UFJ Financial Group	-	Financial assets at amortized cost - non-current	-	299,737	-	299,737	2
	Nomura Holdings, Inc.	-	Financial assets at amortized cost - non-current	-	293,414	-	293,414	2
	BNP Paribas	-	Financial assets at amortized cost - non-current	-	287,138	-	287,138	2
	Emirates NBD	-	Financial assets at amortized cost - non-current	-	287,138	-	287,138	2
	TSMC	-	Financial assets at amortized cost - non-current	-	284,049	-	284,049	2
	Barclays PLC	-	Financial assets at amortized cost - non-current	-	227,705	-	227,705	2
	Goldman Sachs BDC Inc.	-	Financial assets at amortized cost - non-current	-	214,824	-	214,824	2
	SOCIETE GENERALE	-	Financial assets at amortized cost - non-current	-	165,501	-	165,501	2
	UBS Group	-	Financial assets at amortized cost - non-current	-	114,455	-	114,455	2
	China Huarong International Holdings	-	Financial assets at amortized cost - non-current	-	92,063	-	92,063	2
	<u>Structured notes</u>							
	Goldman Sachs structured notes	-	Financial assets at FVTPL - non-current	-	592,910	-	592,910	1
	<u>Foreign private fund</u>							
	SMART Growth Fund, L.P.	-	Financial assets at FVTPL - non-current	-	241,378	1.60	241,378	1
	New Epoch Investment Partners Limited	-	Financial assets at FVTPL - non-current	-	121,341	1.92	121,341	1
	<u>Bonds</u>							
	Citigroup Global Markets Holdings Inc.	-	Financial assets at amortized cost - non-current	-	460,620	-	460,620	2
	HSBC Holdings PLC	-	Financial assets at amortized cost - non-current	-	433,630	-	433,630	2
	Imperial Brands	-	Financial assets at amortized cost - non-current	-	301,806	-	301,806	2
	Nissan Motor Co., Ltd.	-	Financial assets at amortized cost - non-current	-	289,255	-	289,255	2
	QNBK	-	Financial assets at amortized cost - non-current	-	287,140	-	287,140	2
	ABN Amro Bank N.V.	-	Financial assets at amortized cost - non-current	-	286,916	-	286,916	2
	NatWest Group	-	Financial assets at amortized cost - non-current	-	253,400	-	253,400	2
	Morgan Stanley	-	Financial assets at amortized cost - non-current	-	252,366	-	252,366	2
	Barclays	-	Financial assets at amortized cost - non-current	-	251,236	-	251,236	2
	Goldman Sachs BDC Inc.	-	Financial assets at amortized cost - non-current	-	249,730	-	249,730	2
	Credit Agricole SA	-	Financial assets at amortized cost - non-current	-	162,796	-	162,796	2
	Lloyds Banking Group	-	Financial assets at amortized cost - non-current	-	162,430	-	162,430	2
	DBS Group Holdings Ltd.	-	Financial assets at amortized cost - non-current	-	155,767	-	155,767	2
	Argentum Netherlands BV	-	Financial assets at amortized cost - non-current	-	92,124	-	92,124	2
	<u>Structured deposits</u>							
	China Construction Bank Qianyuan-Hengying Net Value RMB Financial Products	-	Financial assets at FVTPL - current	-	287,040	-	287,040	1
	CCB Wealth Management Tiantianli Financial Products	-	Financial assets at FVTPL - current	-	287,040	-	287,040	1
	<u>Structured deposits</u>							
	Bank of China Linked Financial Products	-	Financial assets at FVTPL - current	-	176,635	-	176,635	1
	Fubon Bank (China) structured products	-	Financial assets at FVTPL - current	-	132,476	-	132,476	1
	Bank of Dongguan Yulan Wealth Management Wanlibao cash No.1	-	Financial assets at FVTPL - current	-	71,979	-	71,979	1
	Fubon Bank (China) structured products	-	Financial assets at FVTPL - current	-	88,317	-	88,317	1

(Continued)

Holding Company Name	Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	December 31, 2022				Note
				Shares/Units (In Thousands)	Carrying Value	Percentage of Ownership (%)	Fair Value (Note)	
Yageo Electronics (China) Co.,	<u>Structured deposits</u> China CITIC Bank RMB structured deposit pegged to exchange rate	-	Financial assets at FVTPL - current	-	\$ 220,793	-	\$ 220,793	1
Yageo (Suzhou) Trade Co., Ltd.	<u>Structured deposits</u> China Everbright Bank structured products No. 2	-	Financial assets at FVTPL - current	-	441,587	-	441,587	1
	China Everbright Bank structured products No. 12	-	Financial assets at FVTPL - current	-	441,587	-	441,587	1
Bestbright Electronics Co., Ltd.	<u>Structured deposits</u> Fubon Bank (China) RMB interest rate structured products (monthly distribution)	-	Financial assets at FVTPL - current	-	220,875	-	220,875	1
Kemet Electronics Corporation	<u>Bonds</u> Citigroup Global Markets Holdings Inc.	-	Financial assets at amortized cost - non-current	-	307,080	-	307,080	2
TOKIN Corporation	<u>Shares</u> Sanshin Electronics Co., Ltd.	-	Financial assets at FVTPL - non-current	50	27,974	0.31	27,974	1
	Ryosan Co Ltd.	-	Financial assets at FVTPL - non-current	32	21,096	0.13	21,096	1
	The 77 Bank Ltd.	-	Financial assets at FVTPL - non-current	30	15,576	0.04	15,576	1
	Hagiwara Electric Holdings Co Ltd.	-	Financial assets at FVTPL - non-current	10	5,711	0.11	5,711	1
	SK Tech Co., Ltd.	-	Financial assets at FVTPL - non-current	13	630	5.95	630	1
	Nyuzen Machidukuri Kahihatsu	-	Financial assets at FVTPL - non-current	-	23	1.00	23	1
	Tohoku Magnet Institute	-	Financial assets at FVTPL - non-current	57	-	2.37	-	1
	Aiwa Seimitsu	-	Financial assets at FVTPL - non-current	2	-	5.00	-	1
	Neo Photonics Corporation	-	Financial assets at FVTPL - non-current	1	-	-	-	1
	Sendai Port Trade Promotion Center	-	Financial assets at FVTPL - non-current	-	-	0.23	-	1
Pulse Electronics Corporation	<u>Bonds</u> Chailease Int’L Finance Corp.	-	Financial assets at amortized cost - non-current	-	108,537	-	108,537	2
Chilisin Electronics Corp.	<u>Shares</u> Fubon Financial Holding Co., Ltd. Preferred Shares C	-	Financial assets at FVTOCI - non-current	2,333	128,548	0.70	128,548	1
	Fubon Financial Holding Co., Ltd. Preferred Shares A	-	Financial assets at FVTOCI - non-current	2,195	132,578	0.37	132,578	1
	Fubon Financial Holding Co., Ltd. Preferred Shares B	-	Financial assets at FVTOCI - non-current	1,106	63,595	0.17	63,595	1
	Cathay Financial Holding Co., Ltd. Preferred Shares A	-	Financial assets at FVTOCI - non-current	434	24,565	0.05	24,565	1
	<u>Structured notes</u> Elite Material Co., Ltd. credit-linked structured notes	-	Financial assets at FVTPL - non-current	-	50,000	-	50,000	1
	Merry Electronics Co., Ltd. credit-linked structured notes	-	Financial assets at FVTPL - non-current	-	35,000	-	35,000	1
Chilisin International Ltd.	<u>Bonds</u> Chailease Int’L Finance Corp.	-	Financial assets at amortized cost - non-current	-	436,640	-	436,640	2
	HSBC Holdings PLC	-	Financial assets at amortized cost - non-current	-	95,732	-	95,732	2
	Formosa Plastics Corporation	-	Financial assets at amortized cost - non-current	-	90,550	-	90,550	2
	The Shanghai Commercial & Savings Bank, Ltd.	-	Financial assets at amortized cost - non-current	-	40,304	-	40,304	2

(Continued)

Holding Company Name	Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	December 31, 2022				Note
				Shares/Units (In Thousands)	Carrying Value	Percentage of Ownership (%)	Fair Value (Note)	
Hunan Chilisun Electronics Technology Co., Ltd.	<u>Structured deposits</u> Fubon Bank (China) RMB interest rate structured products (monthly distribution)	-	Financial assets at FVTPL - current	-	\$ 88,732	-	\$ 88,732	1
Dongguan Chilisun Electronics Co., Ltd.	<u>Structured deposits</u> Fubon Bank (China) RMB interest rate structured products (monthly distribution)	-	Financial assets at FVTPL - current	-	441,037	-	441,037	1
Shin Yuan Electronics Productions (Kunshan) Co., Ltd.	<u>Structured deposits</u> Fubon Bank (China) RMB interest rate structured products (monthly distribution)	-	Financial assets at FVTPL - current	-	368,622	-	368,622	1
Magic Technology Co., Ltd.	<u>Shares</u> Tecstar Technology Co., Ltd.	-	Financial assets at FVTOCI - non-current	136	1,111	0.60	1,111	1
Magic Electronic Technology (Shenzhen) Co., Ltd.	<u>Structured deposits</u> Shanghai Pudong Development Bank structured products	-	Financial assets at FVTPL - current	-	66,263	-	66,263	1
Magic Trade (Shenzhen) Co., Ltd.	<u>Structured deposits</u> Shanghai Pudong Development Bank structured products	-	Financial assets at FVTPL - current	-	22,088	-	22,088	1
Magic Electronic Technology (Chongqing) Co., Ltd.	<u>Structured deposits</u> Fubon Bank (China) RMB interest rate structured products	-	Financial assets at FVTPL - current	-	39,758	-	39,758	1
Guangzhou Bothhand Electronics	<u>Structured deposits</u> Industrial and Commercial Bank of China Tianlibao Net Value Financial Products	-	Financial assets at FVTPL - current	-	52	-	52	1
Deyang Bothhand Electronics Co., Ltd.	<u>Structured deposits</u> Industrial and Commercial Bank of China Tianlibao No. 2 Net Value Financial Products	-	Financial assets at FVTPL - current	-	136,347	-	136,347	1
	Bank of China Wealth Management Enjoy Everyday	-	Financial assets at FVTPL - current	-	44,189	-	44,189	1
	Industrial and Commercial Bank of China Tianlibao Net Value Financial Products	-	Financial assets at FVTPL - current	-	26,513	-	26,513	1
Guangzhou Chenghan Electronic Technology Co., Ltd.	<u>Structured deposits</u> Bank of China Accumulation Plan - Daily	-	Financial assets at FVTPL - current	-	151,890	-	151,890	1
Deyang Hongyi Electronics Co., Ltd.	<u>Structured deposits</u> Bank of China Accumulation Plan - Daily	-	Financial assets at FVTPL - current	-	103,734	-	103,734	1
	Bank of China Wealth Management Enjoy Everyday	-	Financial assets at FVTPL - current	-	35,603	-	35,603	1
Deyang Shisheng Electronics Co., Ltd.	<u>Structured deposits</u> Bank of China Accumulation Plan - Daily	-	Financial assets at FVTPL - current	-	5	-	5	1
	Bank of China Wealth Management Enjoy Everyday	-	Financial assets at FVTPL - current	-	2	-	2	1

(Continued)

Note 1: The listed ordinary shares and preference shares were valued by their closing prices as of December 31, 2022. The unlisted ordinary shares were determined using the discounted cash flow method. The debt investments with no active market were valued using the evaluated information provided by the Company. The foreign private funds were valued using the asset-based approach. The structured notes and deposits were valued using the valuation technique, the quoted market price of its competitors and the future cash flows.

Note 2: The carrying amount is calculated at amortized cost.

Note 3: The Company’s ordinary shares held by subsidiaries are treated as treasury shares.

(Concluded)

TABLE 4

YAGEO CORPORATION AND SUBSIDIARIES

MARKETABLE SECURITIES ACQUIRED AND DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT\$300 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2022
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Company Name	Marketable Securities Type and Name	Financial Statement Account	Counterparty	Nature of Relationship	Beginning Balance		Acquisition		Disposal				Ending Balance (Note 3)	
					Shares/Units	Amount (Foreign Currency in Thousands)	Shares/Units (In Thousands)	Amount (Foreign Currency in Thousands)	Shares/Units	Amount (Foreign Currency in Thousands)	Carrying Value (Foreign Currency in Thousands)	Gain/Loss on Disposal	Shares/Units (In Thousands)	Amount (Foreign Currency in Thousands)
Yageo Corporation	Chilisin Electronics Corp. (Note 2)	Investments accounted for using the equity method	-	-	25,276,032	\$ 2,814,990	238,657,905	\$ 20,235,500	-	\$ -	\$ -	\$ -	316,720,724	\$ 27,359,975
Yageo Holding (Bermuda) Ltd.	Goldman Sachs structured notes	Financial assets at FVTPL - non-current	Goldman Sachs Finance Corp International Ltd.	-	-	-	-	US\$ 20,000	-	-	-	-	-	US\$ 19,308
	Bonds - Formosa Plastics Corporation	Financial assets at amortized cost - non-current	KGI Securities Co., Ltd.	-	-	-	-	US\$ 20,581	-	-	-	-	-	US\$ 20,418
Shenzhen Chilisin Electronics Co., Ltd.	Industrial and Commercial Bank of China Tianlibao Net Value Financial Products	Financial assets at FVTPL - current	Industrial and Commercial Bank of China	-	-	RMB 20,000	-	RMB 25,000	-	RMB 45,028	RMB 45,000	RMB 28	-	-
Shin Yuan Electronics Productions (Kunshan) Co., Ltd.	Fubon Bank (China) RMB interest rate structured products (monthly distribution)	Financial assets at FVTPL - current	Fubon Bank (China)	-	-	RMB 76,786	-	RMB 253,660	-	RMB 249,684	RMB 247,000	RMB 2,684	-	RMB 83,446
Dongguan Chilisin Electronics Co., Ltd.	Fubon Bank (China) RMB interest rate structured products (monthly distribution)	Financial assets at FVTPL - current	Fubon Bank (China)	-	-	RMB 77,183	-	RMB 345,356	-	RMB 325,823	RMB 322,700	RMB 3,123	-	RMB 99,839
Hunan Chilisin Electronics Technology Co., Ltd.	Fubon Bank (China) RMB interest rate structured products (monthly distribution)	Financial assets at FVTPL - current	Fubon Bank (China)	-	-	-	-	RMB 98,000	-	RMB 78,631	RMB 78,000	RMB 631	-	RMB 20,086
	Agricultural Bank of China ABC Ingenuity Tiantianli	Financial assets at FVTPL - current	Agricultural Bank of China	-	-	-	-	RMB 89,000	-	RMB 89,476	RMB 89,000	RMB 476	-	-

Note 1: The marketable securities mentioned in this table refer to shares, bonds, beneficiary certificates, and securities derived from the above items.

Note 2: The Company acquired 100% of the interest of Chilisin Electronics Corp. in a share exchange agreement on January 5, 2022. The aforementioned share exchange transaction was an organizational restructuring under common control and regarded as a combination from the beginning.

Note 3: The ending balance include investment income or loss for using the equity method and related adjustment items.

TABLE 5

YAGEO CORPORATION AND SUBSIDIARIES

ACQUISITION OF INDIVIDUAL REAL ESTATE PROPERTIES AT COSTS OF AT LEAST NT\$300 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2022
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Company Name	Types of Property	Transaction Date	Transaction Amount	Payment Term	Counterparty	Nature of Relationships	Prior Transaction of Related Counterparty				Price Reference	Purpose of Acquisition	Other Terms
							Owner	Relationships	Transfer Date	Amount			
Yageo Corporation	Plant Construction	October 26, 2022	\$ 1,632,750	Based on the terms in the purchase order	ACTER GROUP CORPORATION LIMITED	Non-related parties	-	-	-	\$ -	Price comparison and price negotiation	Manufacturing purpose	-

TABLE 6

YAGEO CORPORATION AND SUBSIDIARIES

**TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES OF AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2022
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)**

Company Name	Related Party	Nature of Relationships	Transaction Details (Note)				Abnormal Transaction		Notes/Accounts Payable or Receivable		Note
			Purchases/ Sales	Amount (Foreign Currency in Thousands)	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance (Foreign Currency in Thousands)	% to Total	
Yageo Corporation	Yageo Corporation (South Asia)	Subsidiary	Sale	\$ (1,379,729)	(5)	T/T 90 days	\$ -	-	\$ 77,547	3	-
	Yageo Europe Holding B.V.	Subsidiary	Sale	(1,891,649)	(7)	Offset account T/T 45 days	-	-	133,087	4	-
	Yageo USA (H.K.) Limited	Subsidiary	Sale	(13,967,246)	(51)	Offset account T/T 90 days	-	-	-	-	-
	Yageo Electronics (China) Co., Ltd.	Subsidiary	Sale	(1,305,167)	(5)	T/T 90 days	-	-	229,046	8	-
			Purchase	8,579,905	39	T/T 90 days	-	-	(989,922)	(18)	-
	Yageo Electronics (Dongguan) Co., Ltd.	Subsidiary	Sale	(2,786,571)	(10)	Offset account T/T 90 days	-	-	-	-	-
			Purchase	7,050,162	32	Offset account T/T 90 days	-	-	(1,449,415)	(26)	-
	Ko-E Electronics Trade Co., Ltd.	Subsidiary	Sale	(356,702)	(1)	T/T 90 days	-	-	62,792	2	-
	Yageo Components (Suzhou) Co., Ltd.	Subsidiary	Purchase	146,903	1	T/T 90 days	-	-	(41,143)	(1)	-
	Ko-E (H.K.) Limited	Subsidiary	Sale	(355,628)	(1)	T/T 90 days	-	-	64,988	2	-
	KEMET Electronics Corporation	Subsidiary	Sale	(768,720)	(3)	T/T 90 days	-	-	488,672	16	-
Yageo Electronics (China) Co., Ltd.	Ko-E (H.K.) Limited	Associate	Sale	RMB (292,496)	(11)	T/T 90 days	-	-	RMB 17,157	2	-
	Yageo Europe Holding B.V.	Associate	Sale	RMB (202,608)	(7)	T/T 90 days	-	-	RMB 33,970	5	-
Yageo USA (H.K.) Limited	Yageo Electronics (Dongguan) Co., Ltd.	Associate	Sale	US\$ (82,230)	(17)	T/T 90 days	-	-	US\$ 40,219	23	-
	Yageo (Suzhou) Trade Co., Ltd.	Associate	Sale	US\$ (137,922)	(29)	T/T 90 days	-	-	US\$ 76,325	44	-
	Ko-E (H.K.) Limited	Associate	Sale	US\$ (88,450)	(19)	T/T 90 days	-	-	US\$ 18,941	11	-
Yageo (Suzhou) Trade Co., Ltd.	Ko-E Technology (Shenzhen) Co., Ltd.	Associate	Sale	RMB (638,326)	(61)	T/T 65 days	-	-	RMB 389,028	77	-
Bestbright Electronics Co., Ltd.	Ko-E Technology (Shenzhen) Co., Ltd.	Associate	Sale	RMB (308,721)	(79)	T/T 30-60 days	-	-	RMB 75,229	76	-
Dongguan Pulse Electronics Co., Ltd.	Pulse Electronics (Singapore) Pte. Ltd.	Parent company	Sale	US\$ (73,661)	(11)	T/T 90 days	-	-	US\$ 51,461	40	-
	Pulse Electronics GmbH	Associate	Sale	US\$ (4,845)	(1)	T/T 90 days	-	-	US\$ 20,850	16	-
Mian Yang Pulse Electronics Co., Ltd.	Pulse Electronics Inc.	Parent company	Sale	US\$ (9,551)	(1)	T/T 90 days	-	-	US\$ 6,847	5	-
	Pulse Electronics (Singapore) Pte. Ltd.	Parent company	Sale	US\$ (59,568)	(9)	T/T 90 days	-	-	US\$ 7,128	6	-
Pulse (Suzhou) Wireless Products Co., Ltd.	Pulse Electronics Inc.	Parent company	Sale	US\$ (9,310)	(1)	T/T 90 days	-	-	US\$ 2,225	2	-
	Pulse Electronics (Singapore) Pte. Ltd.	Parent company	Sale	US\$ (22,359)	(3)	T/T 90 days	-	-	US\$ (1,251)	(1)	-
Suining Pulse Electronics Co., Ltd.	Pulse Electronics Inc.	Parent company	Sale	US\$ (5,333)	(1)	T/T 90 days	-	-	US\$ 691	1	-
	Pulse Electronics (Singapore) Pte. Ltd.	Parent company	Sale	US\$ (49,298)	(7)	T/T 90 days	-	-	US\$ 10,689	8	-
Pulse Components. Ltd.	Pulse Electronics Inc.	Parent company	Sale	US\$ (10,792)	(2)	T/T 90 days	-	-	US\$ 2,330	2	-
	Pulse Electronics (Singapore) Pte. Ltd.	Parent company	Sale	US\$ (32,538)	(5)	T/T 90 days	-	-	US\$ 19,023	15	-
EGSTON System Electronics Eggenburg GmbH	EGSTON Automotive Eggenburg GmbH	Associate	Sale	US\$ (4,705)	(1)	T/T 30 days	-	-	US\$ 7,955	6	-
	EGSTON System Electronic spol.s.r.o.	Associate	Sale	US\$ (3,457)	(1)	T/T 30 days	-	-	US\$ 6,803	5	-
EGSTON System Electronic spol.s.r.o.	EGSTON System Electronics Eggenburg GmbH	Associate	Sale	US\$ (52,677)	(8)	T/T 30 days	-	-	US\$ 154	-	-
	EGSTON Automotive Eggenburg GmbH	Associate	Sale	US\$ (49,881)	(7)	T/T 30 days	-	-	US\$ 4,959	4	-
EGSTON Electronics Zhuhai Ltd.	EGSTON Far East GmbH	Associate	Sale	US\$ (12,277)	(2)	T/T 30 days	-	-	US\$ 3,807	3	-

(Continued)

Company Name	Related Party	Nature of Relationships	Transaction Details (Note)				Abnormal Transaction		Notes/Accounts Payable or Receivable		Note
			Purchases/ Sales	Amount (Foreign Currency in Thousands)	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance (Foreign Currency in Thousands)	% to Total	
Pulse System Electronics (India) Pte. Ltd	EGSTON System Electronic spol.s.r.o. EGSTON Far East GmbH	Associate	Sale	US\$ (3,819)	(1)	T/T 30 days	\$	-	US\$ 953	1	-
		Associate	Sale	US\$ (3,891)	(1)	T/T 30 days		-	US\$ 1,079	1	-
P.T. KEMET Electronics Indonesia	KEMET Electronics Corporation	Parent company	Sale	US\$ (4,585)	(1)	Net 60 days	-	-	US\$ 4,511	4	-
Shanghai Arcotronics Components & Machineries Co., Ltd.	KEMET Electronics Corporation KEMET Electronics (Suzhou) Co., Ltd.	Parent company	Sale	US\$ (11,482)	(2)	Net 60 days	-	-	US\$ (1,386)	(1)	-
		Associate	Sale	US\$ (5,229)	(1)	Net 60 days	-	-	US\$ 407	-	-
KEMET Electronics Bulgaria EAD	KEMET Electronics Corporation	Parent company	Sale	US\$ (7,388)	(1)	Net 60 days	-	-	US\$ 571	-	-
KEMET Electronics Italia S.r.l.	KEMET Electronics Corporation	Parent company	Sale	US\$ (4,318)	(1)	Net 60 days	-	-	US\$ 9,974	9	-
KEMET Electronics Portugal, S.A.	KEMET Electronics Corporation	Parent company	Sale	US\$ (14,411)	(2)	Net 60 days	-	-	US\$ 8,814	8	-
TOKIN Corporation	KEMET Electronics Corporation	Parent company	Sale	US\$ (17,389)	(3)	Net 60 days	-	-	US\$ 32,842	31	-
	TOKIN Hong Kong Ltd.	Subsidiary	Sale	US\$ (199,257)	(94)	T/T 90 days	-	-	US\$ 25,258	75	-
	TOKIN Singapore Pte Ltd.	Subsidiary	Sale	US\$ (27,105)	(94)	T/T 30 days	-	-	US\$ 2,703	11	-
	TOKIN Electronics (Xiamen) Corporation	Subsidiary	Sale	US\$ (6,346)	(13)	Net 60 days	-	-	US\$ 1,421	3	-
KEMET Electronics (Suzhou) Co., Ltd.	KEMET Electronics Corporation	Parent company	Sale	US\$ (35,023)	(6)	Net 60 days	-	-	US\$ 25,208	23	-
KEMET Electronics Corporation	KEMET Electronics Marketing (S) Pte Ltd.	Subsidiary	Sale	US\$ (95,085)	(15)	Net 60 days	-	-	US\$ 44,235	41	-
	KEMET Electronics (Suzhou) Co., Ltd.	Subsidiary	Sale	US\$ (14,849)	(2)	Net 60 days	-	-	US\$ (25,208)	(23)	-
	TOKIN Electronics (Thailand) Co., Ltd.	Subsidiary	Sale	US\$ (5,744)	(1)	Net 60 days	-	-	US\$ 1,992	2	-
TOKIN Electronics (Xiamen) Corporation	TOKIN Corporation	Parent company	Sale	US\$ (41,685)	(83)	Net 80 days	-	-	US\$ 8,277	20	-
	TOKIN Electronics (Vietnam) Co., Ltd.	Associate	Sale	US\$ (8,297)	(17)	T/T 50 days	-	-	US\$ 1,252	3	-
TOKIN Electronics (Vietnam) Co., Ltd.	TOKIN Corporation	Parent company	Sale	US\$ (85,670)	(99)	Net 50 days	-	-	US\$ 13,584	35	-
TOKIN Electronics (Thailand) Co., Ltd.	TOKIN Corporation	Parent company	Sale	US\$ (124,128)	(100)	T/T 140 days	-	-	US\$ 23,380	14	-
KEMET Electronics Macedonia DOOEL Skopje	KEMET Electronics Corporation	Parent company	Sale	US\$ (6,225)	(1)	Net 60 days	-	-	US\$ 377	4	-
Chilisin Electronics Corp.	Pulse Electronics (Singapore)	Associate	Sale	(617,601)	(12)	T/T 120 days	-	-	582,304	26	-
	Chilisin Electronics (Vietnam) Limited company	Subsidiary	Sale	(281,966)	(5)	T/T 120 days	-	-	283,374	12	-
Hunan Chilisin Electronics Technology Co., Ltd.	Chilisin International Ltd.	Parent company	Sale	RMB (76,785)	(16)	T/T 120 days	-	-	RMB 30,903	13	-
	Chilisin Electronics Corp.	Parent company	Sale	RMB (151,160)	(32)	T/T 120 days	-	-	RMB 97,655	41	-
	Dongguan Chilisin Electronics Co., Ltd.	Associate	Sale	RMB (95,259)	(20)	T/T 120 days	-	-	RMB 26,686	11	-
	Mag. Layers International Co., Ltd.	Associate	Sale	RMB (114,959)	(24)	T/T 120 days	-	-	RMB 61,036	26	-
	Shenzhen Chilisin Electronics Co., Ltd.	Associate	Sale	RMB (24,240)	(5)	T/T 120 days	-	-	RMB 9,912	4	-
Shenzhen Chilisin Electronics Co., Ltd.	Mag. Layers International Co., Ltd.	Associate	Sale	RMB (60,445)	(23)	T/T 120 days	-	-	RMB 36,184	34	-
Dongguan Chilisin Electronics Co., Ltd.	Chilisin International Ltd.	Parent company	Sale	RMB (148,489)	(28)	T/T 120 days	-	-	RMB 50,758	12	-
	Chilisin Electronics Corp.	Parent company	Sale	RMB (302,846)	(58)	T/T 120 days	-	-	RMB 130,039	30	-
Chilisin Electronics (Vietnam) Limited Company	Chilisin International Ltd.	Associate	Sale	US\$ (9,241)	(16)	T/T 120 days	-	-	US\$ 1,532	8	-
	Chilisin Electronics Corp.	Parent company	Sale	US\$ (16,949)	(29)	T/T 120 days	-	-	US\$ 7,725	42	-
	Dongguan Chilisin Electronics Co., Ltd.	Associate	Sale	US\$ (13,531)	(23)	T/T 120 days	-	-	US\$ 2,163	12	-
	Shenzhen Chilisin Electronics Co., Ltd.	Associate	Sale	US\$ (16,019)	(28)	T/T 120 days	-	-	US\$ 5,501	30	-

(Continued)

Company Name	Related Party	Nature of Relationships	Transaction Details (Note)				Abnormal Transaction		Notes/Accounts Payable or Receivable		Note
			Purchases/ Sales	Amount (Foreign Currency in Thousands)	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance (Foreign Currency in Thousands)	% to Total	
Deyang Bothhand Electronics Co., Ltd.	Bothhand Enterprise Inc.	Parent company	Sale	RMB (261,522)	(65)	The actual payment depends on the location of its working capital.	\$ -	-	RMB 82,521	21	-
	Mianyang Pulse Electronics Co., Ltd.	Associate	Sale	RMB (302,846)	(63)	The actual payment depends on the location of its working capital.	-	-	RMB 108,135	26	-
Bothhand Enterprise Inc.	Mianyang Pulse Electronics Co., Ltd.	Associate	Sale	(154,549)	(11)	The actual payment depends on the location of its working capital.	-	-	119,733	57	-
Deyang Hongyi Electronics Co., Ltd.	Deyang Bothhand Electronics Co., Ltd.	Parent company	Sale	RMB (46,324)	(93)	The actual payment depends on the location of its working capital.	-	-	RMB 13,819	90	-
Magic Electronic Technology (Chongqing) Co., Ltd.	Magic Technology Co., Ltd.	Parent company	Sale	RMB (74,008)	(63)	The actual payment depends on the location of its working capital.	-	-	RMB 69,177	63	-
	Classic Magic Developments Limited	Associate	Sale	RMB (302,846)	(26)	The actual payment depends on the location of its working capital.	-	-	RMB 8,508	8	-
Mag. Layers Scientific-Technics Co., Ltd.	MAG.LAYERS U.S.A.INC	Subsidiary	Sale	(204,414)	(7)	The actual payment depends on the location of its working capital.	-	-	75,561	7	-
Mag. Layers International Co., Ltd.	Mag. Layers Scientific-Technics Co., Ltd.	Parent company	Sale	RMB (341,399)	(63)	The actual payment depends on the location of its working capital.	-	-	RMB 139,338	41	-
	Suining Pulse Electronics Co., Ltd.	Associate	Sale	RMB (113,091)	(21)	The actual payment depends on the location of its working capital.	-	-	RMB 45,536	13	-
	Dongguan Chilisun Electronics Co., Ltd.	Associate	Sale	RMB (28,667)	(5)	The actual payment depends on the location of its working capital.	-	-	RMB 14,335	4	-
Shin Yuan Electronics Productions (Kunshan) Co., Ltd.	Hunan Chilisun Electronics Technology Co., Ltd.	Associate	Sale	RMB (43,710)	(43)	The actual payment depends on the location of its working capital.	-	-	RMB 24,757	53	-
	Mag. Layers International Co., Ltd.	Parent company	Sale	RMB (22,726)	(22)	60 days	-	-	RMB 12,516	27	-
Ferroxcube Polska Sp. Z.o.o.	Ferroxcube International Holding B.V. Ferroxcube Electronics (Dongguan) Limited	Parent company	Sale	EUR (17,101)	(19)	60 days	-	-	EUR 972	6	-
		Associate	Sale	EUR (6,047)	(7)	60 days	-	-	EUR 1,984	12	-
Ferroxcube Hong Kong Limited	Ferroxcube Electronics (Dongguan) Limited	Subsidiary	Sale	HK\$ (11,225)	(13)	60 days	-	-	-	-	-
Ferroxcube Electronics (Dongguan) Limited	Ferroxcube Polska Sp. Z.o.o.	Associate	Sale	RMB (6,047)	(7)	60 days	-	-	RMB 1,984	12	-
	Ferroxcube Hong Kong Limited	Parent company	Sale	RMB (11,224)	(13)	60 days	-	-	RMB 2,810	17	-

(Concluded)

TABLE 7

YAGEO CORPORATION AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL

DECEMBER 31, 2022

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

Company Name	Related Party	Nature of Relationships	Ending Balance (Foreign Currency in Thousands)	Turnover Rate	Overdue		Amounts Received in Subsequent Period (Foreign Currency in Thousands)	Allowance for Impairment Loss
					Amount	Action Taken		
Yageo Corporation	Yageo Electronics (China) Co., Ltd.	Subsidiary	\$ 229,046 (Note 5)	-	\$ -	-	\$ -	\$ -
	KEMET Electronics Corporation	Subsidiary	488,672 (Note 5)	0.01	-	-	123,822	-
	Yageo Europe Holding B.V.	Subsidiary	133,087 (Note 5)	0.01	-	-	133,087	-
Yageo Holding (Bermuda) Ltd.	Yageo Europe Holding B.V.	Associate	US\$ 172,956 (Note 1)	-	-	-	-	-
	Yageo USA (H.K.) Limited	Associate	US\$ 218,182 (Note 3)	-	-	-	-	-
	Yageo Corporation	Ultimate parent company	US\$ 300,000 (Note 3)	-	-	-	-	-
Yageo USA (H.K.) Limited	Ko-E (H.K.) Limited	Associate	US\$ 18,942 (Note 5)	-	-	-	US\$ 5,252	-
	Yageo (Suzhou) Trade Co., Ltd.	Associate	US\$ 76,325	2.39	-	-	US\$ 30,000	-
	Yageo Corporation	Ultimate parent company	US\$ 48,210 (Note 5)	-	-	-	-	-
	Yageo Electronics (Dongguan) Co., Ltd.	Associate	US\$ 40,219	1.30	-	-	US\$ 22,700	-
Yageo Electronics (China) Co., Ltd.	Pulse (Suzhou) Wireless Products Co., Ltd.	Associate	RMB 124,525	-	-	-	RMB 4,108	-
	Yageo Europe Holding B.V.	Associate	RMB 33,970	-	-	-	RMB 26,477	-
	Yageo Corporation	Ultimate parent company	RMB 224,091	1.15	-	-	RMB 184,626	-
Yageo Electronics (Dongguan) Co., Ltd.	Yageo Corporation	Ultimate parent company	RMB 328,108	1.95	-	-	RMB 328,618	-
Yageo (Suzhou) Trade Co., Ltd.	Ko-E Technology (Shenzhen) Co., Ltd.	Associate	RMB 389,028	2.33	-	-	RMB 243,903	-
Kuo-Shin Investment Limited	Ko-E Component Co., Ltd.	Associate	115,000 (Note 3)	-	-	-	-	-
Vitrohm Holding GmbH	Yageo Holding (Bermuda) Ltd.	Parent company	EUR 6,568 (Note 2)	-	-	-	-	-

(Continued)

Company Name	Related Party	Nature of Relationships	Ending Balance (Foreign Currency in Thousands)	Turnover Rate	Overdue		Amounts Received in Subsequent Period (Foreign Currency in Thousands)	Allowance for Impairment Loss
					Amount	Action Taken		
Yageo Europe Holding B.V.	Yageo USA (H.K.) Limited	Associate	US\$ 52,000 (Note 3)	-	\$ -	-	\$ -	\$ -
Bestbright Electronics Co., Ltd.	Ko-E Technology (Shenzhen) Co., Ltd.	Associate	RMB 75,230	7.04	-	-	RMB 49,232	-
Dongguan Pulse Electronics Co., Ltd.	Pulse Electronics (Singapore) Pte. Ltd. Pulse Electronics GmbH	Parent company	US\$ 51,461	0.69	-	-	US\$ 10,496	-
		Associate	US\$ 20,850	0.12	-	-	-	-
Mianyang Pulse Electronics Co., Ltd.	Pulse Electronics (Singapore) Pte. Ltd. Pulse Electronics Inc.	Parent company	US\$ 7,128	2.33	-	-	US\$ 5,249	-
		Parent company	US\$ 6,847	0.62	-	-	US\$ 6,008	-
Pulse (Suzhou) Wireless Products Co., Ltd.	Pulse Electronics Korea Y	Associate	US\$ 5,140	-	-	-	-	-
Suining Pulse Electronics Co., Ltd.	Pulse Electronics (Singapore) Pte. Ltd.	Parent company	US\$ 10,690	3.32	-	-	US\$ 8,608	-
Pulse Components. Ltd.	Pulse Electronics (Singapore) Pte. Ltd.	Parent company	US\$ 19,023 (Note 2)	-	-	-	US\$ 6,012	-
Pulse Electronics (Singapore) Pte. Ltd.	Yageo Corporation	Ultimate parent company	US\$ 100,000 (Note 3)	-	-	-	-	-
	Pulse System Electronics (India) Pte. Ltd	Subsidiary	US\$ 5,600 (Note 3)	-	-	-	-	-
Maxtop Profits Limited	Pulse Components. Ltd	Associate	US\$ 13,500 (Note 3)	-	-	-	-	-
	Acadia Electronics Co., Ltd	Associate	US\$ 12,000 (Note 3)	-	-	-	-	-
Pulse Finland Oy	Pulse Electronics Korea YH	Subsidiary	EUR 5,000 (Note 3)	-	-	-	-	-
Pulse Electronics Inc.	Pulse Electronics (Singapore) Pte. Ltd.	Subsidiary	US\$ 35,000 (Note 3)	-	-	-	-	-
EGSTON System Electronics Eggenburg GmbH	EGSTON System Electronic spol.s.r.o.	Associate	US\$ 6,804 (Note 2)	-	-	-	-	-
	EGSTON Automotive Eggenburg GmbH	Associate	US\$ 7,925	0.37	-	-	-	-
EGSTON System Electronic spol.s.r.o.	EGSTON Automotive Eggenburg GmbH	Associate	US\$ 4,960	7.49	-	-	-	-
EGSTON Electronics Zhuhai Ltd.	EGSTON Far East GmbH	Associate	US\$ 3,807	2.30	-	-	-	-
Evox Rifa Pte Ltd.	KEMET Electronics Marketing (S) Pte Ltd.	Associate	US\$ 6,635 (Note 5)	-	-	-	-	-

(Continued)

Company Name	Related Party	Nature of Relationships	Ending Balance (Foreign Currency in Thousands)	Turnover Rate	Overdue		Amounts Received in Subsequent Period (Foreign Currency in Thousands)	Allowance for Impairment Loss
					Amount	Action Taken		
KEMET de Mexico, S.A. de C.V.	KEMET Electronics Corporation	Parent company	US\$ 16,510 (Note 5)	-	\$ -	-	US\$ 8,282	\$ -
KEMET Electronics AB	KEMET Electronics Corporation	Parent company	US\$ 6,334 (Note 5)	-	-	-	US\$ 161	-
KEMET Electronics Corporation	KEMET Electronics Italia SRL	Subsidiary	US\$ 9,974 (Note 2)	-	-	-	-	-
	KEMET Electronics Marketing (S) Pte Ltd.	Subsidiary	US\$ 44,235 (Note 5)	-	-	-	US\$ 65,792	-
KEMET Electronics GmbH	KEMET Electronics Corporation	Parent company	US\$ 27,211 (Note 5)	-	-	-	US\$ 867	-
P.T. KEMET Electronics Indonesia	KEMET Electronics Corporation	Parent company	US\$ 4,511 (Note 5)	-	-	-	US\$ 2,140	-
KEMET Electronics Italia S.r.l.	KEMET Electronics Macedonia DOOEL Skopje	Associate	US\$ 3,119	-	-	-	-	-
KEMET Electronics (Suzhou) Co., Ltd.	KEMET Electronics Corporation	Parent company	US\$ 25,208	-	-	-	US\$ 20,000	-
KEMET Electronics Portugal, S.A.	KEMET Electronics Corporation	Parent company	US\$ 8,814	-	-	-	US\$ 8,814	-
KEMET Electronics Limited	KEMET Electronics Corporation	Parent company	US\$ 11,098	-	-	-	-	-
TOKIN Corporation	TOKIN Hong Kong Ltd.	Subsidiary	US\$ 25,258	6.71	-	-	US\$ 23,452	-
	TOKIN Singapore Pte Ltd.	Subsidiary	US\$ 2,703	10.92	-	-	-	-
	KEMET Corporation	Parent company	US\$ 32,842 (Note 2)	-	-	-	US\$ 13,159	-
	KEMET Electronics (Suzhou) Co., Ltd.	Associate	US\$ 4,501	-	-	-	US\$ 1,872	-
TOKIN Electronics (Xiamen) Corporation	TOKIN Corporation	Parent company	US\$ 8,277	4.13	-	-	US\$ 6,321	-
TOKIN Electronics (Thailand) Co., Ltd.	TOKIN Corporation	Parent company	US\$ 23,380	3.23	-	-	US\$ 15,668	-
TOKIN Electronics (Vietnam) Co., Ltd.	TOKIN Corporation	Parent company	US\$ 13,584	7.13	-	-	US\$ 11,423	-
Chilisin Electronics Corp.	Pulse Electronics (Singapore)	Associate	525,112	1.94	-	-	-	-
Chilisin International Ltd.	Chilisin Electronics Corp.	Parent company	US\$ 48,786	-	-	-	-	-
	Dongguan Chilisin Electronics Co., Ltd.	Subsidiary	US\$ 17,094 (Note 5)	-	-	-	-	-
Chilisin Electronics (Vietnam) Limited company	Shenzhen Chilisin Electronics Co., Ltd.	Associate	US\$ 5,475	5.85	-	-	-	-

(Continued)

Company Name	Related Party	Nature of Relationships	Ending Balance (Foreign Currency in Thousands)	Turnover Rate	Overdue		Amounts Received in Subsequent Period (Foreign Currency in Thousands)	Allowance for Impairment Loss
					Amount	Action Taken		
Hunan Chilisin Electronics Technology Co., Ltd.	Chilisin International Ltd. Chilisin Electronics Corp. Mag. Layers International Co., Ltd.	Parent company	RMB 30,903	1.14	\$ -	-	RMB 12,903	\$ -
		Parent company	RMB 96,701	3.12	-	-	RMB 18,707	-
		Associate	RMB 59,746 (Note 5)	2.83	-	-	RMB 21,631	-
Shenzhen Chilisin Electronics Co., Ltd.	Mag. Layers International Co., Ltd.	Associate	RMB 32,903	3.67	-	-	RMB 20,504	-
Dongguan Chilisin Electronics Co., Ltd.	Chilisin Electronics Corp. Mag. Layers International Co., Ltd.	Parent company	RMB 127,839	4.74	-	-	RMB 44,611	-
		Associate	RMB 200,511 (Note 5)	0.10	-	-	RMB 6,008	-
Deyang Bothhand Electronics Co., Ltd.	Mian Yang Pulse Electronics Co., Ltd.	Associate	RMB 24,471	-	-	-	RMB 17,193	-
Mag. Layers International Co., Ltd.	Mag. Layers Scientific-Technics Co., Ltd. Suining Pulse Electronics Co., Ltd. Shin Yuan Electronics Productions (Kunshan) Co., Ltd.	Parent company	RMB 137,839	0.03	-	-	RMB 34,060	-
		Associate	RMB 45,152	5.01	-	-	RMB 22,892	-
		Subsidiary	RMB 97,094 (Note 5)	0.01	-	-	RMB 15	-
Magic Electronic Technology (Chongqing) Co., Ltd.	Magic Technology Co., Ltd.	Parent company	RMB 68,737	2.15	-	-	-	-
Ferroxcube Electronics (Dongguan) Limited	Ferroxcube Hong Kong Limited	Parent company	RMB 23,273	0.20	-	-	RMB 7,249	-

Note 1: Loans to subsidiaries were considered a component of investment.

Note 2: Including financing and other receivables.

Note 3: Considered financing.

Note 4: Considered other receivables.

Note 5: Including other receivables.

(Concluded)

TABLE 8

YAGEO CORPORATION AND SUBSIDIARIES

NAMES, LOCATIONS, AND RELATED INFORMATION OF INVESTEEES OVER WHICH THE COMPANY EXERCISES SIGNIFICANT INFLUENCE (EXCLUDING INFORMATION ON INVESTMENT IN MAINLAND CHINA)
FOR THE YEAR ENDED DECEMBER 31, 2022

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

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2022			Net Income (Losses) of the Investee	Share of Profits/Losses of Investee	Note
				December 31, 2022 (Foreign Currency in Thousands)	December 31, 2021 (Foreign Currency in Thousands)	Shares (In Thousands)	Percentage of Ownership	Carrying Value			
Yageo Corporation	Yageo Holding (Bermuda) Ltd.	Bermuda	Investment	US\$ 237,158	US\$ 259,747	17,411	100.00	\$ 59,782,262	\$ 1,184,525	\$ 1,184,525	Subsidiary
	Kuo-Shin Investment Limited	Taipei	Investment	1,612,059	1,612,059	89,300	100.00	615,632	229,826	27,203	Subsidiary
	Brightking Holdings Ltd.	Cayman Islands	Holding company	3,328,253	3,328,253	45,608	100.00	3,199,289	100,867	42,127	Subsidiary
	Yageo Corporation (South Asia)	Singapore	Selling electronic components	SGD 780	SGD 780	-	100.00	883,244	128,479	128,479	Subsidiary
	Yageo Europe Holding B.V.	Netherlands	Holding company	EUR 172,056	EUR 130,602	207,269	100.00	4,239,558	1,012,232	1,012,232	Subsidiary
	Yageo South Asia (M) Sdn. Bhd.	Malaysia	Selling electronic components	-	-	-	100.00	3,302	1,307	1,307	Subsidiary
	Pulse Electronics Corporation	America	Holding company	US\$ 721,461	US\$ 721,461	25,574	100.00	33,363,203	3,867,229	3,748,051	Subsidiary
	Yageo Holding Hungary LLC	Hungary	Holding company	47,870,886	47,870,886	-	100.00	75,455,190	12,952,278	12,947,110	Subsidiary
	Chilisin Electronics Corp. (Note 2)	Hsinchu	Manufacturing and selling inductor	23,050,490	23,050,490	316,721	100.00	27,359,975	3,282,108	3,257,229	Subsidiary
	Yageo USA (H.K.) Limited (Note 10)	Hong Kong	Selling passive components	HK\$ 8,000	HK\$ 8,000	-	100.00	978,246	(79,074)	(79,074)	Subsidiary
Kuo-Shin Investment Limited	GTCL	Singapore	Holding company	60,603	60,603	8,232	23.57	321,241	337,090	79,156	Associate
	Kaimei Electronic Corp.	New Taipei City	Manufacturing and selling capacitor	1,048,487	1,064,737	6,500	5.98	627,881	643,389	38,481	Associate
	Strong Components Co., Ltd.	Kaohsiung	Manufacturing and selling electronic components	79,384	79,384	6,530	31.42	110,562	14,276	4,486	Associate
	XSemi Corporation (Note 4)	Hsinchu	Selling electronic components	1,190,000	140,000	1,190,000	35.00	1,153,781	(153,372)	(61,241)	Associate
Yageo Holding (Bermuda) Ltd.	Yageo (Hong Kong) Limited	Hong Kong	Investment	HK\$ 1,316,340	HK\$ 1,316,340	1,030,499	100.00	US\$ 452,735	US\$ 35,012	US\$ 35,012	Subsidiary
	Vitrohm Holding GmbH	Germany	Investment	EUR 15,849	EUR 15,849	-	100.00	US\$ 15,110	US\$ 714	US\$ 714	Subsidiary
	Belkin International Enterprises Limited (Note 9)	Samoa	Investment	-	US\$ 1,104	-	-	-	US\$ (50)	US\$ (23)	Subsidiary
Brightking Holdings Ltd.	Yageo Korea	Korea	Sales of resistors	US\$ 236	US\$ 236	-	100.00	US\$ 3,569	US\$ 151	US\$ 151	Subsidiary
	Yageo Japan	Japan	Sales of resistors	US\$ 339	US\$ 339	-	100.00	US\$ 451	US\$ (10)	US\$ (10)	Subsidiary
	Hsu Tai International (H.K.) Ltd.	Hong Kong	Investment	US\$ 2,400	US\$ 2,400	1	100.00	US\$ 1,037	US\$ (97)	US\$ (97)	Subsidiary
	Brightking Enterprise (H.K.) Co., Ltd.	Hong Kong	Selling overvoltage and overcurrent protection electronic components	600,165	600,165	153,968	100.00	1,770,241	31,244	31,244	Subsidiary
Pulse Electronics Corporation	EGSTON Holding GmbH	Austria	Holding company	US\$ 22,030	US\$ 22,030	-	100.00	US\$ 58,432	US\$ 19,869	US\$ 19,869	Subsidiary

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2022			Net Income (Losses) of the Investee	Share of Profits/Losses of Investee	Note
				December 31, 2022 (Foreign Currency in Thousands)	December 31, 2021 (Foreign Currency in Thousands)	Shares (In Thousands)	Percentage of Ownership	Carrying Value			
Yageo Corporation (South Asia)	Ruiyi Technology (HongKong) Share Co., Limited	Hong Kong	Selling electronic components	HK\$ 30,561	\$ -	18,000	30.00	US\$ 4,911	US\$ 1,784	US\$ 535	Associate
Yageo Europe Holding B.V.	Yageo Electronics Holding (S) PTE. LTD.	Singapore	Holding company	EUR 41,454	-	207,269	100.00	EUR 42,611	EUR 2,015	EUR 2,015	Subsidiary
Yageo Electronics Holding (S) PTE. LTD.	Yageo Electronics Investment (S) PTE. LTD.	Singapore	Holding company	-	-	-	100.00	EUR (24)	EUR (24)	EUR (24)	Subsidiary
	Ko-E Holding (Cayman) (Notes 3 and 10)	Cayman Islands	Holding company	US\$ 6,801	US\$ 6,790	6,801	97.15	EUR 42,635	EUR 2,099	EUR 2,039	Subsidiary
Ko-E Holding (Cayman)	Ko-E (H.K.) Limited	Hong Kong	Selling electronic components	US\$ 4,662	US\$ 4,662	-	100.00	US\$ 31,721	US\$ 14,795	US\$ 14,795	Subsidiary
	Ko-E Electronics Trade Co., Ltd.	New Taipei City	Selling electronic components	US\$ 1,481	US\$ 1,481	4,500	100.00	US\$ 3,061	US\$ 848	US\$ 848	Subsidiary
	Ko-E Electronic (Hong Kong) Limited	Hong Kong	Selling electronic components	US\$ 646	US\$ 646	5,000	100.00	US\$ 7,647	US\$ 6,977	US\$ 6,977	Subsidiary
Brightking Enterprise (H.K.) Co., Ltd.	Ko-E Component Co., Ltd. (Note 5)	New Taipei City	Manufacturing and selling overvoltage and overcurrent protection electronic components	129,393	129,393	12,939	100.00	(100,022)	(18,451)	(18,451)	Subsidiary
Yageo Holding Hungary LLC	Yageo Holding Netherlands B.V. (Note 10)	Netherlands	Holding company	US\$ 1,636,052	-	-	100.00	US\$ 2,348,379	US\$ 432,028	US\$ 432,028	Subsidiary
Yageo Holding Netherlands B.V.	KEMET Corporation	America	Selling electronic components	US\$ 1,636,052	-	1	100.00	US\$ 2,348,379	US\$ 432,028	US\$ 432,028	Subsidiary
KEMET Corporation	KEMET Electronics Corporation	America	Manufacturing and selling electronic components	US\$ 290,391	US\$ 290,391	1	100.00	US\$ 1,720,123	US\$ 469,152	US\$ 469,152	Subsidiary
KEMET Electronics Corporation	TOKIN Corporation	Japan	Manufacturing and selling electronic components	US\$ 200,358	US\$ 200,358	467,866	100.00	US\$ 412,661	US\$ 77,716	US\$ 77,716	Subsidiary
	Yageo America LLC. (Note 6)	America	Selling electronic components	-	US\$ 3,317	-	-	-	US\$ 9	US\$ 9	Subsidiary
TOKIN Corporation	NT Sales Co., Ltd.	Japan	Selling electronic components	JPY 297,335	JPY 297,335	264	33.00	US\$ 2,490	US\$ 2,281	US\$ 753	Associate
	Nippon Yttrium Co., Ltd.	Japan	Selling electronic components	JPY 123,168	JPY 123,168	240	30.00	US\$ 11,005	US\$ 7,206	US\$ 2,162	Associate
Chilisin Electronics Corp.	Chilisin International Ltd.	Samoa	Selling electronic components	6,049,429	6,049,429	192,295	100.00	8,227,160	570,188	570,188	Subsidiary
	Chilisin Holding (Samoa) Ltd.	Samoa	Investment	244,045	244,045	7,280	100.00	381,308	(4,975)	(4,975)	Subsidiary
	Chilisin Asia Investment Limited	Samoa	Investment	11,371	11,371	360	100.00	30,349	2,200	2,200	Subsidiary
	Chilisin Holding (Hong Kong) Limited	Hong Kong	Investment	2,563,365	2,563,365	85,000	94.15	3,057,676	160,717	152,995	Subsidiary
	Chilisin Electronics Japan Corp. (Note 7)	Japan	Selling electronic components	-	24,480	-	-	-	(368)	(368)	Subsidiary

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2022			Net Income (Losses) of the Investee	Share of Profits/Losses of Investee	Note
				December 31, 2022 (Foreign Currency in Thousands)	December 31, 2021 (Foreign Currency in Thousands)	Shares (In Thousands)	Percentage of Ownership	Carrying Value			
	Ferroxcube International Holding B.V.	Netherlands	Investment	\$ 4,252,786	\$ 4,252,786	-	100.00	\$ 3,091,266	\$ 413,742	\$ 413,742	Subsidiary
	Mag. Layers Scientific-Technics Co., Ltd.	Taoyuan City	Manufacturing and selling electronic components	12,383,969	12,383,969	112,161	100.00	12,028,949	679,084	633,540	Subsidiary
	Magic Technology Co., Ltd.	New Taipei City	Selling electronic components	1,429,883	1,429,883	68,238	100.00	1,346,492	(98,864)	(105,563)	Subsidiary
	Bothhand Enterprise Inc.	Taoyuan City	Manufacturing and selling computer components and electronic components	2,800,000	2,800,000	88,514	100.00	2,533,640	344,137	344,137	Subsidiary
Chilisin International Ltd.	Belkin International Enterprises Limited. (Note 9)	Samoa	Investment	-	153,475	-	-	-	US\$ (50)	US\$ (27)	Subsidiary
Chilisin Holding (Samoa) Ltd.	Chilisin Holding (Hong Kong) Limited	Hong Kong	Investment	177,254	177,254	5,280	5.85	US\$ 10,718	US\$ 160,717	US\$ 266	Subsidiary
Chilisin Holding (Hong Kong) Limited	Chilisin Electronics (Vietnam) Limited company	Vietnam	Manufacturing and selling electronic components	2,563,365	2,563,365	102,000	100.00	US\$ 107,010	US\$ 4,339	US\$ 3,377	Subsidiary
Chilisin Asia Investment Limited	Chilisin America Ltd.	America	Selling electronic components	6,022	6,022	200	100.00	US\$ 904	-	-	Subsidiary
Belkin International Enterprises Limited	Guorui (Hong Kong) Limited (Note 9)	Hong Kong	Investment	-	US\$ 2,445	-	-	-	US\$ (50)	US\$ (50)	Subsidiary
Ferroxcube International Holding B.V.	Ferroxcube Italia S.r.l.	Italy	Selling electronic components	EUR 12	EUR 12	-	100.00	EUR 1,122	EUR 60	EUR 60	Subsidiary
	Ferroxcube Deutschland GmbH	Germany	Selling electronic components	EUR 50	EUR 50	-	100.00	EUR 4,835	EUR 116	EUR 116	Subsidiary
	Ferroxcube USA Inc.	America	Selling electronic components	US\$ 23	US\$ 23	-	100.00	EUR 1,453	EUR 224	EUR 224	Subsidiary
	Hispano Ferritas S.A.	Spain	Selling electronic components	EUR 9,063	EUR 9,063	-	100.00	EUR 733	EUR 125	EUR 125	Subsidiary
	Ferroxcube Polska Sp. Z.o.o.	Poland	Manufacturing and selling electronic components	PLN 55,243	PLN 55,243	-	100.00	EUR 47,188	EUR 1,987	EUR 1,987	Subsidiary
	Ferroxcube Hong Kong Limited	Hong Kong	Resource allocation center and Investment	HK\$ 79,551	HK\$ 79,551	-	67.00	EUR 17,284	EUR 275	EUR 184	Subsidiary
Ferroxcube Polska Sp. Z.o.o.	Ferroxcube Hong Kong Limited	Hong Kong	Resource allocation center and Investment	HK\$ 39,182	HK\$ 39,182	-	33.00	EUR 8,513	EUR 275	EUR 91	Subsidiary
Mag. Layers Scientific-Technics Co., Ltd.	Mag. Layers (Hong Kong) Ltd. (Note 8)	Hong Kong	Selling electronic components	-	78	-	-	-	-	-	Subsidiary
	Mag. Layers International Co., Ltd.	The British Virgin Islands	Investment	736,428	736,428	25	100.00	1,479,870	153,994	156,752	Subsidiary
	Mag. Layers USA, Inc.	America	Selling electronic components	18,078	18,078	-	65.00	44,932	8,662	8,662	Subsidiary
Magic Technology Co., Ltd.	Magic Technology (Samoa) Co., Ltd.	Samoa	Investment	623,834	623,834	-	100.00	1,453,684	(160,430)	(160,437)	Subsidiary

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2022			Net Income (Losses) of the Investee	Share of Profits/Losses of Investee	Note
				December 31, 2022 (Foreign Currency in Thousands)	December 31, 2021 (Foreign Currency in Thousands)	Shares (In Thousands)	Percentage of Ownership	Carrying Value			
Magic Technology (Samoa) Co., Ltd.	Classic Magic Developments Limited (Samoa)	Samoa	Selling electronic components	\$ 230,430	\$ 230,430	-	100.00	US\$ 9,318	US\$ 185	US\$ 185	Subsidiary
	Trendy Island Investment Limited	Samoa	Investment	392,466	392,466	-	100.00	US\$ 28,403	US\$ (5,313)	US\$ (5,313)	Subsidiary
Bothhand Enterprise Inc.	E-HENG Technology Co., Ltd.	Taoyuan City	Manufacturing and selling computer components and electronic components	4,400	4,400	440	100.00	11,674	(4,000)	(4,000)	Subsidiary
	Bothhand International Investment Co., Ltd.	The British Virgin Islands	Investment	60,829	60,829	1,000	100.00	1,679,460	145,104	195,248	Subsidiary

Note 1: For information on investments in mainland China, refer to Table 9.

Note 2: The Company issued 47,779 thousand ordinary shares as consideration for the acquisition of 100% of the interest of Chilisin Electronics Corp. in January 2022.

Note 3: Yageo Holding (Bermuda) Ltd. repurchased and sold its shares in the first quarter and third quarter of 2022, and increased Yageo Holding (Bermuda) Ltd.’s continuing interest from 97.00% to 97.15%.

Note 4: In June 2022, the Group subscribed for additional new shares of XSemi Corporation at a percentage different from its existing ownership percentage, and reduced its continuing interest from 55% to 44%.

Note 5: In August 2022, Brightking Electronics Co., Ltd. has changed its name to Ko-E Component Co., Ltd.

Note 6: Yageo America LLC. has dissolved and liquidated in the third quarter of 2022.

Note 7: Chilisin Electronics Japan Corp. has dissolved and liquidated in the second quarter of 2022.

Note 8: Mag. Layers (Hong Kong) Ltd. has dissolved and liquidated in the second quarter of 2022.

Note 9: Belkin International Enterprises Limited and Guorui (Hong Kong) Limited has dissolved and liquidated in the fourth quarter of 2022.

Note 10: In November 2022, the Company adjusted the internal organizational structure of the group. Yageo USA (H.K.) Limited, a subsidiary originally held by Yageo Holding (Bermuda) Ltd., was changed to be held by the Company. Ko-E Holding (Cayman), a subsidiary originally held by Yageo Holding (Bermuda) Ltd., was changed to be held by its grandson company, Yageo Electronics Holding (S) PTE. LTD. In December 2022, KEMET Corporation, a subsidiary originally held by Yageo Holding Hungry LLC, was changed to be held by Yageo Holding Netherlands B.V. Since the transaction is under common control, the book-value method is applied in the transaction.

(Concluded)

TABLE 9

YAGEO CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTMENT IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2022
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Investee Company	Main Businesses and Products	Total Amount of Paid-in Capital (Foreign Currency in Thousands) (Note 3)	Method of Investment	Accumulated Outflow of Investment from Taiwan as of January 1, 2022 (US\$ in Thousands) (Note 3)	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2022 (US\$ in Thousands) (Note 3)	Net Income (Losses) of the Investee Company (Foreign Currency in Thousands) (Note 4)	Percentage of Ownership	Share of Profits/Losses (Foreign Currency in Thousands) (Note 4)	Carrying Amount as of December 31, 2022 (Foreign Currency in Thousands) (Note 3)	Accumulated Inward Remittance of Earnings as of December 31, 2022 (US\$ in Thousands) (Note 3)
					Outflow (Note 3)	Inflow (Note 3)						
Yageo Electronics (Dongguan) Co., Ltd.	Manufacturing and selling passive components	US\$ 53,250 (\$ 1,635,201)	Indirect: Through a company registered in a third region	US\$ 46,510 (\$ 1,428,229)	\$ -	\$ -	US\$ 46,510 (\$ 1,428,229)	HK\$ 115,188 (\$ 438,486)	100.00	HK\$ 118,811 (\$ 452,278)	HK\$ 678,973 (\$ 2,673,931)	US\$ 61,915 (\$ 1,901,286)
Yageo Electronics (China) Co., Ltd.	Manufacturing and selling passive components	US\$ 301,977 (\$ 9,273,110)	Indirect: Through a company registered in a third region	US\$ 204,977 (\$ 6,294,434)	-	-	US\$ 204,977 (\$ 6,294,434)	HK\$ 365,219 (\$ 1,390,279)	100.00	HK\$ 452,844 (\$ 1,723,841)	HK\$ 2,669,592 (\$ 10,513,387)	US\$ 117,160 (\$ 3,597,749)
Yageo Components (Suzhou) Co., Ltd.	Manufacturing and selling passive components	US\$ 5,000 (\$ 153,540)	Indirect: Through a company registered in a third region	US\$ 5,000 (\$ 153,540)	-	-	US\$ 5,000 (\$ 153,540)	HK\$ 10,767 (\$ 40,987)	100.00	HK\$ 10,258 (\$ 39,049)	HK\$ 59,260 (\$ 233,378)	-
Yageo (Suzhou) Trade Co., Ltd.	Selling passive components	US\$ 5,000 (\$ 153,540)	Indirect: Through a company registered in a third region	US\$ 5,000 (\$ 153,540)	-	-	US\$ 5,000 (\$ 153,540)	HK\$ 37,143 (\$ 141,392)	100.00	HK\$ 37,143 (\$ 141,392)	HK\$ 169,239 (\$ 666,497)	-
Compostar Technology (Dongguan) Co., Ltd. (Note 6)	Manufacturing and selling passive components	US\$ 1,500 (\$ 46,602)	Indirect: Through a company registered in a third region	US\$ 1,164 (\$ 35,744)	-	-	US\$ 1,164 (\$ 35,744)	-	-	-	-	-
Compostar Technology (Suzhou) Co., Ltd.	Manufacturing and selling passive components	US\$ 5,150 (\$ 158,146)	Indirect: Through a company registered in a third region	US\$ 5,150 (\$ 158,146)	-	-	US\$ 5,150 (\$ 158,146)	-	-	-	-	-
Guo Chuang Electronics (Dongguan) Co., Ltd. (Note 7)	Manufacturing and selling passive components	US\$ 1,709 (\$ 52,480)	Indirect: Through a company registered in a third region	US\$ 789 (\$ 24,299)	-	-	US\$ 789 (\$ 24,299)	-	-	-	-	-
Ko-E Technology (Shenzhen) Co., Ltd.	Selling electronic components	US\$ 3,500 (\$ 107,478)	Indirect: Through a company registered in a third region	US\$ 3,150 (\$ 96,730)	-	-	US\$ 3,150 (\$ 96,730)	HK\$ 41,714 (\$ 158,793)	97.15	HK\$ 40,525 (\$ 154,267)	HK\$ 252,247 (\$ 993,399)	-
Guo Ray Electronics Co., Ltd. (Note 6)	Selling electronic components	US\$ 1,000 (\$ 30,708)	Indirect: Through a company registered in a third region	US\$ 460 (\$ 14,126)	-	-	US\$ 460 (\$ 14,126)	-	-	-	-	-
Chen-Xin Electronic (Chiao-Tao) Co., Ltd. (Note 6)	Manufacturing and selling passive components	HK\$ 1,000 (\$ 3,938)	Indirect: Through a company registered in a third region	US\$ 59 (\$ 1,812)	-	-	US\$ 59 (\$ 1,812)	-	-	-	-	-
Chen Xin (Dongguan)	Manufacturing passive components	US\$ 1,000 (\$ 30,708)	Indirect: Through a company registered in a third region	US\$ 460 (\$ 14,126)	-	-	US\$ 460 (\$ 14,126)	-	-	-	-	-
Bestbright Electronics Co., Ltd.	Manufacturing and selling overvoltage and overcurrent protection electronic components	342,073	Indirect: Through a company registered in a third region	US\$ 110,301 (\$ 3,387,123)	-	-	US\$ 110,301 (\$ 3,387,123)	77,446	100.00	77,446	1,020,204	-
Brightking (Shenzhen) Co., Ltd.	Selling overvoltage and overcurrent protection electronic components	94,380	Indirect: Through a company registered in a third region	-	-	-	-	(1,322)	100.00	(1,322)	488,797	-
Brightking (Shanghai) Co., Ltd.	Selling overvoltage and overcurrent protection electronic components	29,249	Indirect: Through a company registered in a third region	-	-	-	-	(23,548)	100.00	(23,548)	152,730	-
Brightking (Beijing) Co., Ltd.	Selling overvoltage and overcurrent protection electronic components	18,876	Indirect: Through a company registered in a third region	-	-	-	-	252	100.00	252	397	-
Huizhou Lien Shun Electronics Co., Ltd. (Note 9)	Manufacturing and selling overvoltage protection electronic components	-	Indirect: Through a company registered in a third region	US\$ 1,603 (\$ 49,225)	-	-	US\$ 1,603 (\$ 49,225)	-	-	-	-	-
Ceramate Technical (Suzhou) Co., Ltd. (Note 10)	Manufacturing and selling overvoltage and overcurrent protection electronic components	-	Indirect: Through a company registered in a third region	-	-	-	-	3,968	-	3,968	-	-

(Continued)

Investee Company	Main Businesses and Products	Total Amount of Paid-in Capital (Foreign Currency in Thousands) (Note 3)	Method of Investment	Accumulated Outflow of Investment from Taiwan as of January 1, 2022 (US\$ in Thousands) (Note 3)	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2022 (US\$ in Thousands) (Note 3)	Net Income (Losses) of the Investee Company (Foreign Currency in Thousands) (Note 4)	Percentage of Ownership	Share of Profits/Losses (Foreign Currency in Thousands) (Note 4)	Carrying Amount as of December 31, 2022 (Foreign Currency in Thousands) (Note 3)	Accumulated Inward Remittance of Earnings as of December 31, 2022 (US\$ in Thousands) (Note 3)
					Outflow (Note 3)	Inflow (Note 3)						
Yageo Components (Jiashan) Co, Ltd.	Manufacturing and selling overvoltage and overcurrent protection electronic components	\$ 186,642	Indirect: Through a company registered in a third region	\$ -	\$ -	\$ -	\$ -	\$ (3,439)	100.00	\$ (3,439)	\$ 220,199	\$ -
Pulse Electronics (Dongguan) Co., Ltd.	Manufacturing electronic components	HK\$ 197,297 (\$ 776,995)	Indirect: Through a company registered in a third region	US\$ 383,032 (\$ 11,762,147)	-	-	US\$ 383,032 (\$ 11,762,147)	290,513	100.00	290,513	2,199,322	-
Mian Yang Pulse Electronics Co., Ltd.	Manufacturing electronic components	US\$ 2,100 (\$ 64,487)	Indirect: Through a company registered in a third region	US\$ 37,012 (\$ 1,136,564)	-	-	US\$ 37,012 (\$ 1,136,564)	83,758	100.00	83,758	385,741	-
Suining Pulse Electronics Co., Ltd.	Manufacturing electronic components	US\$ 500 (\$ 15,354)	Indirect: Through a company registered in a third region	US\$ 37,445 (\$ 1,149,861)	-	-	US\$ 37,445 (\$ 1,149,861)	206,310	100.00	206,310	297,213	-
Pulse (Suzhou) Wireless Products Co., Ltd.	Manufacturing electronic components	US\$ 25,300 (\$ 776,912)	Indirect: Through a company registered in a third region	US\$ 21,788 (\$ 669,066)	-	-	US\$ 21,788 (\$ 669,066)	(6,900)	100.00	(6,900)	270,219	-
Pulse Electronics (ShenZhen) Co., Ltd.	Manufacturing electronic components	US\$ 650 (\$ 19,960)	Indirect: Through a company registered in a third region	US\$ 3,533 (\$ 108,491)	-	-	US\$ 3,533 (\$ 108,491)	350	100.00	350	12,801	-
Shengsheng Technology (Suzhou) Co., Ltd. (Note 8)	Manufacturing electronic components	US\$ 9,000 (\$ 276,372)	Indirect: Through a company registered in a third region	US\$ 9,656 (\$ 296,516)	-	-	US\$ 9,656 (\$ 296,516)	-	-	-	-	-
EGSTON Electronics Zhuhai Ltd.	Manufacturing electronic components	US\$ 2,340 (\$ 71,857)	Indirect: Through a company registered in a third region	US\$ 19,748 (\$ 606,422)	-	-	US\$ 19,748 (\$ 606,422)	89,183	100.00	89,183	61,600	-
KEMET Electronics (Suzhou) Co., Ltd.	Manufacturing and selling electronic components	US\$ 26,667 (\$ 818,890)	Indirect: Through a company registered in a third region	US\$ 208,750 (\$ 6,410,295)	-	-	US\$ 208,750 (\$ 6,410,295)	US\$ 8,705 (\$ 259,483)	100.00	US\$ 8,705 (\$ 259,483)	US\$ 103,027 (\$ 3,163,744)	US\$ 5,395 (\$ 165,670)
Shanghai Arcotronics Components & Machineries Co., Ltd.	Manufacturing electronic components	RMB 32,600 (\$ 144,011)	Indirect: Through a company registered in a third region	-	-	-	-	US\$ 3,390 (\$ 101,057)	100.00	US\$ 3,390 (\$ 101,057)	US\$ 26,523 (\$ 814,459)	-
KEMET Jianghai Electronics Components Co., Ltd.	Manufacturing electronic components	US\$ 16,000 (\$ 491,328)	Indirect: Through a company registered in a third region	US\$ 16,666 (\$ 511,780)	-	-	US\$ 16,666 (\$ 511,780)	US\$ (1,853) (\$ (55,219))	50.00	US\$ (926) (\$ (27,609))	US\$ 1,261 (\$ 38,714)	-
TOKIN Electronics (Xiamen) Corporation	Manufacturing electronic components	US\$ 31,000 (\$ 951,948)	Indirect: Through a company registered in a third region	US\$ 57,825 (\$ 1,775,690)	-	-	US\$ 57,825 (\$ 1,775,690)	US\$ 4,453 (\$ 132,742)	100.00	US\$ 4,453 (\$ 132,742)	US\$ 31,908 (\$ 979,833)	-
Shenzhen Ruiyi Electronics Co., Ltd.	Selling electronic components	RMB 7,492 (\$ 33,096)	Indirect: Through a company registered in a third region	-	-	-	-	-	30.00	-	US\$ 2,240 (\$ 68,797)	-
Dongguan Chilisin Electronics Co., Ltd.	Manufacturing and selling electronic components	HK\$ 495,060 (\$ 1,949,645)	Indirect: Through a company registered in a third region	US\$ 66,209 (\$ 2,033,146)	-	-	US\$ 66,209 (\$ 2,033,146)	US\$ 10,568 (\$ 315,000)	100.00	US\$ 10,401 (\$ 310,023)	US\$ 79,814 (\$ 2,450,928)	-
Chilisin Electronics (Su Zhou) Co., Ltd. (Note 11)	Manufacturing and selling electronic components	US\$ 5,850 (\$ 179,642)	Indirect: Through a company registered in a third region	US\$ 5,272 (\$ 161,893)	-	-	US\$ 5,272 (\$ 161,893)	-	-	-	-	-
Chilisin Electronics (Henan) Co., Ltd. (Note 11)	Manufacturing and selling electronic components	US\$ 4,000 (\$ 122,832)	Indirect: Through a company registered in a third region	US\$ 4,000 (\$ 122,832)	-	-	US\$ 4,000 (\$ 122,832)	-	-	-	-	-
Dongguan CNA Electronics Co., Ltd.	Manufacturing and selling electronic components	US\$ 1,000 (\$ 30,708)	Indirect: Through a company registered in a third region	US\$ 500 (\$ 15,354)	-	-	US\$ 500 (\$ 15,354)	US\$ (127) (\$ (3,785))	50.00	US\$ (63) (\$ (1,892))	US\$ 1,123 (\$ 34,482)	-
Dongguan Lianmao Electronics Co., Ltd. (Note 13)	Selling electronic components	US\$ 200 (\$ 6,142)	Indirect: Through a company registered in a third region	US\$ 200 (\$ 6,142)	-	-	US\$ 200 (\$ 6,142)	-	100.00	-	-	-
Suzhou Qiyixin Electronics Co., Ltd.	Selling electronic components	US\$ 2,000 (\$ 61,416)	Indirect: Through a company registered in a third region	US\$ 2,000 (\$ 61,416)	-	-	US\$ 2,000 (\$ 61,416)	US\$ (427) (\$ (12,721))	100.00	US\$ (427) (\$ (12,721))	US\$ 1,764 (\$ 54,173)	-
Hunan Chilisin Electronics Technology Co., Ltd.	Manufacturing and selling electronic components	US\$ 69,000 (\$ 2,118,852)	Indirect: Through a company registered in a third region	US\$ 69,000 (\$ 2,118,852)	-	-	US\$ 69,000 (\$ 2,118,852)	US\$ 8,641 (\$ 257,575)	100.00	US\$ 8,641 (\$ 257,562)	US\$ 69,880 (\$ 2,145,875)	-
Shenzhen Chilisin Electronics Co., Ltd.	Selling electronic components	US\$ 900 (\$ 27,637)	Indirect: Through a company registered in a third region	(US\$ 900 (\$ 27,637)	-	-	(US\$ 900 (\$ 27,637)	US\$ 2,443 (\$ 72,805)	100.00	US\$ 2,443 (\$ 72,805)	US\$ 1,435 (\$ 44,075)	-

(Continued)

Investee Company	Main Businesses and Products	Total Amount of Paid-in Capital (Foreign Currency in Thousands) (Note 3)	Method of Investment	Accumulated Outflow of Investment from Taiwan as of January 1, 2022 (US\$ in Thousands) (Note 3)	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2022 (US\$ in Thousands) (Note 3)	Net Income (Losses) of the Investee Company (Foreign Currency in Thousands) (Note 4)	Percentage of Ownership	Share of Profits/Losses (Foreign Currency in Thousands) (Note 4)	Carrying Amount as of December 31, 2022 (Foreign Currency in Thousands) (Note 3)	Accumulated Inward Remittance of Earnings as of December 31, 2022 (US\$ in Thousands) (Note 3)
					Outflow (Note 3)	Inflow (Note 3)						
Yuanling Country Xianghua Electronic Technology Co., Ltd.	Manufacturing and selling electronic components	RMB 15,000 (\$ 66,263)	Indirect: Through a company in mainland China	\$ -	\$ -	\$ -	\$ -	\$ -	49.90	\$ -	\$ -	\$ -
Mag. Layers International Co., Ltd.	Manufacturing and selling passive components	US\$ 28,479 (\$ 874,533)	Indirect: Through a company registered in a third region	US\$ 24,500 (\$ 752,346)	-	-	US\$ 24,500 (\$ 752,346)	US\$ 6,527 (\$ 194,550)	100.00	US\$ 6,527 (\$ 194,550)	US\$ 32,498 (\$ 997,949)	-
Shin Yuan Electronics Productions (Kunshan) Co., Ltd.	Manufacturing and selling electronic components	RMB 41,446 (\$ 183,090)	Indirect: Through a company in mainland China	-	-	-	-	RMB (3,758) (\$ (16,634))	100.00	RMB (3,758) (\$ (16,634))	RMB 218,888 (\$ 967,240)	-
Ferroxcube Electronics (Dongguan) Limited	Manufacturing and selling electronic components	US\$ 22,300 (\$ 684,788)	Indirect: Through a company registered in a third region	US\$ 21,122 (\$ 648,614)	-	-	US\$ 21,122 (\$ 648,614)	EUR 5,303 (\$ 166,582)	100.00	EUR 5,303 (\$ 166,582)	EUR 27,972 (\$ 915,560)	-
Magic Electronic Technology (Shenzhen) Co., Ltd.	Manufacturing and selling electronic components	US\$ 1,287 (\$ 39,521)	Indirect: Through a company registered in a third region	US\$ 1,287 (\$ 39,521)	-	-	US\$ 1,287 (\$ 39,521)	US\$ 193 (\$ 5,762)	100.00	US\$ 193 (\$ 5,762)	US\$ 1,846 (\$ 56,689)	-
Magic Trade (Shenzhen) Co., Ltd.	Selling electronic components	US\$ 79 (\$ 2,426)	Indirect: Through a company registered in a third region	US\$ 79 (\$ 2,426)	-	-	US\$ 79 (\$ 2,426)	US\$ (203) (\$ (6,043))	100.00	US\$ (203) (\$ (6,043))	US\$ 4,060 (\$ 124,687)	-
Magic Electronic Technology (Hunan) Co., Ltd.	Manufacturing and selling electronic components	US\$ 1,000 (\$ 30,708)	Indirect: Through a company registered in a third region	US\$ 1,000 (\$ 30,708)	-	-	US\$ 1,000 (\$ 30,708)	US\$ (28) (\$ (841))	100.00	US\$ (28) (\$ (841))	US\$ 942 (\$ 28,935)	-
Magic Electronic Technology (Chongqing) Co., Ltd.	Manufacturing and selling electronic components	US\$ 13,000 (\$ 399,204)	Indirect: Through a company registered in a third region	US\$ 13,000 (\$ 399,204)	-	-	US\$ 13,000 (\$ 399,204)	US\$ (5,313) (\$ (158,364))	100.00	US\$ (5,313) (\$ (158,364))	US\$ 28,420 (\$ 872,726)	-
Bothhand Enterprise (Guangzhou) Inc. (Note 12)	Manufacturing and selling computer components and electronic components	-	Indirect: Through a company registered in a third region	HK\$ 5,764 (\$ 22,700)	-	-	HK\$ 5,764 (\$ 22,700)	-	-	-	-	-
Kaiping Bothhand Electronics Co., Ltd. (Note 14)	Manufacturing and selling computer components and electronic components	-	Indirect: Through a company registered in a third region	US\$ 879 HK\$ 34,609 (\$ 163,289)	-	-	US\$ 879 HK\$ 34,609 (\$ 163,289)	-	-	-	-	-
Guangzhou Bothhand Electronics Co., Ltd.	Manufacturing and selling computer components and electronic components	US\$ 2,022 (\$ 62,092)	Indirect: Through a company registered in a third region	US\$ 978 (\$ 30,032)	-	-	US\$ 978 (\$ 30,032)	RMB 1,898 (\$ 8,401)	100.00	RMB 1,898 (\$ 8,401)	RMB 47,654 (\$ 210,512)	-
Deyang Bothhand Electronics Co., Ltd.	Manufacturing and selling computer components and electronic components	US\$ 5,000 (\$ 153,540)	Indirect: Through a company registered in a third region	-	-	-	-	RMB 29,062 (\$ 128,638)	100.00	RMB 29,062 (\$ 128,638)	RMB 280,084 (\$ 1,237,269)	-
Guangzhou Chenghan Electronic Technology Co., Ltd.	Manufacturing and selling computer components and electronic components	RMB 25,988 (\$ 114,802)	Indirect: Through a company in mainland China	-	-	-	-	RMB 1,081 (\$ 4,785)	100.00	RMB 1,081 (\$ 4,785)	RMB 41,280 (\$ 182,355)	-
Deyang Shisheng Electronics Co., Ltd.	Manufacturing and selling computer components and electronic components	RMB 5,000 (\$ 22,088)	Indirect: Through a company in mainland China	-	-	-	-	RMB 5,795 (\$ 25,650)	100.00	RMB 5,795 (\$ 25,650)	RMB 25,811 (\$ 114,019)	-
Deyang Hongyi Electronics Co., Ltd.	Manufacturing and selling computer components and electronic components	RMB 30,000 (\$ 132,525)	Indirect: Through a company in mainland China	-	-	-	-	RMB 5,405 (\$ 23,926)	51.00	RMB 2,757 (\$ 12,202)	RMB 24,866 (\$ 109,844)	-
Hunan Bothhand Electronics Co., Ltd. (Note 15)	Manufacturing and selling computer components and electronic components	-	Indirect: Through a company in mainland China	-	-	-	-	RMB (32) (\$ (142))	-	RMB (32) (\$ (142))	-	-
Magic (Suzhou) Photoelectric Technology., Ltd. (Note 11)	Manufacturing electronic components	-	Direct investment in mainland China	US\$ 400 (\$ 12,283)	-	-	US\$ 400 (\$ 12,283)	-	-	-	-	-

(Continued)

Accumulated Investment in Mainland China as of December 31, 2022 (US\$ in Thousands) (Note 3)	Investment Amounts Authorized by Investment Commission, MOEA (US\$ in Thousands) (Note 3)	Upper Limit on Investment
\$36,237,835 (US\$1,180,078)	\$48,212,113 (US\$1,570,018) (Note 1)	(Note 2)

- Note 1: Investment Commission of MOEA approved the transfer of earnings to capital of Yageo Electronics (Dongguan) Co., Ltd. and Yageo Electronics (China) Co., Ltd. amounting to US\$6,740 thousand and US\$97,000 thousand, respectively.
- Note 2: Referred to under Order No. 11020419960 issued by the MOEA on May 27, 2021 the Company obtained the operational headquarters certification documents issued by the Industrial Bureau of the MOEA with validity period from May 26, 2021 to May 25, 2024. Therefore, the investment in mainland China is not restricted.
- Note 3: The currency exchange rates on December 31, 2022, of NTD to HKD, USD and RMB, which were 1:3.9382, 1:30.708 and 1:4.4175, respectively.
- Note 4: The currency exchange rates in 2022, of NTD to HKD, USD and RMB, which were 1:3.8067, 1:29.807 and 1:4.4263, respectively.
- Note 5: Compostar Technology (Suzhou) Co., Ltd., Chen-Xin Electronic (Chiao-Tao) Co., Ltd. and Chen Xin (Dongguan) have been liquidated and the liquidation was approved by Investment Commission of MOEA.
- Note 6: Compostar Technology (Dongguan) Co., Ltd., Guo Ray Electronics Co., Ltd. and Chen-Xin Electronic (Chiao-Tao) Co., Ltd. had been cancelled in the third quarter of 2019.
- Note 7: Guo Chuang Electronics (Dongguan) Co., Ltd. had been dissolved and liquidated in March 2021.
- Note 8: Shengsheng Technology (Suzhou) Co., Ltd. had been dissolved and liquidated in September 2021.
- Note 9: Huizhou Lien Shun Electronics Co., Ltd. had been dissolved and liquidated in September 2021.
- Note 10: Ceramate Technical (Suzhou) Co., Ltd. had been dissolved and liquidated in January 2022.
- Note 11: Chilisin Electronics (Henan) Co., Ltd., Chilisin Electronics (Su Zhou) Co., Ltd. and Magic (Suzhou) Photoelectric Technology., Ltd. had been dissolved in May 2020, June 2020 and November 2020 respectively.
- Note 12: Bothhand Enterprise (Guangzhou) Inc. had been liquidated in January 2011, but the remaining capital stock has not yet been remitted back to Taiwan.
- Note 13: Dongguan Lianmao Electronics Co., Ltd. had been dissolved and liquidated in the fourth quarter of 2021.
- Note 14: Kaiping Bothhand Electronics Co., Ltd. had been sold in July 2021 and stock transferred in October 2021.
- Note 15: Hunan Bothhand Electronics Co., Ltd. had been liquidated in August 2022, but the remaining capital stock has not yet been remitted back to Taiwan.

(Concluded)

TABLE 10**YAGEO CORPORATION AND SUBSIDIARIES****INFORMATION OF MAJOR SHAREHOLDERS****DECEMBER 31, 2022**

Shareholders	Shares	
	Total Shares Owned	Ownership Percentage
Tie-Min Chen	29,589,231	7.02
CTBC Bank as Custodian for PRC Holding Limited	27,900,000	6.61
CTBC Bank as Custodian for Dominant Investment Holdings Ltd.	27,850,961	6.60

Note 1: The information of major shareholders presented in this table is provided by the Taiwan Depository & Clearing Corporation based on the number of ordinary shares and preference shares held by shareholders with ownership of 5% or greater, that have been issued without physical registration (including treasury shares) by the Company as of the last business day for the current quarter. The share capital in the consolidated financial statements may differ from the actual number of shares that have been issued without physical registration because of different preparation basis.

Note 2: If a shareholder delivers the shareholdings to the trust, the above information will be disclosed by the individual trustee who opened the trust account. For shareholders who declare insider shareholdings with ownership greater than 10% in accordance with the Security and Exchange Act, the shareholdings include shares held by shareholders and those delivered to the trust over which shareholders have rights to determine the use of trust property. For information relating to insider shareholding declaration, refer to Market Observation Post System.