

Yageo Corporation and Subsidiaries

**Consolidated Financial Statements for the
Years Ended December 31, 2023 and 2022 and
Independent Auditors' Report**

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Yageo Corporation

Opinion

We have audited the accompanying consolidated financial statements of Yageo Corporation (the "Company") and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated balance sheets as of December 31, 2023 and 2022, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the "consolidated financial statements").

In our opinion, based on our audits and the reports of other auditors (refer to the other matter paragraph), the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of 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 Consolidated Financial Statements section of our report. We are independent of the Group 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. 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 consolidated financial statements for the year ended December 31, 2023. These matters were addressed in the context of our audit of the consolidated 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 consolidated financial statements for the year ended December 31, 2023 is as follows:

Occurrence of Sales Revenue from Customers

The primary source of revenue of the Group comes from the sales of electronic components. The operating revenue in 2023 from specific customers is significant to the consolidated financial statements and is one of the evaluation criteria to measure the operating performance of the Group; 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 consolidated 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 website 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

We did not audit the financial statements of certain subsidiaries included in the consolidated financial statements of the Group, but such statements were audited by other auditors. Our opinion, insofar as it relates to the amounts included for certain subsidiaries, is based solely on the reports of other auditors. The total assets of these subsidiaries were NT\$7,770,101 thousand, representing 2.34%, and NT\$10,394,175 thousand, representing 3.75%, of the Group's total consolidated assets as of December 31, 2023 and 2022, respectively, and the total revenue of these subsidiaries was NT\$2,600,627 thousand, representing 2.42%, and NT\$9,448,631 thousand, representing 7.80%, of the Group's total consolidated revenue for the years ended December 31, 2023 and 2022, respectively.

We have also audited the parent company only financial statements of the Company as of and for the years ended December 31, 2023 and 2022 on which we have issued an unmodified opinion with other matter paragraph.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 Group 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 Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 Group'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 Group'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 consolidated 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 Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated 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 Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group 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 consolidated financial statements for the year ended December 31, 2023 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

February 29, 2024

Notice to Readers

The accompanying consolidated financial statements are intended only to present the consolidated 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 consolidated financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' report and the accompanying consolidated 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 consolidated financial statements shall prevail.

YAGEO CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

ASSETS	2023		2022	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	\$ 52,951,458	16	\$ 39,420,666	14
Financial assets at fair value through profit or loss - current (Notes 4 and 7)	3,855,516	1	4,545,168	1
Financial assets at amortized cost - current (Notes 4 and 9)	19,119,964	6	13,157,089	5
Financial assets for hedging - current (Notes 4 and 10)	1,329,627	1	161,905	-
Notes receivable (Notes 4 and 11)	82,232	-	116,684	-
Trade receivables (Notes 4, 11, 34 and 35)	20,378,134	6	22,146,434	8
Other receivables (Notes 4 and 34)	3,510,897	1	2,252,805	1
Inventories (Notes 4, 12 and 35)	27,093,244	8	26,944,816	10
Prepayments	2,536,800	1	1,951,980	1
Other current assets	492,838	-	1,007,044	-
Total current assets	131,350,710	40	111,704,591	40
NON-CURRENT ASSETS				
Financial assets at fair value through profit or loss - non-current (Notes 4 and 7)	1,244,059	-	1,331,226	1
Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 8)	1,665,946	-	812,139	-
Financial assets at amortized cost - non-current (Notes 4 and 9)	25,582,218	8	20,400,172	7
Financial assets for hedging - non-current (Notes 4 and 10)	1,156	-	831,882	-
Investments accounted for using the equity method (Notes 4, 5 and 14)	5,385,716	2	3,395,606	1
Property, plant and equipment (Notes 4, 5, 15, 34 and 35)	67,488,440	20	59,871,278	22
Right-of-use assets (Note 4)	1,820,104	1	1,263,123	1
Investment properties (Notes 4, 16 and 34)	35,434	-	36,936	-
Goodwill (Notes 4, 5 and 17)	64,706,384	20	47,848,779	17
Other intangible assets (Notes 4 and 18)	27,556,799	8	24,331,270	9
Deferred tax assets (Notes 4 and 25)	3,535,495	1	3,567,488	1
Refundable deposits	220,321	-	221,940	-
Other non-current assets	760,296	-	1,569,119	1
Total non-current assets	200,002,368	60	165,480,958	60
TOTAL	\$ 331,353,078	100	\$ 277,185,549	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Notes 19 and 35)	\$ 17,672,842	5	\$ 12,492,638	5
Short-term bills payable (Note 19)	43,058,867	13	28,075,967	10
Financial liabilities at fair value through profit or loss - current (Notes 4 and 7)	139,104	-	210,354	-
Financial liabilities for hedging - current (Notes 4 and 10)	1,200,811	-	-	-
Notes payable	45,790	-	852	-
Trade payables (Note 34)	15,308,083	5	14,353,411	5
Other payables (Notes 21 and 34)	20,851,481	6	23,136,523	8
Current tax liabilities (Notes 4 and 25)	5,273,508	2	5,930,871	2
Lease liabilities - current (Note 4)	376,289	-	321,627	-
Current portion of long-term borrowings and bonds payable (Notes 19 and 20)	11,239,937	4	9,172,781	3
Other current liabilities	572,307	-	1,221,072	1
Total current liabilities	115,739,019	35	94,916,096	34
NON-CURRENT LIABILITIES				
Financial liabilities for hedging - non-current (Notes 4 and 10)	267	-	948,367	-
Bonds payables (Notes 4 and 20)	18,785,473	6	14,950,010	6
Long-term borrowings (Notes 19 and 35)	44,549,314	13	30,386,761	11
Deferred tax liabilities (Notes 4 and 25)	6,317,278	2	5,128,315	2
Lease liabilities - non-current (Note 4)	1,352,321	-	837,828	-
Net defined benefit liabilities - non-current (Notes 4 and 22)	2,856,977	1	2,261,457	1
Guarantee deposits received	185,549	-	281,411	-
Other non-current liabilities	4,948,334	2	5,925,987	2
Total non-current liabilities	78,995,513	24	60,720,136	22
Total liabilities	194,734,532	59	155,636,232	56
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY				
Share capital				
Ordinary shares	4,231,455	1	4,212,608	2
Bond conversion entitlement certificates	3,952	-	1,934	-
Total share capital	4,235,407	1	4,214,542	2
Capital surplus				
Issuance of ordinary shares	41,725,413	13	41,250,842	15
Treasury share transactions	8,016	-	-	-
Share of changes in capital surplus of associates or joint ventures	145,730	-	151,159	-
Equity component of convertible bonds issued by the Company	253,131	-	277,878	-
Employee restricted shares	128,883	-	-	-
Total capital surplus	42,261,173	13	41,679,879	15
Retained earnings				
Legal reserve	12,586,364	4	10,694,034	4
Special reserve	610,919	-	9,911,736	4
Unappropriated earnings	77,426,753	23	56,678,721	20
Total retained earnings	90,624,036	27	77,284,491	28
Other equity				
Exchange differences on translation of the financial statement of foreign operations	(519,964)	-	(421,272)	-
Unrealized valuation gain (loss) on financial assets at fair value through other comprehensive income	140,335	-	(14,098)	-
Gain on hedging instruments	3,929	-	631,535	-
Unearned employee benefits	(82,303)	-	-	-
Total other equity	(458,003)	-	196,165	-
Treasury shares	(2,030,720)	-	(2,030,720)	(1)
Total equity attributable to owners of the Company	134,631,893	41	121,344,357	44
NON-CONTROLLING INTERESTS	1,986,653	-	204,960	-
Total equity	136,618,546	41	121,549,317	44
TOTAL	\$ 331,353,078	100	\$ 277,185,549	100

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

(With Deloitte & Touche auditors' report dated February 29, 2024)

YAGEO CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2023		2022	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4 and 34)				
Net sales	\$ 107,609,336	100	\$ 121,086,925	100
OPERATING COSTS (Notes 4, 12, 24 and 34)				
Cost of goods sold	<u>71,583,509</u>	<u>67</u>	<u>75,068,171</u>	<u>62</u>
GROSS PROFIT	<u>36,025,827</u>	<u>33</u>	<u>46,018,754</u>	<u>38</u>
OPERATING EXPENSES (Notes 4, 24 and 34)				
Selling and marketing expenses	6,300,033	6	6,545,841	6
General and administrative expenses	6,185,996	5	7,664,970	6
Research and development expenses	3,062,568	3	2,820,376	2
Expected credit loss (gain) (Notes 4 and 11)	<u>5,264</u>	<u>-</u>	<u>(194)</u>	<u>-</u>
Total operating expenses	<u>15,553,861</u>	<u>14</u>	<u>17,030,993</u>	<u>14</u>
PROFIT FROM OPERATIONS	<u>20,471,966</u>	<u>19</u>	<u>28,987,761</u>	<u>24</u>
NON-OPERATING INCOME AND EXPENSES				
Finance costs (Notes 4 and 24)	(2,169,142)	(2)	(1,259,408)	(1)
Share of profit or loss of associates and joint ventures	116,239	-	184,656	-
Interest income (Note 4)	3,766,655	4	1,560,937	1
Rental income (Notes 4 and 34)	24,665	-	33,899	-
Gain on financial instruments at fair value through profit or loss	459,190	-	757,192	1
Other gains and losses (Notes 24 and 34)	<u>1,729,295</u>	<u>2</u>	<u>862,983</u>	<u>1</u>
Total non-operating income and expenses	<u>3,926,902</u>	<u>4</u>	<u>2,140,259</u>	<u>2</u>
PROFIT BEFORE INCOME TAX	24,398,868	23	31,128,020	26
INCOME TAX EXPENSE (Notes 4 and 25)	<u>6,838,279</u>	<u>7</u>	<u>8,358,145</u>	<u>7</u>
NET PROFIT FOR THE YEAR	<u>17,560,589</u>	<u>16</u>	<u>22,769,875</u>	<u>19</u>

(Continued)

YAGEO CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2023		2022	
	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 22)	\$ 51,133	-	\$ 300,511	-
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income (Notes 4 and 23)	152,831	-	(74,448)	-
Share of the other comprehensive income (loss) of associates and joint ventures accounted for using the equity method	3,078	-	(23,253)	-
Income tax relating to items that will not be reclassified subsequently to profit or loss (Notes 4 and 25)	<u>4,742</u>	<u>-</u>	<u>(6,717)</u>	<u>-</u>
	<u>211,784</u>	<u>-</u>	<u>196,093</u>	<u>-</u>
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of the financial statements of foreign operations (Notes 4 and 23)	(103,803)	-	12,533,339	10
Gain (loss) on hedging instruments	(627,606)	-	432,724	1
Share of the other comprehensive income (loss) of associates and joint ventures accounted for using the equity method (Notes 4 and 23)	(13,288)	-	94,178	-
Income tax relating to items that may be reclassified subsequently to profit or loss (Notes 4 and 25)	<u>15,913</u>	<u>-</u>	<u>(2,336,031)</u>	<u>(2)</u>
	<u>(728,784)</u>	<u>-</u>	<u>10,724,210</u>	<u>9</u>
Other comprehensive income (loss) for the year, net of income tax	<u>(517,000)</u>	<u>-</u>	<u>10,920,303</u>	<u>9</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 17,043,589</u>	<u>16</u>	<u>\$ 33,690,178</u>	<u>28</u>
NET PROFIT ATTRIBUTABLE TO:				
Owners of the Company	\$ 17,468,846	16	\$ 22,730,465	19
Former owner of business combination under common control	-	-	1,245	-
Non-controlling interests	<u>91,743</u>	<u>-</u>	<u>38,165</u>	<u>-</u>
	<u>\$ 17,560,589</u>	<u>16</u>	<u>\$ 22,769,875</u>	<u>19</u>

(Continued)

YAGEO CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2023		2022	
	Amount	%	Amount	%
TOTAL COMPREHENSIVE INCOME				
ATTRIBUTABLE TO:				
Owners of the Company	\$ 16,954,332	16	\$ 33,644,658	28
Former owner of business combination under common control	-	-	1,245	-
Non-controlling interests	<u>89,257</u>	<u>-</u>	<u>44,275</u>	<u>-</u>
	<u>\$ 17,043,589</u>	<u>16</u>	<u>\$ 33,690,178</u>	<u>28</u>
EARNINGS PER SHARE (NEW TAIWAN DOLLARS; Note 26)				
Basic	<u>\$ 41.80</u>		<u>\$ 44.22</u>	
Diluted	<u>\$ 40.61</u>		<u>\$ 43.21</u>	

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

(With Deloitte & Touche auditors' report dated February 29, 2024)

(Concluded)

YAGEO CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)

	Equity Attributable to Owner of the Company								Other Equity (Note 23)							Equity Attributable to Former Owner of Business Combination Under Common Control (Note 23)	Non-controlling Interests (Notes 23, 29 and 31)	Total Equity
	Capital (Note 23)			Capital Surplus (Notes 23, 27, and 31)	Retained Earnings (Note 23)			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	Unearned Employee Benefits	Treasury Shares (Note 23)	Total					
	Ordinary Shares	Bond Conversion Entitlement Certificates	Total		Legal Reserve	Special Reserve	Unappropriated Earnings							Total				
BALANCE, JANUARY 1, 2022	\$ 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	\$ -	\$ (1,879,155)	\$ 79,416,558	\$ 223,991	\$ 19,785,301	\$ 99,425,850	
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)	-	-	(5,400,560)	
Cash dividends distributed by the subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(64,632)	(64,632)	
Changes in capital surplus from investments in associates accounted for by using equity method	-	-	-	(2,533)	-	-	-	-	-	-	-	-	-	(2,533)	-	-	(2,533)	
Net profit for the year ended December 31, 2022	-	-	-	-	-	-	22,730,465	22,730,465	-	-	-	-	-	22,730,465	1,245	38,165	22,769,875	
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	-	-	10,914,193	-	6,110	10,920,303	
Capital reduction	(1,080,112)	-	(1,080,112)	73	-	-	(365,145)	(365,145)	-	-	-	-	385,545	(1,059,639)	-	-	(1,059,639)	
Restructuring	477,793	-	477,793	20,691,277	-	-	-	-	(952,675)	1,993	-	-	(537,110)	19,681,278	(225,236)	(19,456,042)	-	
Convertible bonds converted to ordinary shares	3,578	1,934	5,512	233,971	-	-	-	-	-	-	-	-	-	239,483	-	-	239,483	
Buy-back of ordinary shares	-	-	-	-	-	-	-	-	-	-	-	-	(5,172,415)	(5,172,415)	-	-	(5,172,415)	
Cancellation of treasury share	(147,880)	-	(147,880)	(1,289,313)	-	-	(3,735,222)	(3,735,222)	-	-	-	-	5,172,415	-	-	-	-	
Disposal of subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(99,159)	(99,159)	
Recognition of employee share options by the Company	40	-	40	808	-	-	-	-	-	-	-	-	-	848	-	-	848	
Non-controlling interests	-	-	-	(3,321)	-	-	-	-	-	-	-	-	-	(3,321)	-	(4,783)	(8,104)	
Disposals of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	-	-	(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	-	(2,030,720)	121,344,357	-	204,960	121,549,317	
Appropriation of the 2022 earnings																		
Legal reserve	-	-	-	-	1,892,330	-	(1,892,330)	-	-	-	-	-	-	-	-	-	-	
Special reserve	-	-	-	-	-	(9,300,817)	9,300,817	-	-	-	-	-	-	-	-	-	-	
Cash dividends distributed by the Company	-	-	-	-	-	-	(4,186,652)	(4,186,652)	-	-	-	-	-	(4,186,652)	-	-	(4,186,652)	
Cash dividends distributed by the subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(21,746)	(21,746)	
Adjustments of capital surplus for company's cash dividends received by subsidiaries	-	-	-	8,016	-	-	-	-	-	-	-	-	-	8,016	-	-	8,016	
Changes in capital surplus from investments in associates and joint ventures accounted for by using equity method	-	-	-	8,851	-	-	-	-	-	-	-	-	-	8,851	-	2,592	11,443	
Share-based payment transactions	10,381	-	10,381	128,883	-	-	-	-	-	-	-	(82,303)	-	56,961	-	-	56,961	
Net profit for the year ended December 31, 2023	-	-	-	-	-	-	17,468,846	17,468,846	-	-	-	-	-	17,468,846	-	91,743	17,560,589	
Other comprehensive income (loss) for the year ended December 31, 2023, net of income tax	-	-	-	-	-	-	57,458	57,458	(98,692)	154,326	(627,606)	-	-	(514,514)	-	(2,486)	(517,000)	
Convertible bonds converted to ordinary shares	8,466	2,018	10,484	449,824	-	-	-	-	-	-	-	-	-	460,308	-	-	460,308	
Non-controlling interests	-	-	-	(14,280)	-	-	-	-	-	-	-	-	-	(14,280)	-	1,711,590	1,697,310	
Disposals of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	-	-	(107)	(107)	-	107	-	-	-	-	-	-	-	
BALANCE AT DECEMBER 31, 2023	\$ 4,231,455	\$ 3,952	\$ 4,235,407	\$ 42,261,173	\$ 12,586,364	\$ 610,919	\$ 77,426,753	\$ 90,624,036	\$ (519,964)	\$ 140,335	\$ 3,929	\$ (82,303)	\$ (2,030,720)	\$ 134,631,893	\$ -	\$ 1,986,653	\$ 136,618,546	

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

(With Deloitte & Touche auditors' report dated February 29, 2024)

YAGEO CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 24,398,868	\$ 31,128,020
Adjustments for:		
Expected credit loss recognized (reversed) on trade receivables	5,264	(194)
Depreciation expense	7,851,022	6,991,227
Amortization expense	832,918	683,656
Amortization of prepayments	9,410	13,135
Net gain on fair value change of financial assets and liabilities at fair value through profit or loss	(459,190)	(757,192)
Finance costs	2,169,142	1,259,408
Interest income	(3,766,655)	(1,560,937)
Dividend income	(38,128)	(32,614)
Share-based compensation	56,961	-
Share of profit of associates and joint ventures	(116,239)	(184,656)
Net gain on disposal of property, plant and equipment and investment properties	(168,286)	(24,127)
Write-down of inventories	418,494	720,580
Net loss (gain) on foreign currency exchange	44,120	(44,914)
Gain on disposal of subsidiary and associate	(166,497)	(39,923)
Bargain purchase gain recognized on acquisitions	(4,657)	-
Other gains	(125,104)	-
Changes in operating assets and liabilities		
Financial assets and liabilities mandatorily classified at fair value through profit or loss	623,874	1,836,238
Notes receivable	34,452	78,493
Trade receivables	3,661,286	1,223,819
Trade receivables of related parties	65,411	(177,790)
Other receivables	(237,219)	(1,011,760)
Other receivables of related parties	803	2,405
Inventories	3,426,113	(951,823)
Prepayments	450,523	(676,588)
Other current assets	540,607	(141,495)
Notes payable	44,938	(3,870)
Trade payables	(1,372,083)	(4,955,637)
Trade payables of related parties	61,400	(100,731)
Other payables	(1,849,202)	5,605,629
Other payables of related parties	(4,155)	(9,912)
Other current liabilities	(741,596)	416,473
Other non-current liabilities	-	639,515
Net defined benefit liabilities	121,385	(252,564)
Cash generated from operations	35,767,980	39,671,871
Interest received	3,574,312	1,390,272
Dividend received	38,128	32,614

(Continued)

YAGEO CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

	2023	2022
Interest paid	\$ (2,017,091)	\$ (1,117,427)
Income tax paid	<u>(6,295,914)</u>	<u>(6,966,937)</u>
Net cash generated from operating activities	<u>31,067,415</u>	<u>33,010,393</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	(701,768)	(188,984)
Purchase of financial assets at amortized cost	(21,798,344)	(17,939,852)
Proceeds from sale of financial assets at amortized cost	10,193,657	5,373,897
Purchase of financial assets at fair value through profit or loss	(14,596,055)	(19,707,311)
Proceeds from sale of financial assets at fair value through profit or loss	15,136,940	17,801,403
Acquisition of associates	(1,136)	(151,291)
Net cash outflow on acquisition of subsidiaries	(25,490,972)	-
Net cash inflow (outflow) on disposal of subsidiaries	113,967	(1,566,609)
Net cash inflow on disposal of assets	194,287	-
Proceeds from capital reduction of investments accounted for using equity method	23,134	16,250
Payments for property, plant and equipment	(16,466,897)	(12,444,277)
Proceeds from disposal of property, plant and equipment	445,888	549,856
Increase in refundable deposits	(40,480)	(33,144)
Decrease in refundable deposits	45,754	3,478
Payments for intangible assets	(389,880)	(709,742)
Proceeds from disposal of investment properties	-	120,679
Increase in prepayments for equipment	-	(736,795)
Dividends received from associates	<u>215,955</u>	<u>98,642</u>
Net cash used in investing activities	<u>(53,115,950)</u>	<u>(29,513,800)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from (repayments of) short-term borrowings	5,179,983	(13,512,249)
Proceeds from short-term bills payable	14,982,900	8,000,851
Proceeds from issuance of convertible bonds	-	4,494,395
Repayment of buy-back bonds payable	-	(131,200)
Proceeds from long-term borrowings	93,739,162	62,810,784
Repayments of long-term borrowings	(73,283,784)	(57,202,478)
Proceeds from guarantee deposits received	7,936	60,115
Refund of guarantee deposits received	(103,884)	(56,040)
Dividends paid to owners of the Company	(4,178,580)	(5,400,494)
Reduction of capital	-	(1,069,892)
Proceeds from employee share options	-	848
Payments for buy-back of ordinary shares	-	(5,172,415)
Change in non-controlling interests	<u>(63,241)</u>	<u>(72,736)</u>
Net cash generated from (used in) financing activities	<u>36,280,492</u>	<u>(7,250,511)</u>

(Continued)

YAGEO CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

	2023	2022
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	\$ <u>(701,165)</u>	\$ <u>4,048,179</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	13,530,792	294,261
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>39,420,666</u>	<u>39,126,405</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 52,951,458</u>	<u>\$ 39,420,666</u>

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

(With Deloitte & Touche auditors' report dated February 29, 2024)

(Concluded)

YAGEO CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (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 electronic components.

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.

In April 2023, the Group acquired 100% interest of the advanced temperature sensor business division of Heraeus Nexensos in a cash settlement. In November 2023, the Group acquired 100% interest of the advanced industrial and telemecanique sensors business division of Schneider Electric Industries SAS in a cash settlement.

The consolidated financial statements of the Company and its subsidiaries, collectively referred to as the “Group”, are presented in the Company’s functional currency, the New Taiwan dollar.

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Company’s board of directors on February 29, 2024.

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 “IFRS Accounting Standards”) endorsed and issued into effect by the Financial Supervisory Commission (FSC)

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

Amendments to IAS 12 “International Tax Reform - Pillar Two Model Rules”

The amendments introduce a temporary exception to the requirements in IAS 12 by stipulating that the Group should neither recognize nor disclose information about deferred tax assets and liabilities related to Pillar Two income taxes. The amendments also require the Group to disclose that it has applied the exception and separately disclose its current tax expense (income) related to Pillar Two income taxes. In addition, for periods in which Pillar Two legislation is enacted or substantively enacted but not yet in effect, the Group should disclose qualitative and quantitative information that helps users of financial statements understand the Group’s exposure to Pillar Two income taxes. The requirement that the Group apply the exception and the requirement to disclose that fact are applied immediately and retrospectively upon issuance of the amendments. The remaining disclosure requirements apply for

annual reporting periods beginning on or after January 1, 2023, but not for any interim period ending on or before December 31, 2023.

- b. The IFRS Accounting Standards endorsed by the FSC for application starting from 2024

<u>New, Amended and Revised Standards and Interpretations</u>	<u>Effective Date Announced by IASB (Note 1)</u>
Amendments to IFRS 16 “Lease Liability in a Sale and Leaseback”	January 1, 2024 (Note 2)
Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”	January 1, 2024
Amendments to IAS 1 “Non-current Liabilities with Covenants”	January 1, 2024
Amendments to IAS 7 and IFRS 7 “Supplier Finance Arrangements”	January 1, 2024 (Note 3)

Note 1: Unless stated otherwise, the above IFRS Accounting Standards will be 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.

Note 3: The amendments provide some transition relief regarding disclosure requirements.

As of the date the consolidated financial statements were authorized for issue, the Group has assessed that the application of other standards and interpretations will not have a material impact on the Group’s financial position and financial performance.

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

<u>New, Amended and Revised Standards and Interpretations</u>	<u>Effective Date Announced by IASB (Note 1)</u>
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	To be determined by IASB
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 21 “Lack of Exchangeability”	January 1, 2025 (Note 2)

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

Note 2: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2025. Upon initial application of the amendments, the entity recognizes any effect as an adjustment to the opening balance of retained earnings. When the entity uses a presentation currency other than its functional currency, it shall, at the date of initial application, recognize any effect as an adjustment to the cumulative amount of translation differences in equity.

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

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

a. Statement of compliance

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRS Accounting Standards as endorsed and issued into effect by the FSC.

b. Basis of preparation

The consolidated 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.

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.

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 Group 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. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (i.e., its subsidiaries).

Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statement of profit or loss and other comprehensive income from the effective dates of acquisitions up to the effective dates of disposals, as appropriate.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Company.

All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

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

When the Group loses control of a subsidiary, a gain or loss is recognized in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and any investment retained in the former subsidiary at its fair value at the date when control is lost and (ii) the assets (including any goodwill) and liabilities and any non-controlling interests of the former subsidiary at their carrying amounts at the date when control is lost. The Group accounts for all amounts recognized in other comprehensive income in relation to that subsidiary on the same basis as would be required had the Group directly disposed of the related assets or liabilities.

The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition of the cost on initial recognition of an investment in an associate or a joint venture.

See Note 13, Tables 7 and 8 for detailed information on subsidiaries (including percentages of ownership and main businesses).

e. Business combinations

Acquisitions of businesses are accounted for using the acquisition method. Acquisition-related costs are generally recognized in profit or loss as they are incurred.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interests in the acquiree over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after re-assessment, the net of the acquisition date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred and the fair value of the acquirer's previously held interests in the acquiree, the excess is recognized immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognized amounts of the acquiree's identifiable net assets. The choice of measurement is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted retrospectively during the measurement period, or additional assets or liabilities are recognized, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognized as of that date.

f. 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 Group 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 Group restated the consolidated financial statements for the prior period. In preparing the consolidated comparative balance sheet and the consolidated 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” and “Non-controlling interests”, respectively. In preparing the consolidated 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” and “Non-controlling interests”.

g. Foreign currencies

In preparing the financial statements of each individual entity, transactions in currencies other than the entity’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:

- Transactions entered into in order to hedge certain foreign currency risks; and
- 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 investment.

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 consolidated 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 (attributed to the owners of the Company and non-controlling interests as appropriate).

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 are recognized in other comprehensive income.

h. 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.

i. Investments in associates and joint ventures

An associate is an entity over which the Group has significant influence and which is neither a subsidiary nor an interest in a joint venture. A joint venture is a joint arrangement whereby the Group and other parties that have joint control of the arrangement have rights to the net assets of the arrangement. The Group uses the equity method to account for its investments in associates and joint ventures.

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

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets and liabilities of an associate and a joint venture 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 Group'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 and a joint venture at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment differs from the amount of the Group's proportionate interest in the associate and joint venture. The Group 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 and joint ventures accounted for using the equity method. If the Group's ownership interest is reduced due to its additional subscription of the new shares of the associate and joint venture, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate and joint venture is reclassified to profit or loss on the same basis as would be required had the investee 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 Group's share of losses of an associate and a joint venture equals or exceeds its interest in that associate and joint venture (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 Group's net investment in the associate and joint venture), the Group discontinues recognizing its share of further loss, if any. Additional losses and liabilities are recognized only to the extent that the Group has incurred legal obligations, or constructive obligations, or made payments on behalf of that associate and joint venture.

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 Group discontinues the use of the equity method from the date on which its investment ceases to be an associate and a joint venture. 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 and joint venture attributable to the retained interest and its fair value is included in the determination of the gain or loss on disposal of the associate and joint venture. The Group accounts for all amounts previously recognized in other comprehensive income in relation to that associate and joint venture 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 or an investment in a joint venture becomes an investment in an associate, the Group continues to apply the equity method and does not remeasure the retained interest.

When the Group transacts with its associate and joint venture, profits and losses resulting from the transactions with the associate and joint venture are recognized in the Group's consolidated financial statements only to the extent of interests in the associate and joint venture that are not related to the Group.

j. 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.

k. Investment properties

Investment properties are properties held to earn rental and/or for capital appreciation. Investment properties include right-of-use assets and properties under construction that meet the definition of investment properties. Investment properties also include land held for a currently undetermined future use.

Investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation and accumulated impairment loss.

Depreciation is recognized using the straight-line method.

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

l. 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 Group'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 Group 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.

m. 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. Intangible assets with indefinite useful lives that are acquired separately are measured at cost less accumulated impairment loss.

2) Internally generated intangible assets - research and development expenditures

Expenditures on research activities are recognized as expenses in the period in which they are incurred.

An internally generated intangible asset arising from the development phase of an internal project is recognized if, and only if, all of the following have been demonstrated:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale;

- The intention to complete the intangible asset and use or sell it;
- The ability to use or sell the intangible asset;
- How the intangible asset will generate probable future economic benefits;
- The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset;
- The ability to measure reliably the expenditures attributable to the intangible asset during its development.

The amount initially recognized for internally generated intangible asset is the sum of the expenditures incurred from the date when such an intangible asset first meets the recognition criteria listed above. Subsequent to initial recognition, such intangible asset is measured on the same basis as an intangible asset that is acquired separately.

3) Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognized separately from goodwill are initially recognized at their fair value at the acquisition date (which is regarded as their cost). Subsequent to initial recognition, they are measured on the same basis as intangible assets that are acquired separately.

4) 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.

n. Impairment of property, plant and equipment, right-of-use asset, investment properties, intangible assets other than goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its property, plant and equipment, right-of-use asset, investment properties 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 Group 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.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually and whenever there is an indication that the assets may be impaired.

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 for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognized in profit or loss.

o. Financial instruments

Financial assets and financial liabilities are recognized when the Group 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 recognized immediately in profit or loss.

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 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, with any gains or losses arising on remeasurement recognized in profit or loss. The net gain or loss recognized in profit or loss does not incorporate any dividends or interest earned on such a financial asset. Fair value is determined in the manner described in Note 33.

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 and other 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 Group 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 Group'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 Group recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including trade receivables).

The Group always recognizes lifetime expected credit losses (ECLs) for trade receivables. For all other financial instruments, the Group 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 Group 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 Group determines that the following situations indicate that a financial asset is in default (without taking into account any collateral held by the Group):

- 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 Group 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 Group 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 Group 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 Group 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. 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 33.

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 Group 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 Group 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 and cross-currency swap 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.

p. Hedge accounting

The Group designates certain hedging instruments, which include derivatives, embedded derivatives and non-derivatives in respect of foreign currency risk, as either cash flow hedges, or hedges of net investments in foreign operations. Hedges of foreign exchange risk on firm commitments are accounted for as cash flow hedges.

1) Cash flow hedges

The effective portion of gains or losses on derivatives that are designated and qualify as cash flow hedges is recognized in other comprehensive income. The gains or losses relating to the ineffective portion are recognized immediately in profit or loss.

The associated gains or losses that were recognized in other comprehensive income are reclassified from equity to profit or loss as reclassification adjustments in the line items relating to the hedged item in the same period in which the hedged item affects profit or loss. If a hedge of a forecasted transaction subsequently results in the recognition of a non-financial asset or a non-financial liability, the associated gains and losses that were recognized in other comprehensive income are removed from equity and included in the initial cost of the non-financial asset or non-financial liability.

The Group discontinues hedge accounting only when the hedging relationship ceases to meet the qualifying criteria; for instance, when the hedging instrument expires or is sold, terminated or exercised. The cumulative gain or loss on the hedging instrument that was previously recognized in other comprehensive income (from the period in which the hedge was effective) remains separately in equity until the forecasted transaction occurs. When a forecasted transaction is no longer expected to occur, the gains or losses accumulated in equity are recognized immediately in profit or loss.

2) Hedges of net investments in foreign operations

Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges. Any gains or losses on the hedging instrument relating to the effective portion of the hedge are recognized in other comprehensive income and accumulated under the heading of foreign currency translation reserve. The gains or losses relating to the ineffective portion are recognized immediately in profit or loss.

The gains and losses on the hedging instrument relating to the effective portion of the hedge, which were accumulated in the foreign currency translation reserve, are reclassified to profit or loss on the disposal or partial disposal of a foreign operation.

q. Provisions

Provisions are measured at the best estimate of the discounted cash flows of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Decommissioning and restoration obligation

In accordance with government's environmental regulations, the Group should restore the factory to its original condition when selling land and buildings. Provisions are recognized based on the present value of the best estimate of future outflows of economic benefits that will be required for fulfillment of the restoration obligation in accordance with government's environmental regulations.

r. Revenue recognition

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

s. Leases

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

1) The Group 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 Group as lessee

The Group 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 consolidated 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 Group by the end of the lease terms or if the costs of right-of-use assets reflect that the Group will exercise a purchase option, the Group 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 a change in a lease term, a change in the amounts expected to be payable under a residual value guarantee, a change in the assessment of an option to purchase an underlying asset, or a change in future lease payments resulting from a change in an index or a rate used to determine those payments, the Group 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 consolidated balance sheets.

Variable lease payments that do not depend on an index or a rate are recognized as expenses in the periods in which they are incurred.

t. 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.

u. 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 Group'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.

v. Share-based payment arrangements

1) 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 Group'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 Group 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.

2) Restricted shares for employees granted to employees and others providing similar services

The fair value at the grant date of the restricted shares for employees is expensed on a straight-line basis over the vesting period, based on the Group's best estimates of the number of shares or options that are expected to ultimately vest, with a corresponding increase in other equity - unearned employee benefits.

When restricted shares for employees are issued, other equity - unearned employee benefits is recognized on the grant date, with a corresponding increase in capital surplus - restricted shares for employees. If restricted shares for employees are granted for consideration and the considerations received should be returned if employees resign in the vesting period, the amounts expected to be returned are recognized as payables.

At the end of each reporting period, the Group revises its estimate of the number of restricted shares for employees that are 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 - restricted shares for employees.

w. Taxation

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

1) Current tax

Income tax payable (recoverable) is based on taxable profit (loss) for the year determined according to the applicable tax laws of each tax jurisdiction.

According to the Income Tax Act in the ROC, an additional tax on unappropriated earnings is provided for 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 Group 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 Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

The Group has applied the exception from the recognition and disclosure of deferred tax assets and liabilities relating to Pillar Two income taxes. Accordingly, the Group neither recognizes nor discloses information about deferred tax assets and liabilities related to Pillar Two income taxes.

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.

Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group'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.

When developing material accounting estimates, the estimates and underlying assumptions are reviewed on an ongoing basis.

Material Accounting Judgments

Significant influence over associates

- a. The Group has significant influence over an investee even though the Group holds less than 20% of the voting rights of the investee.

As stated in Note 14, several companies are associates of the Group although the Group holds less than 20% of the voting rights of each of these companies. The Group has significant influence over these companies by virtue of the right to appoint and remove directors from the board of directors of these companies.

- b. The Group, the single largest shareholder with less than 50% of the voting rights on the investee, does not have control but has significant influence over the investee

As stated in Note 14, the Group is the single largest shareholder with 29.69% of the voting rights in Advanced Power Electronics Co., Ltd. Considering the Group does not hold the voting rights of more than half of the attendance rate in the shareholders' meeting, the Group cannot direct the relevant activities of and does not have control over Advanced Power Electronics Co., Ltd. Consequently, the Group considered and classified Advanced Power Electronics Co., Ltd. as an associate by virtue of the Group's ability to exercise significant influence over Advanced Power Electronics Corp.

Key Sources of Estimation Uncertainty

- a. Impairment of property, plant and equipment

The impairment of equipment in relation to the production of electronic components was based on the recoverable amounts of the equipment, which is the higher of its fair value less costs of disposal and its value in use. Any changes in the market prices or future cash flows 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 goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The calculation of the value in use requires management to estimate the future cash flows expected to arise from the cash-generating units and a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than expected, a material impairment loss may arise.

6. CASH AND CASH EQUIVALENTS

	December 31	
	2023	2022
Cash on hand	\$ 4,409	\$ 6,068
Checking accounts and demand deposits	39,723,291	35,325,734
Cash equivalents (investments with original maturities of less than 3 months)		
Time deposits	<u>13,223,758</u>	<u>4,088,864</u>
	<u>\$ 52,951,458</u>	<u>\$ 39,420,666</u>

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

	December 31	
	2023	2022
Time deposits	1.00%-6.00%	1.62%-5.30%

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	December 31	
	2023	2022
<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)	\$ 41,096	\$ 467,277
Swap contracts (b)	61,194	65,817
Cross-currency swap contracts (c)	15,184	80,856
Convertible options (Note 20)	2,695	283
Non-derivative financial assets		
Overseas listed shares	7,991	37,771
Hybrid financial assets		
Structured deposits (d)	<u>3,727,356</u>	<u>3,893,164</u>
	<u>\$ 3,855,516</u>	<u>\$ 4,545,168</u>

Financial assets at FVTPL - non-current

Financial assets mandatorily classified as at FVTPL		
Derivative financial assets (not under hedge accounting)		
Swap contracts (b)	\$ -	\$ 43,041
Non-derivative financial assets		
Overseas listed shares	89,548	70,357
Overseas unlisted shares	633	653
Domestic unlisted shares	46,104	46,104
Foreign private funds	380,670	362,719
Hybrid financial assets		
Credit-linked and interest-linked structured notes (d)	<u>727,104</u>	<u>808,352</u>
	<u>\$ 1,244,059</u>	<u>\$ 1,331,226</u>

(Continued)

	December 31	
	2023	2022
<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)	\$ 19,821	\$ 177,992
Swap contracts (b)	35,679	40
Cross-currency swap contracts (c)	83,604	-
Convertible options (Note 20)	-	32,322
	<u>\$ 139,104</u>	<u>\$ 210,354</u>
		(Concluded)

- 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, 2023</u>			
Buy	GBP/USD	2024.01.31	GBP7,047/USD9,000
Buy	USD/JPY	2024.01.22	USD10,000/JPY1,415,650
Buy	USD/RMB	2024.11.01-2024.12.24	USD47,000/RMB328,204
Sell	USD/PLN	2024.01.08	USD4,300/PLN18,166
Sell	USD/THB	2024.01.19-2024.02.20	USD14,500/THB505,693
Sell	USD/RMB	2024.11.01-2024.12.09	USD37,000/RMB262,737
<u>December 31, 2022</u>			
Buy	USD/NTD	2023.01.03-2023.11.17	USD230,000/NTD6,573,997
Buy	USD/RMB	2023.01.04-2023.04.06	USD85,071/RMB588,826
Buy	USD/HKD	2023.02.03	USD1,070/HKD8,331
Buy	EUR/NTD	2023.04.06-2023.07.03	EUR40,000/NTD1,261,756
Buy	RMB/NTD	2023.02.02	RMB63,000/NTD276,040
Sell	USD/NTD	2023.01.03-2023.06.21	USD100,000/NTD2,863,974
Sell	GBP/USD	2023.01.31	GBP7,466/USD9,000
Sell	USD/THB	2023.01.24	USD15,000/THB526,510
Sell	USD/PLN	2023.01.05-2023.01.17	USD7,400/PLN34,111
Sell	RMB/NTD	2023.02.02	RMB63,000/NTD277,948

The Group 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, 2023</u>			
Buy	USD/NTD	2024.03.11-2024.03.29	USD40,000/NTD1,182,040
Buy	RMB/NTD	2024.03.15	RMB120,000/NTD524,821
Buy	HKD/NTD	2024.01.22	HKD22,164/NTD89,931
<u>December 31, 2022</u>			
Buy	RMB/NTD	2023.01.04-2023.02.23	RMB224,000/NTD983,409
Buy	USD/NTD	2023.01.17-2024.03.29	USD55,500/NTD1,584,838
Buy	EUR/NTD	2023.03.31-2023.09.06	EUR18,000/NTD560,412
Sell	USD/NTD	2023.01.17	USD850/NTD26,029

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

- c. At the end of the year, 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, 2023</u>			
US\$ 40,000	2024.03.29	1.43%	SOFR+0.65%
US\$ 40,000	2024.08.13	1.60%	SOFR+0.60%
US\$ 30,000	2024.10.11	1.65%	SOFR+0.65%
<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%

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

- d. Hybrid financial assets

1) Credit-linked and interest-linked structured notes

The Group 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.

2) Structured deposits

The Group 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.

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	December 31	
	2023	2022
<u>Non-current</u>		
Investments in equity instruments at fair value through other comprehensive income (FVTOCI)	<u>\$ 1,665,946</u>	<u>\$ 812,139</u>

Investments in Equity Instruments at FVTOCI

	December 31	
	2023	2022
<u>Non-current</u>		
Domestic investments		
Listed shares	\$ 1,665,946	\$ 811,028
Emerging market shares	<u>-</u>	<u>1,111</u>
	<u>\$ 1,665,946</u>	<u>\$ 812,139</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 Group's strategy of holding these investments for long-term purposes.

9. FINANCIAL ASSETS AT AMORTIZED COST

	December 31	
	2023	2022
<u>Current</u>		
Time deposits with original maturities of more than 3 months (a)	<u>\$ 19,119,964</u>	<u>\$ 13,157,089</u>
<u>Non-current</u>		
Corporate bonds (b)	\$ 17,395,673	\$ 13,905,510
Time deposits with original maturities of more than 1 year (a)	<u>8,186,545</u>	<u>6,494,662</u>
	<u>\$ 25,582,218</u>	<u>\$ 20,400,172</u>

- a. The ranges of interest rates for time deposits were approximately 2.74%-6.28% and 1.03%-5.60% per annum as of December 31, 2023 and 2022, respectively.
- b. At the end of the year, corporate bonds bought by the Group were as follows:

December 31, 2023

Non-current

Period	Purchase Amount (In Thousands)	Coupon Rate	Rate of Effective Interest
For the year ended December 31, 2021	US\$ 41,000	2.30%-7.50%	1.89%-3.66%
For the year ended December 31, 2021	RMB 194,000	2.95%-3.12%	2.95%-3.12%
For the year ended December 31, 2021	EUR 8,300	4.38%	2.25%-2.26%
For the year ended December 31, 2022	US\$ 244,050	0.75%-6.35%	1.92%-7.42%
For the year ended December 31, 2022	EUR 35,000	1.38%-2.65%	3.10%-4.26%
For the year ended December 31, 2023	US\$ 219,100	1.54%-7.39%	5.02%-6.76%

December 31, 2022

Non-current

Period	Purchase Amount (In Thousands)	Coupon Rate	Rate of Effective Interest
For the year ended December 31, 2017	US\$ 5,200	4.10%	3.13%-3.15%
For the year ended December 31, 2018	US\$ 3,000	4.10%	3.84%-3.87%
For the year ended December 31, 2020	US\$ 31,000	1.33%-3.75%	2.02%-3.75%
For the year ended December 31, 2021	US\$ 61,210	2.30%-7.50%	1.89%-5.85%
For the year ended December 31, 2021	RMB 389,000	2.95%-3.24%	2.95%-3.24%
For the year ended December 31, 2021	EUR 16,300	4.38%-6.00%	1.13%-2.26%
For the year ended December 31, 2022	US\$ 248,050	0.75%-6.35%	1.92%-7.42%
For the year ended December 31, 2022	EUR 35,000	1.38%-2.65%	3.10%-4.26%

The Group 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 Group's exposure and the external credit ratings are continuously monitored. The Group 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. FINANCIAL INSTRUMENTS FOR HEDGING

	December 31	
	2023	2022
<u>Financial assets - current</u>		
Cash flow hedges		
Foreign exchange forward contracts	\$ 266,725	\$ 161,905
Net investment in a foreign operation hedges		
Cross-currency swap contracts	<u>1,062,902</u>	<u>-</u>
	<u>\$ 1,329,627</u>	<u>\$ 161,905</u>
<u>Financial assets - non-current</u>		
Cash flow hedges		
Foreign exchange forward contracts	\$ 1,156	\$ -
Net investment in a foreign operation hedges		
Cross-currency swap contracts	<u>-</u>	<u>831,882</u>
	<u>\$ 1,156</u>	<u>\$ 831,882</u>
<u>Financial liabilities - current</u>		
Cash flow hedges		
Foreign exchange forward contracts	\$ 1,862	\$ -
Cross-currency swap contracts	<u>1,198,949</u>	<u>-</u>
	<u>\$ 1,200,811</u>	<u>\$ -</u>
<u>Financial liabilities - non-current</u>		
Cash flow hedges		
Foreign exchange forward contracts	\$ 267	\$ 7,541
Cross-currency swap contracts	<u>-</u>	<u>940,826</u>
	<u>\$ 267</u>	<u>\$ 948,367</u>
		(Concluded)

The Group entered into foreign exchange forward contracts and cross-currency swap contracts, which were used to partially hedge foreign exchange rate risks associated with certain highly probable forecast transactions and exchange rate fluctuations of foreign currency denominated assets and liabilities. The hedge ratio was adjusted in response to the changes in the financial market and capped at 100%.

On the basis of economic relationships, the Group expects that the value of foreign exchange forward contracts, cross-currency swap contracts and the value of hedged forecast transaction will change in opposite directions in response to movements in foreign exchange rates.

The main source of hedge ineffectiveness in these hedging relationships is the effect of the counterparty's own credit risk on the fair value of the foreign exchange forward contracts and cross-currency swap contracts. No other sources of ineffectiveness emerged from these hedging relationships. Refer to Note 23 (e) for information about gain (loss) on hedging instruments and transferred to initial carrying amount of hedged items for the years ended December 31, 2023 and 2022.

The following table summarizes the information relating to the hedges of foreign currency risk.

December 31, 2023

	Contract Amount (In Thousands of US\$)	Maturity
Hedging Instruments		
Foreign exchange forward contracts	\$ 121,870	2024.01-2025.02
Cross-currency swap contracts	346,143	2024.09

December 31, 2022

	Contract Amount (In Thousands of US\$)	Maturity
Hedging Instruments		
Foreign exchange forward contracts	\$ 102,041	2023.01-2024.02
Cross-currency swap contracts	395,592	2024.09

The rate of interest paid and rate of interest received under cross-currency swap contracts were 4.94% and 6.25% as of December 31, 2023 and 2022, respectively.

11. NOTES RECEIVABLE AND TRADE RECEIVABLES

	December 31	
	2023	2022
<u>Notes receivable</u>		
At amortized cost		
Gross carrying amount	<u>\$ 82,232</u>	<u>\$ 116,684</u>
Notes receivable - operating	<u>\$ 82,232</u>	<u>\$ 116,684</u>
<u>Trade receivables</u>		
At amortized cost		
Gross carrying amount	\$ 19,961,737	\$ 21,667,189
Less: Allowance for impairment loss	<u>(56,859)</u>	<u>(59,022)</u>
	<u>19,904,878</u>	<u>21,608,167</u>
<u>Trade receivables - related party (Note 34)</u>		
At amortized cost		
Gross carrying amount	<u>473,256</u>	<u>538,267</u>
	<u>\$ 20,378,134</u>	<u>\$ 22,146,434</u>

Trade Receivables

The average credit period of sales of goods was 30-180 days. No interest was charged on trade receivables. The Group adopted a policy of dealing with major customers that the Group 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 Group'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 Group 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 Group 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 Group's credit risk was significantly reduced.

The Group 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 the past default records 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 forecasted direction of economic conditions at the reporting date. As the Group'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 Group's different customer base.

The Group 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 Group 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 is as follows:

	December 31	
	2023	2022
Current term	\$ 18,305,674	\$ 20,404,762
Past due		
1-60 days	1,817,337	1,577,832
61-90 days	159,945	108,620
91-180 days	84,280	82,615
More than 181 days	<u>67,757</u>	<u>31,627</u>
	<u>\$ 20,434,993</u>	<u>\$ 22,205,456</u>

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

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

	For the Year Ended December 31	
	2023	2022
Balance at January 1	\$ 59,022	\$ 59,584
Add: Amounts recovered	-	4,681
Add: Net remeasurement of loss allowance	5,264	-
Less: Net remeasurement of loss allowance	-	(194)
Less: Amounts written off	(7,699)	(1,560)
Foreign exchange gains and losses	<u>272</u>	<u>(3,489)</u>
Balance at December 31	<u>\$ 56,859</u>	<u>\$ 59,022</u>

The trade receivables pledged as collateral for bank borrowings are set out in Note 35.

12. INVENTORIES

	December 31	
	2023	2022
Finished goods and merchandise	\$ 9,986,420	\$ 10,232,269
Work in progress	4,281,359	4,507,730
Raw materials	10,206,425	10,019,441
Supplies	779,049	888,606
Inventory in transit	<u>1,839,991</u>	<u>1,296,770</u>
	<u>\$ 27,093,244</u>	<u>\$ 26,944,816</u>

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

	For the Year Ended December 31	
	2023	2022
Cost of inventories sold	\$ 71,165,015	\$ 74,347,591
Inventory write-downs	<u>418,494</u>	<u>720,580</u>
	<u>\$ 71,583,509</u>	<u>\$ 75,068,171</u>

The inventories pledged as collateral for bank borrowings are set out in Note 35.

13. SUBSIDIARIES

Subsidiaries included in the consolidated financial statements:

Investor	Investee	Nature of Activities	Proportion of Ownership (%)		Remark	
			December 31			
			2023	2022		
Yageo Corporation	Yageo Holding (Bermuda) Ltd.	Investment	100.00	100.00		
	Ko-Shin Investment Limited.	Investment	100.00	100.00		
	Brightking Holdings Limited	Holding company	100.00	100.00		
	Yageo Corporation (South Asia)	Selling electronic components	100.00	100.00		
	Yageo Europe Holding B.V.	Holding company	100.00	100.00		
	Yageo South Asia (M) Sdn. Bhd.	Selling electronic components	100.00	100.00		
	Pulse Electronics Corporation	Holding company	100.00	100.00		
	Yageo Holding Hungary LLC	Holding company	100.00	100.00		
	XSemi Corporation	Selling electronic components	35.00	35.00	a.	
	Chilisin Electronics Corp.	Manufacturing and selling electronic components	100.00	100.00	d.	
Ko-Shin Investment Limited.	Yageo USA (H.K.) Limited	Sales of passive components	100.00	100.00	b.	
	XSemi Corporation	Selling electronic components	15.00	9.00	a.	
Yageo Holding (Bermuda) Ltd.	Yageo (Hong Kong) Limited	Investment	100.00	100.00		
	Vitrohm Holding GmbH	Investment	100.00	100.00		
	Yageo Korea	Sales of resistors	100.00	100.00		
	Yageo Japan	Sales of resistors	100.00	100.00		
	Hsu Tai International (H.K.) Ltd.	Investment	100.00	100.00		
	Belkin International Enterprises Limited	Investment	-	-	h.	
Brightking Holdings Limited	Brightking Enterprise (H.K.) Co., Ltd.	Selling overvoltage and overcurrent protection electronic components	100.00	100.00		
Pulse Electronics Corporation	Pulse Electronics (Singapore) Pte. Ltd	Selling electronic components	100.00	100.00		
Pulse Electronics (Singapore) Pte. Ltd	Egston Holding GmbH	Holding company	100.00	100.00		
Yageo Holding Hungary LLC	Yageo Holding Netherlands B.V.	Investment	100.00	100.00	i.	
Yageo Holding Netherlands B.V.	KEMET Corporation	Selling electronic components	100.00	-	b.	
	KEMET Corporation	Selling electronic components	-	100.00	b.	
Chilisin Electronics Corp.	Chilisin International Ltd.	Selling electronic components	100.00	100.00	d.	
	Chilisin Holding (Samoa) Ltd.	Investment	100.00	100.00	d.	
	Chilisin Holding (Hong Kong) Limited	Investment	94.15	94.15	d.	
	Chilisin Asia Investment Limited	Investment	100.00	100.00	d.	
	Ferroxcube International Holding B.V.	Investment	100.00	100.00	d.	
	Mag. Layers Scientific-Technics Co., Ltd.	Manufacturing and selling electronic components	100.00	100.00	d.	
	Magic Technology Co., Ltd.	Selling electronic components	100.00	100.00	d.	
	Bothhand Enterprise Inc.	Manufacturing and selling computer components and electronic components	100.00	100.00	d.	
	Yageo Europe Holding B.V.	Yageo UK Ltd	Holding company	-	-	h.
		Yageo Europe B.V.	Holding company	100.00	100.00	
Yageo Italy SRL		Holding company	100.00	100.00		
Yageo Electronics Holding (S) PTE. LTD.		Holding company	100.00	100.00	i.	
Yageo Electronics Holding (S) PTE. LTD.	Yageo Electronics Investment (S) PTE. LTD.	Holding company	100.00	100.00	i.	
Yageo Europe B.V.	Ko-E Holding (Cayman)	Holding company	97.15	97.15	b. c.	
	YAGEO Holding France	Holding company	100.00	-	i.	
	Yageo Europe Kft	Holding company	100.00	100.00		
Yageo Electronics Investment (S) PTE. LTD.	Yageo Nexensos GmbH	Manufacturing and selling temperature sensor	100.00	-	g.	
	Yageo Nexensos Malaysia Sdn. Bhd.	Manufacturing and selling temperature sensor	100.00	-	g.	
YAGEO Holding France	TMSS Holding SAS	Holding company	100.00	-	g.	
TMSS Holding SAS	TMSS France	Manufacturing and selling industrial and telemecanique sensor	100.00	-	g.	

(Continued)

Investor	Investee	Nature of Activities	Proportion of Ownership (%)		Remark
			2023	2022	
Yageo (Hong Kong) Limited	Yageo Electronics (China) Co., Ltd.	Manufacturing and selling passive components	100.00	100.00	
	Yageo Electronics (Dongguan) Co., Ltd.	Manufacturing and selling passive components	100.00	100.00	
	Yageo (Suzhou) Trade Co., Ltd.	Selling passive components	100.00	100.00	
	Yageo Components (Suzhou) Co., Ltd.	Manufacturing and selling passive components	100.00	100.00	
Ko-E Holding (Cayman)	Ko-E (H.K.) Limited	Selling electronic components	100.00	100.00	
	Ko-E Electronics Trade Co., Ltd.	Selling electronic components	-	100.00	e.
	Ko-E Electronic (Hong Kong) Limited	Selling electronic components	100.00	100.00	
Brightking Enterprise (H.K.) Co., Ltd.	Bestbright Electronics Co., Ltd.	Manufacturing and selling overvoltage and overcurrent protection electronic components	100.00	100.00	
	Ko-E Component Co., Ltd.	Manufacturing and selling overvoltage and overcurrent protection electronic components	100.00	100.00	e.
Chilisin International Ltd.	Dongguan CNA Electronics Co., Ltd.	Manufacturing and selling electronic components	50.00	50.00	d.
	Belkin International Enterprises Limited	Investment	-	-	d. h.
	Dongguan Chilisin Electronics Co., Ltd.	Manufacturing and selling electronic components	100.00	100.00	d.
	Hunan Chilisin Electronics Technology Co., Ltd.	Manufacturing and selling electronic components	100.00	100.00	d.
Chilisin Holding (Samoa) Ltd.	Shenzhen Chilisin Electronics Co., Ltd.	Selling electronic components	100.00	100.00	d.
	Chilisin Holding (Hong Kong) Limited	Investment	5.85	5.85	d.
Chilisin Holding (Hong Kong) Limited	Suzhou Qiyixin Electronics Co., Ltd.	Selling electronic components	100.00	100.00	d.
Chilisin Asia Investment Limited	Chilisin Electronics (Vietnam) Limited company	Manufacturing and selling electronic components	100.00	100.00	d.
	Chilisin America Ltd.	Selling electronic components	-	-	d. h.
Ferroxcube International Holding B.V.	Ferroxcube Italia S.r.l.	Selling electronic components	100.00	100.00	d.
	Ferroxcube Deutschland GmbH	Selling electronic components	100.00	100.00	d.
	Ferroxcube USA Inc.	Selling electronic components	100.00	100.00	d.
	Hispano Ferritas S.A.	Selling electronic components	100.00	100.00	d.
	Ferroxcube Polska Sp. Z.o.o.	Manufacturing and selling electronic components	100.00	100.00	d.
	Ferroxcube Hong Kong Limited	Resource allocation center and sales of electronic components	67.00	67.00	d.
Ferroxcube Polska Sp. Z.o.o.	Ferroxcube Hong Kong Limited	Resource allocation center and sales of electronic components	33.00	33.00	d.
Ferroxcube Hong Kong Limited	Ferroxcube Electronics (Dongguan) Limited	Manufacturing and selling electronic components	100.00	100.00	d.
Mag. Layers Scientific-Technics Co., Ltd.	Mag Layers International Co., Ltd.	Investment	100.00	100.00	d.
	Mag Layers USA, Inc.	Selling electronic equipment	100.00	65.00	c. d.
Mag Layers International Co., Ltd.	Mag. Layers International Co., Ltd.	Manufacturing and selling passive components	100.00	100.00	d.
Mag. Layers International Co., Ltd.	Shin Yuan Electronics Productions (Kunshan) Co., Ltd.	Manufacturing and selling electronic components	100.00	100.00	d.
Magic Technology Co., Ltd.	Magic Technology (Samoa) Co., Ltd.	Investment	100.00	100.00	d.
Magic Technology (Samoa) Co., Ltd.	Magic Electronic Technology (Shenzhen) Co., Ltd.	Manufacturing and selling electronic components	100.00	100.00	d.
	Classic Magic Developments Limited (Samoa)	Selling electronic components	100.00	100.00	d.
Trendy Island Investment Limited	Magic Trade (Shenzhen) Co., Ltd.	Selling electronic components	100.00	100.00	d.
	Trendy Island Investment Limited	Investment	100.00	100.00	d.
	Magic Electronic Technology (Hunan) Co., Ltd.	Manufacturing and selling electronic components	100.00	100.00	d.
	Magic Electronic Technology (Chongqing) Co., Ltd.	Manufacturing and selling electronic components	100.00	100.00	d.

(Continued)

Investor	Investee	Nature of Activities	Proportion of Ownership (%)		Remark
			2023	2022	
Bothhand Enterprise Inc.	E-HENG Technology Co., Ltd.	Manufacturing and selling computer components and electronic components	-	100.00	d. h.
	Bothhand International Investment Co., Ltd.	Investment	100.00	100.00	d.
Ko-E (H.K.) Limited Bestbright Electronics Co., Ltd.	Ko-E Technology (Shenzhen) Co., Ltd.	Selling electronic components	100.00	100.00	
	Brightking (Shenzhen) Co., Ltd.	Selling overvoltage and overcurrent protection electronic components	100.00	100.00	
	Yageo Components (Jiashan) Co, Ltd.	Manufacturing and selling overvoltage and overcurrent protection electronic components	-	100.00	f.
Belkin International Enterprises Limited Bothhand International Investment Co., Ltd.	Guorui (Hong Kong) Limited	Investment	-	-	d. h.
	Guangzhou Bothhand Electronics Co., Ltd.	Manufacturing and selling computer components and electronic components	100.00	100.00	d.
	Deyang Bothhand Electronics Co., Ltd.	Manufacturing and selling computer components and electronic components	100.00	100.00	d.
Brightking (Shenzhen) Co., Ltd.	Brightking (Shanghai) Co., Ltd.	Selling overvoltage and overcurrent protection electronic components	100.00	100.00	
	Brightking (Beijing) Co., Ltd.	Selling overvoltage and overcurrent protection electronic components	-	100.00	h.
KEMET Corporation	KEMET Electronics Corporation	Manufacturing and selling electronic components	100.00	100.00	
KEMET Electronics Corporation	TOKIN Corporation	Manufacturing and selling electronic components	100.00	100.00	
Guangzhou Bothhand Electronics Co., Ltd.	Guangzhou Chenghan Electronic Technology Co., Ltd.	Manufacturing and selling computer components and electronic components	100.00	100.00	d.
Deyang Bothhand Electronics Co., Ltd.	Deyang Shisheng Electronics Co., Ltd.	Manufacturing and selling computer components and electronic components	-	100.00	d.
	Deyang Hongyi Electronics Co., Ltd.	Manufacturing and selling computer components and electronic components	51.00	-	d.
Deyang Shisheng Electronics Co., Ltd.	Deyang Hongyi Electronics Co., Ltd.	Manufacturing and selling computer components and electronic components	-	51.00	d. h.

(Concluded)

Remarks:

- a. In May 2023, the Group acquired 204,000 thousand ordinary shares of XSemi Corporation from Bao Shin International Investment Co., Ltd. and cumulatively acquired 50% of XSemi Corporation. The Group has the power to appoint the majority of the board of directors of XSemi Corporation, which has the power to direct the relevant activities of XSemi Corporation. Therefore, the Group concluded that it has control over XSemi Corporation and deems it a subsidiary. Refer to Note 28.
- b. 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. In December 2022, KEMET Corporation, originally a 100%-owned subsidiary of Yageo Holding Netherlands B.V., was changed to Yageo Holding Hungry LLC. The aforementioned transaction was an organizational restructuring under common control; hence, the book-value method is applied in the transaction.

- c. The Group repurchased 0.45% of its shares and sold 0.3% of its shares from non-controlling shareholders in the first quarter and third quarter of 2022, respectively, and increased Yageo Holding (Bermuda) Ltd.'s continuing interest to 97.15%. The Group repurchased 35% of its shares from non-controlling shareholders in the fourth quarter of 2023 and increased Mag Layers USA, Inc.'s continuing interest to 100%.
- d. The Group acquired 100% of the interest of Chilisin Electronics Corp. in a share exchange in January 2022. The aforementioned share exchange transaction was an organizational restructuring under common control and regarded as a combination from the beginning. Refer to Note 29.
- e. In August 2022, Brightking Electronics Co., Ltd. has changed its name to Ko-E Component Co., Ltd. In order to reorganize and optimize operational efficiency, the board of Directors of Ko-E Component Co., Ltd. and Ko-E Electronics Trade Co., Ltd. approved the merger in December 2022. The merger effective date is on March 31, 2023, Ko-E Component Co., Ltd. shall be the surviving company, and Ko-E Electronics Trade Co., Ltd. shall be the dissolved company.
- f. Bestbright Electronics Co., Ltd. has decided through the board of directors to sell 100% of the interest in Yageo Components (Jiashan) Co., Ltd. and signed a sale contract with unrelated parties with a total price of RMB52,000,000. The equity transfer transaction was completed in November 2023.
- g. In April 2023, the Group acquired 100% interest in the advanced temperature sensor business division of Heraeus Nexensos in a cash settlement. In November 2023, the Group acquired 100% interest of the advanced industrial and telemecanique sensors business division of Schneider Electric Industries SAS in a cash settlement Refer to Note 28.
- h. Subsidiaries that have been dissolved and liquidated:

<u>Subsidiary</u>	<u>Effective Date</u>
Belkin International Enterprises Limited	Fourth quarter of 2022
Guorui (Hong Kong) Limited	Fourth quarter of 2022
Yageo UK Ltd	Fourth quarter of 2022
Chilisin America Ltd.	Fourth quarter of 2022
E-HENG Technology Co., Ltd.	First quarter of 2023
Brightking (Beijing) Co., Ltd.	First quarter of 2023
Deyang Shisheng Electronics Co., Ltd.	Second quarter of 2023

- i. Subsidiaries established:

<u>Subsidiary</u>	<u>Effective Date</u>
Yageo Electronics Holding (S) Pte. Ltd.	Third quarter of 2022
Yageo Electronics Investment (S) Pte. Ltd.	Third quarter of 2022
Yageo Holding Netherlands B.V.	Fourth quarter of 2022
YAGEO Holding France	First quarter of 2023

14. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	<u>December 31</u>	
	<u>2023</u>	<u>2022</u>
Investments in associates	\$ 5,365,358	\$ 3,356,892
Investments in joint ventures	<u>20,358</u>	<u>38,714</u>
	<u>\$ 5,385,716</u>	<u>\$ 3,395,606</u>

a. Investments in associates

	December 31	
	2023	2022
Material associate		
Advanced Power Electronics Co., Ltd.	\$ 3,384,874	\$ -
Associates that are not individually material		
XSemi Corporation	-	1,450,467
Kaimei Electronic Corp.	755,791	758,940
Global Testing Corporation Limited (GTCL)	408,937	402,896
Nippon Yttrium Co., Ltd.	346,881	337,939
Ruiyi Technology (HongKong) Share Co., Limited	167,226	150,813
Strong Components Co., Ltd.	125,025	110,562
NT Sales Co., Ltd.	104,524	76,478
Shenzhen Ruiyi Electronics Co., Ltd.	72,100	68,797
	<u>1,980,484</u>	<u>3,356,892</u>
	<u>\$ 5,365,358</u>	<u>\$ 3,356,892</u>

Refer to Table 7 “Information on Investees” and Table 8 “Information on Investments in Mainland China” for the information on nature of activities, principal places of business and countries of incorporation of the associates.

Fair values (Level 1) of investments in associates with available published price quotations are summarized as follows:

Name of Associate	December 31	
	2023	2022
Advanced Power Electronics Co., Ltd.	\$ 3,416,000	\$ -
Kaimei Electronic Corp.	562,121	425,557
GTCL	<u>217,277</u>	<u>290,352</u>
	<u>\$ 4,195,398</u>	<u>\$ 715,909</u>

1) Material associate

Name of Associate	Nature of Activities	Principal Place of Business	Proportion of Ownership and Voting Rights	
			December 31	
			2023	2022
Advanced Power Electronics Co., Ltd.	Design of electronic elements, integrated circuits, semi-conductors, and the testing service.	Hsinchu	29.69%	-

The summarized financial information below represents amounts shown in the associates' financial statements prepared in accordance with IFRS Accounting Standards adjusted by the Group for equity accounting purposes.

	December 31, 2023
Current assets	\$ 4,382,652
Non-current assets	1,514,821
Current liabilities	(582,503)
Non-current liabilities	<u>(4,049)</u>
Equity	<u>5,310,921</u>
Non-controlling interests	<u>1,758</u>
	<u>\$ 5,312,679</u>
Proportion of the Group's ownership	29.69%
Equity attributable to the Group	\$ 1,577,334
Goodwill	<u>1,807,540</u>
Carrying amount	<u>\$ 3,384,874</u>
	For the Year Ended December 31, 2023
Operating revenue	<u>\$ 2,849,633</u>
Net profit for the year	330,426
Other comprehensive income	<u>14,282</u>
Total comprehensive income for the year	<u>\$ 344,708</u>
Dividends received from Company	<u>\$ 174,184</u>

2) Aggregate information of associates that are not individually material

	For the Year Ended December 31 2023	2022
The Group's share of:		
Net profit for the year	\$ 47,298	\$ 184,656
Other comprehensive (loss) income	<u>(18,653)</u>	<u>64,664</u>
Total comprehensive income for the year	<u>\$ 28,645</u>	<u>\$ 249,320</u>

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

Except for Global Testing Corporation Limited (GTCL) and Advanced Power Electronics Co., Ltd., investments accounted for using the equity method and the share of profit or loss and other comprehensive income of those investments were calculated based on the financial statements which have not been audited. Management believes there is no material impact on the equity method of accounting or the calculation of the share of profit or loss and other comprehensive income from the financial statements which have not been audited for the year ended December 31, 2023.

Except for Global Testing Corporation Limited (GTCL), investments accounted for using the equity method and the share of profit or loss and other comprehensive income of those investments were calculated based on the financial statements which have not been audited. Management believes there is no material impact on the equity method of accounting or the calculation of the share of profit or loss and other comprehensive income from the financial statements which have not been audited for the year ended December 31, 2022.

b. Investments in joint ventures

	December 31	
	2023	2022
Joint ventures that are not individually material		
KEMET Jianghai Electronics Components Co., Ltd.	<u>\$ 20,358</u>	<u>\$ 38,714</u>
	Proportion of Ownership and Voting Rights	
	December 31	
Name of Joint Venture	2023	2022
KEMET Jianghai Electronics Components Co., Ltd.	50%	50%

KEMET Electronics Corporation, a subsidiary of the Company, entered into a joint venture agreement with Jianghai (Nantong) Film Capacitor Co., Ltd. for the establishment of KEMET Jianghai Electronics Components Co., Ltd. on January 29, 2018. KEMET Electronics Corporation acquired 50% equity interest of KEMET Jianghai Electronics Components Co., Ltd. and represented the same number of seats on the board of directors as Jianghai (Nantong) Film Capacitor Co., Ltd.

In December 2023, the Group's subsidiary - Shanghai Arcotronics Components & Machineries Co., Ltd.'s board of directors, resolved to acquire the electrolytic capacitor business division of KEMET Jianghai Electronics Components Co., Ltd. in a cash settlement.

15. PROPERTY, PLANT AND EQUIPMENT

	December 31	
	2023	2022
Assets used by the Group	\$ 67,378,718	\$ 59,734,211
Assets leased under operating leases	<u>109,722</u>	<u>137,067</u>
	<u>\$ 67,488,440</u>	<u>\$ 59,871,278</u>

a. Assets used by the Group

	Freehold Land	Buildings	Machinery Equipment	Other Equipment	Construction in Progress and Unaccepted Equipment	Total
<u>Cost</u>						
Balance at January 1, 2023	\$ 4,791,090	\$ 29,764,628	\$ 91,238,891	\$ 6,425,429	\$ 12,078,940	\$ 144,298,978
Additions	-	332,250	1,093,687	155,025	13,340,026	14,920,988
Disposals	(10,021)	(177,260)	(3,034,660)	(425,736)	-	(3,647,677)
Disposal of subsidiary (Note 30)	-	-	-	-	(166,587)	(166,587)
Transfers from assets leased under operating leases	-	44,400	-	-	-	44,400
Acquisitions through business combinations (Note 28)	67,303	427,993	5,017,616	165,845	327,943	6,006,700
Effects of foreign currency exchange differences	(127,368)	(235,670)	(364,117)	(97,229)	(594,662)	(1,419,046)
Reclassifications	-	5,890,320	9,273,080	1,401,048	(17,021,634)	(457,186)
Balance at December 31, 2023	<u>\$ 4,721,004</u>	<u>\$ 36,046,661</u>	<u>\$ 103,224,497</u>	<u>\$ 7,624,382</u>	<u>\$ 7,964,026</u>	<u>\$ 159,580,570</u>
<u>Accumulated depreciation and impairment</u>						
Balance at January 1, 2023	\$ 3,808	\$ 14,099,615	\$ 65,859,409	\$ 4,601,935	\$ -	\$ 84,564,767
Disposals	-	(165,210)	(2,623,228)	(379,228)	-	(3,167,666)
Transfers from assets leased under operating leases	-	22,618	-	-	-	22,618
Depreciation expense	-	1,500,543	5,295,468	728,208	-	7,524,219
Acquisitions through business combinations (Note 28)	-	257,140	3,444,905	85,493	-	3,787,538
Effects of foreign currency exchange differences	-	(16,426)	(818,601)	305,403	-	(529,624)
Balance at December 31, 2023	<u>\$ 3,808</u>	<u>\$ 15,698,280</u>	<u>\$ 71,157,953</u>	<u>\$ 5,341,811</u>	<u>\$ -</u>	<u>\$ 92,201,852</u>
Carrying amount at December 31, 2023	<u>\$ 4,717,196</u>	<u>\$ 20,348,381</u>	<u>\$ 32,066,544</u>	<u>\$ 2,282,571</u>	<u>\$ 7,964,026</u>	<u>\$ 67,378,718</u>
<u>Cost</u>						
Balance at January 1, 2022	\$ 3,908,433	\$ 27,272,782	\$ 83,710,704	\$ 5,959,855	\$ 6,880,294	\$ 127,732,068
Additions	829,645	56,288	862,708	59,266	12,999,471	14,807,378
Disposals	(50)	(124,760)	(2,506,508)	(202,345)	-	(2,833,663)
Disposal of subsidiary (Note 30)	-	-	-	(21,106)	-	(21,106)
Effects of foreign currency exchange differences	53,062	841,464	3,431,515	238,914	339,899	4,904,854
Reclassifications	-	1,718,854	5,740,472	390,845	(8,140,724)	(290,533)
Balance at December 31, 2022	<u>\$ 4,791,090</u>	<u>\$ 29,764,628</u>	<u>\$ 91,238,891</u>	<u>\$ 6,425,429</u>	<u>\$ 12,078,940</u>	<u>\$ 144,298,978</u>
<u>Accumulated depreciation and impairment</u>						
Balance at January 1, 2022	\$ 3,808	\$ 12,522,737	\$ 60,571,511	\$ 4,077,447	\$ -	\$ 77,175,503
Disposals	-	(97,310)	(2,009,393)	(174,751)	-	(2,281,454)
Disposal of subsidiary (Note 30)	-	-	-	(2,759)	-	(2,759)
Depreciation expense	-	1,382,846	4,695,604	604,264	-	6,682,714
Effects of foreign currency exchange differences	-	291,342	2,601,687	97,734	-	2,990,763
Balance at December 31, 2022	<u>\$ 3,808</u>	<u>\$ 14,099,615</u>	<u>\$ 65,859,409</u>	<u>\$ 4,601,935</u>	<u>\$ -</u>	<u>\$ 84,564,767</u>
Carrying amount at December 31, 2022	<u>\$ 4,787,282</u>	<u>\$ 15,665,013</u>	<u>\$ 25,379,482</u>	<u>\$ 1,823,494</u>	<u>\$ 12,078,940</u>	<u>\$ 59,734,211</u>

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

Buildings	
Main buildings	40-56 years
Engineering system	27-56 years
Others	1-20 years
Machinery equipment	1-20 years
Other equipment	1-20 years

Property, plant and equipment used by the Group and pledged as collateral for bank borrowings were set out in Note 35.

b. Assets leased under operating leases

	Land	Buildings	Total
<u>Cost</u>			
Balance at January 1, 2023	\$ 1,980	\$ 230,433	\$ 232,413
Transfers to assets used by the Group	-	(44,400)	(44,400)
Effects of foreign currency exchange differences	<u>-</u>	<u>(3,779)</u>	<u>(3,779)</u>
Balance at December 31, 2023	<u>\$ 1,980</u>	<u>\$ 182,254</u>	<u>\$ 184,234</u>
<u>Accumulated depreciation</u>			
Balance at January 1, 2023	\$ -	\$ 95,346	\$ 95,346
Transfers to assets used by the Group	-	(22,618)	(22,618)
Depreciation expense	-	3,325	3,325
Effects of foreign currency exchange differences	<u>-</u>	<u>(1,541)</u>	<u>(1,541)</u>
Balance at December 31, 2023	<u>\$ -</u>	<u>\$ 74,512</u>	<u>\$ 74,512</u>
Carrying amount at December 31, 2023	<u>\$ 1,980</u>	<u>\$ 107,742</u>	<u>\$ 109,722</u>
<u>Cost</u>			
Balance at January 1, 2022	\$ 1,980	\$ 226,660	\$ 228,640
Effects of foreign currency exchange differences	<u>-</u>	<u>3,773</u>	<u>3,773</u>
Balance at December 31, 2022	<u>\$ 1,980</u>	<u>\$ 230,433</u>	<u>\$ 232,413</u>
<u>Accumulated depreciation</u>			
Balance at January 1, 2022	\$ -	\$ 89,849	\$ 89,849
Depreciation expense	-	4,016	4,016
Effects of foreign currency exchange differences	<u>-</u>	<u>1,481</u>	<u>1,481</u>
Balance at December 31, 2022	<u>\$ -</u>	<u>\$ 95,346</u>	<u>\$ 95,346</u>
Carrying amount at December 31, 2022	<u>\$ 1,980</u>	<u>\$ 135,087</u>	<u>\$ 137,067</u>

Operating leases relate to lease of the property owned by the Group with lease terms between 1 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	
	2023	2022
Not later than 1 year	\$ 11,083	\$ 11,457
Later than 1 year and not later than 5 years	<u>617</u>	<u>1,340</u>
	<u>\$ 11,700</u>	<u>\$ 12,797</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 pledged as collateral for bank borrowings are set out in Note 35.

16. INVESTMENT PROPERTIES

	Land	Building	Total
<u>Cost</u>			
Balance at January 1, 2023	\$ -	\$ 46,133	\$ 46,133
Effects of foreign currency exchange differences	<u>-</u>	<u>(656)</u>	<u>(656)</u>
Balance at December 31, 2023	<u>\$ -</u>	<u>\$ 45,477</u>	<u>\$ 45,477</u>
<u>Accumulated depreciation</u>			
Balance at January 1, 2023	\$ -	\$ 9,197	\$ 9,197
Depreciation expense	-	981	981
Effects of foreign currency exchange differences	<u>-</u>	<u>(135)</u>	<u>(135)</u>
Balance at December 31, 2023	<u>\$ -</u>	<u>\$ 10,043</u>	<u>\$ 10,043</u>
Carrying amount at December 31, 2023	<u>\$ -</u>	<u>\$ 35,434</u>	<u>\$ 35,434</u>
<u>Cost</u>			
Balance at January 1, 2022	\$ 93,800	\$ 85,412	\$ 179,212
Disposals	(93,800)	(42,238)	(136,038)
Effects of foreign currency exchange differences	-	551	551
Reclassifications	<u>-</u>	<u>2,408</u>	<u>2,408</u>
Balance at December 31, 2022	<u>\$ -</u>	<u>\$ 46,133</u>	<u>\$ 46,133</u>

(Continued)

	Land	Building	Total
<u>Accumulated depreciation</u>			
Balance at January 1, 2022	\$ -	\$ 43,580	\$ 43,580
Disposals	-	(41,839)	(41,839)
Depreciation expense	-	5,233	5,233
Effects of foreign currency exchange differences	-	52	52
Reclassifications	-	2,171	2,171
Balance at December 31, 2022	<u>\$ -</u>	<u>\$ 9,197</u>	<u>\$ 9,197</u>
Carrying amount at December 31, 2022	<u>\$ -</u>	<u>\$ 36,936</u>	<u>\$ 36,936</u>
			(Concluded)

Investment properties are depreciated using the straight-line method over their estimated useful lives as follows:

Building 42 years

The market for comparable properties is inactive and alternative reliable measurements of fair value are not available; therefore, the Group determined that the fair value of the investment property was not reliably measurable.

17. GOODWILL

	<u>For the Year Ended December 31</u>	
	2023	2022
<u>Cost</u>		
Balance at January 1	\$ 47,848,779	\$ 44,131,198
Acquisitions through business combinations (Note 28)	16,979,425	-
Effects of foreign currency exchange differences	<u>(121,820)</u>	<u>3,717,581</u>
Balance at December 31	<u>\$ 64,706,384</u>	<u>\$ 47,848,779</u>

The recoverable amount of the cash-generating unit was determined based on a value in use calculation. The Group'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, 2023 and 2022: 14.50% and 14.94%, 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 Group's own business. The Group'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, 2023 and 2022, there was no indication of impairment loss based on the principal assumptions.

18. OTHER INTANGIBLE ASSETS

	Computer Software	Patents and Proprietary Technology	Customer Relationships	Trademark and Brand	Others	Total
<u>Cost</u>						
Balance at January 1, 2023	\$ 2,390,773	\$ 2,304,866	\$ 1,418,444	\$ 20,326,723	\$ 1,533,976	\$ 27,974,782
Additions	80,117	-	-	309	309,454	389,880
Acquisitions through business combinations (Note 28)	24,461	717,491	-	2,578,057	355,465	3,675,474
Disposal	(68,045)	-	-	-	-	(68,045)
Reclassifications	202,787	-	-	-	(149,198)	53,589
Effects of foreign currency exchange differences	(1,930)	22,155	951	(32,905)	(43,452)	(55,181)
Balance at December 31, 2023	<u>\$ 2,628,163</u>	<u>\$ 3,044,512</u>	<u>\$ 1,419,395</u>	<u>\$ 22,872,184</u>	<u>\$ 2,006,245</u>	<u>\$ 31,970,499</u>
<u>Accumulated amortization and impairment</u>						
Balance at January 1, 2023	\$ 1,988,425	\$ 748,173	\$ 530,028	\$ 170	\$ 376,716	\$ 3,643,512
Amortization expense	280,900	244,447	141,313	61	166,197	832,918
Disposal	(52,643)	-	-	-	-	(52,643)
Effects of foreign currency exchange differences	(2,596)	(4,029)	(623)	(23)	(2,816)	(10,087)
Balance at December 31, 2023	<u>\$ 2,214,086</u>	<u>\$ 988,591</u>	<u>\$ 670,718</u>	<u>\$ 208</u>	<u>\$ 540,097</u>	<u>\$ 4,413,700</u>
Carrying amount at December 31, 2023	<u>\$ 414,077</u>	<u>\$ 2,055,921</u>	<u>\$ 748,677</u>	<u>\$ 22,871,976</u>	<u>\$ 1,466,148</u>	<u>\$ 27,556,799</u>
<u>Cost</u>						
Balance at January 1, 2022	\$ 2,459,992	\$ 2,154,006	\$ 1,312,159	\$ 18,566,360	\$ 543,951	\$ 25,036,468
Additions	173,364	-	-	-	536,378	709,742
Disposal	(4,492)	-	-	-	-	(4,492)
Disposal of subsidiary (Note 30)	(4,299)	-	-	-	-	(4,299)
Reclassifications	(399,767)	-	-	-	331,843	(67,924)
Effects of foreign currency exchange differences	165,975	150,860	106,285	1,760,363	121,804	2,305,287
Balance at December 31, 2022	<u>\$ 2,390,773</u>	<u>\$ 2,304,866</u>	<u>\$ 1,418,444</u>	<u>\$ 20,326,723</u>	<u>\$ 1,533,976</u>	<u>\$ 27,974,782</u>
<u>Accumulated amortization and impairment</u>						
Balance at January 1, 2022	\$ 1,824,808	\$ 473,823	\$ 363,653	\$ 128	\$ 70,694	\$ 2,733,106
Amortization expense	225,306	234,329	139,841	42	84,138	683,656
Disposal	(4,471)	-	-	-	-	(4,471)
Disposal of subsidiary (Note 30)	(1,338)	-	-	-	-	(1,338)
Reclassifications	(205,409)	-	-	-	205,409	-
Effects of foreign currency exchange differences	149,529	40,021	26,534	-	16,475	232,559
Balance at December 31, 2022	<u>\$ 1,988,425</u>	<u>\$ 748,173</u>	<u>\$ 530,028</u>	<u>\$ 170</u>	<u>\$ 376,716</u>	<u>\$ 3,643,512</u>
Carrying amount at December 31, 2022	<u>\$ 402,348</u>	<u>\$ 1,556,693</u>	<u>\$ 888,416</u>	<u>\$ 20,326,553</u>	<u>\$ 1,157,260</u>	<u>\$ 24,331,270</u>

The trademark, brand and other intangible assets acquired through business combinations. Various studies including industrial characteristics, product life cycle studies and enterprise characteristics have been performed by management of the Group, which supported their opinion that there is no foreseeable limit to the period over which the trademark, brand and other intangible assets are expected to generate net cash flows. Therefore, the trademark, brand and other intangible assets are considered to have an indefinite useful life. The trademark, brand and other intangible assets will not be amortized until its useful life is determined to be finite. Instead, it will be tested for impairment annually and whenever there is an indication that it may be impaired.

The recoverable amount of trademark was determined based on a value in use calculation that used the cash flow projections in the financial budgets approved by management covering a 4-year period; the discount rates as of December 31, 2023 and 2022: 14.50% and 14.94%, respectively. The cash flows beyond that 4-year period have been extrapolated using the expected growth rate. Other key assumptions included budgeted revenue and relief from royalty rate. Such assumptions were based on the past performance of the cash-generating unit and management's expectations of market development.

No impairment loss on trademark, brand and other intangible assets were recognized for the years ended December 31, 2023 and 2022.

Other intangible assets are amortized on a straight-line basis over their estimated useful lives as follows:

Trademark	9-10 years
Computer software	2-10 years
Patents and proprietary technology	5-20 years
Customer relationships	9.5-11 years
Others	2-15 years

19. BORROWINGS

a. Short-term borrowings

	December 31	
	2023	2022
<u>Secured borrowings (Note 35)</u>		
Bank loans	\$ -	\$ 1,103,967
<u>Unsecured borrowings</u>		
Line of credit borrowings	<u>17,672,842</u>	<u>11,388,671</u>
	<u>\$ 17,672,842</u>	<u>\$ 12,492,638</u>

The effective interest rates for bank loans had ranges of 0.63%-6.04% and 0.58%-4.96% per annum at December 31, 2023 and 2022, respectively.

b. Short-term bills payable

	For the Year Ended December 31	
	2023	2022
Commercial paper	\$ 43,200,000	\$ 28,150,000
Less: Unamortized discount on bills payable	<u>(141,133)</u>	<u>(74,033)</u>
	<u>\$ 43,058,867</u>	<u>\$ 28,075,967</u>

Outstanding short-term bills payable were as follows:

December 31, 2023

Promissory Institution	Nominal Amount	Discount Amount	Carrying Amount	Interest Rate	Collateral	Carrying Amount of Collateral
<u>Commercial paper</u>						
IBFC Bills	\$ 10,600,000	\$ 36,396	\$ 10,563,604	1.648-1.788%	-	\$ -
CBF Bills	8,000,000	22,500	7,977,500	1.638-1.718%	-	-
Taching Bills	5,700,000	17,927	5,682,073	1.688-1.698%	-	-
Grand Bills	5,000,000	19,793	4,980,207	1.678-1.698%	-	-
CTBF Bills	4,950,000	21,735	4,928,265	1.608-1.698%	-	-
TFC Bills	4,000,000	7,594	3,992,406	1.668-1.698%	-	-
SinoPac Bills	2,550,000	7,751	2,542,249	1.678-1.708%	-	-
MEGA Bills	1,400,000	3,440	1,396,560	1.698-1.718%	-	-
Taishin Bills	<u>1,000,000</u>	<u>3,997</u>	<u>996,003</u>	1.658%	-	-
	<u>\$ 43,200,000</u>	<u>\$ 141,133</u>	<u>\$ 43,058,867</u>			<u>\$ -</u>

December 31, 2022

Promissory Institution	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>

c. Long-term borrowings

	<u>December 31</u>	
	<u>2023</u>	<u>2022</u>
<u>Secured borrowings (Note 35)</u>		
Bank loans	\$ 10,037,899	\$ 84,021
<u>Unsecured borrowings</u>		
Line of credit borrowings	44,746,297	34,244,798
Less: Current portions	<u>(10,234,882)</u>	<u>(3,942,058)</u>
Long-term borrowings	<u>\$ 44,549,314</u>	<u>\$ 30,386,761</u>

The effective interest rate of long-term bank loans was 0.000%-5.950% and -0.800%-3.259% per annum at December 31, 2023 and 2022, respectively.

Creditor	Credit Lines	Credit Period	Interest Rate	Repayment Agreement
TFC Bank Co., Ltd. (1)	\$ 2,700,000	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	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
CTBC Bank Co., Ltd.- Loans for business incorporated in Kaohsiung (1)	400,000	2022.11.25-2027.11.25	Based on bank	Repay at maturity
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

(Continued)

Creditor	Credit Lines	Credit Period	Interest Rate	Repayment Agreement
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
Bank of Taiwan and twenty-two 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	Sixty months after the date of first borrowing
	A-1: Mid-term demand loan \$25,600,000		A-2: TAIBIR 02 as benchmark interest rate	
	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	2023.06.16-2025.06.16	Based on bank	Repay at maturity
Bank SinoPac Co., Ltd.	2,500,000	2023.09.06-2025.09.30	Based on bank	Repay at maturity
DBS Bank, Ltd. Hong Kong Branch	US\$ 150,000	2023.04.13-2025.04.13	Based on bank	Repay at maturity
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	2023.05.31-2025.05.31	Based on bank	Repay at maturity
DBS Bank LTD., Taipei Branch	3,000,000	2023.04.13-2025.04.13	Based on bank	Repay at maturity
Sumitomo Mitsui Banking Corporation	3,800,000	2021.10.12-2025.06.30	Based on bank	Repay at maturity
HSBC Bank LTD	US\$ 30,000	2023.05.31-2025.05.31	Based on bank	Repay at maturity
HSBC Bank LTD	US\$ 70,000	2023.05.29-2025.05.29	Based on bank	Repay at maturity
TFC Bank Co., Ltd. (1)	US\$ 20,000	Three years from the date of first borrowing	Based on bank	Repay at maturity
Bank of Taiwan	3,000,000	2023.11.17-2025.11.17	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	Repay at maturity
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	2022.03.30-2025.04.30	Based on bank	Repay at maturity
Ceska Sportelna	€ 4,500	2018.02.14- 2024.05.31	Based on bank	Monthly installments since December 31, 2018
Sumitomo Mitsui Trust Bank, Ltd., MHBK Bank and DBJ Bank	¥ 11,000,000	2021.02.26-2024.09.30	0.57%+3 month JPY TIBOR	Repay JPY737,000 in March and September each year
Sumitomo Mitsui Trust Bank, Ltd., MHBK Bank and DBJ Bank	¥ 16,500,000	2021.02.26-2025.09.30	0.65%+3 month JPY TIBOR	Repay on due date
Second interest-free loan from the Portuguese government	€ 2,500	2017.01.01-2025.02.01	Governmental interest-free loan	Repay EUR200 thousand in February and August each year
Second interest-free loan from the Portuguese government	€ 900	2019.02.01-2026.09.01	Governmental interest-free loan	From March 1, 2021, repay EUR100 thousand in March and September each year

(Continued)

Creditor	Credit Lines	Credit Period	Interest Rate	Repayment Agreement
Taishin International Bank	\$ 500,000	2019.09.24-2024.09.15	Variable interest rate based on the two-year fixed deposit of Chunghwa Post Co., Ltd. and the actual receipt must not be less than 0.1%	Three-year grace period. Monthly installments after expiration of grace period
First Commercial Bank Co., Ltd.	1,000,000	2019.09.06-2026.08.15	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%	Three-year grace period. Monthly installments after expiration of grace period
First Commercial Bank Co., Ltd.	688,000	2019.08.22-2026.06.03	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%	Three-year grace period. Monthly installments after expiration of grace period
Standard Chartered Bank	US\$ 72,000	2023.09.20-2025.08.30	Based on bank	Repay at maturity
BBVA Taiwan	US\$ 230,000	2023.03.15-2025.03.15	Based on bank	Repay at maturity
ANZ Bank, Taipei Branch	US\$ 150,000	2023.05.27-2025.05.27	Based on bank	Repay at maturity
BOC, Taipei Branch	400,000	2023.05.14-2025.05.13	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.

20. BONDS PAYABLE

	December 31	
	2023	2022
Unsecured overseas convertible bonds (a)	\$ 5,387,040	\$ 5,387,040
Less: Discounts on bonds payable	<u>(92,192)</u>	<u>(156,317)</u>
	5,294,848	5,230,723
Unsecured domestic convertible bonds (b)	5,400	471,500
Less: Discounts on bonds payable	<u>(36)</u>	<u>(7,791)</u>
	5,364	463,709
Unsecured domestic bonds (c)	14,500,000	14,500,000
Less: Discounts on bonds payable	<u>(9,684)</u>	<u>(13,699)</u>
	14,490,316	14,486,301
Less: Current portions	<u>(1,005,055)</u>	<u>(5,230,723)</u>
	<u>\$ 18,785,473</u>	<u>\$ 14,950,010</u>

a. Unsecured 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 bond has 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, 2023, the conversion price has been adjusted to \$502.12 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	5,230,723
Interest charged at an effective interest rate of 1.22%	<u>64,125</u>
Liability component at December 31, 2023	<u>\$ 5,294,848</u>

The movements of derivative financial instruments were as follows: (Accounted for as financial assets (liabilities) at fair value through profit or loss)

	For the Year Ended December 31	
	2023	2022
Balance at January 1	\$ (32,322)	\$ (2,693)
Gain (loss) on fair value changes	<u>35,015</u>	<u>(29,629)</u>
Balance at December 31	<u>\$ 2,693</u>	<u>\$ (32,322)</u>

b. Unsecured domestic convertible bonds

As of September 12, 2019, Chilisin Electronics Corp., a subsidiary of the Company, issued the sixth unsecured convertible bonds of \$2,000,000 thousand with a zero-coupon interest rate in Taiwan. The duration period is between September 12, 2019 and September 12, 2024. The Company has to repurchase all of its bonds in cash at face value. The corporate bonds may be converted into ordinary shares of the Company upon request from December 31, 2019 to September 11, 2024. The conversion price at the time of issuance was \$94 per share.

The bonds will be held on the next day after the expiration of 3 months (December 13, 2019) until 40 days before the expiration of the issue period (August 3, 2024). If the closing price of the Company's ordinary stock exceeds the conversion price of the bond by 30% or more for 30 consecutive business days, the Company shall repurchase the bonds in cash within 30 business days and within 5 business days after the benchmark date of bond repurchase. The Company redeems the bondholder's convertible corporate bonds by cash.

As described in Note 1, Chilisin Electronics Corp. has terminated its listing on the date of share exchange, and in accordance with the relevant laws and regulations, the unsecured domestic convertible bonds also terminated trading on the same day. However, for convertible bonds that are still outstanding after the date of share exchange, the Group changes execution target of the unexecuted bonds to ordinary shares of the Company according to the share exchange ratio specified in the share exchange contract. As of December 31, 2023, the conversion price was \$444.6 per share. From January 1 to December 31, 2023, convertible bonds with a denomination of \$466,100 thousand were converted into 1,048 thousand ordinary shares. From January 5 to December 31, 2022, convertible bonds with a denomination of \$245,100 thousand were converted into 551 thousand ordinary shares and \$131,200 thousand were redeemed.

Proceeds from issuance (less transaction costs of \$5,000 thousand)	\$ 2,015,000
Equity component (less transaction costs allocated to the equity component of \$264 thousand)	(106,191)
Financial product component	<u>(5,642)</u>
Liability component at the date of issue (less transaction costs allocated to the liability component of \$4,722 thousand)	1,903,167
Interest charged at an effective interest rate of 0.9975%	26,859
Convertible bonds converted into ordinary shares	<u>(1,104,371)</u>
Liability component at December 31, 2021	825,655
Interest charged at an effective interest rate of 0.9975%	6,158
Convertible bonds redeemed	(128,620)
Convertible bonds converted into ordinary shares	<u>(239,484)</u>
Liability component at December 31, 2022	463,709
Interest charged at an effective interest rate of 0.9975%	1,962
Convertible bonds converted into ordinary shares	<u>(460,307)</u>
Liability component at December 31, 2023	<u>\$ 5,364</u>

The movements of derivative financial instruments were as follows: (Accounted for as financial assets or liabilities at fair value through profit or loss)

	For the Year Ended December 31	
	2023	2022
Balance at January 1	\$ 283	\$ 848
Loss on fair value changes	<u>(281)</u>	<u>(565)</u>
Balance at December 31	<u>\$ 2</u>	<u>\$ 283</u>

c. 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 an 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.

21. OTHER LIABILITIES

	December 31	
	2023	2022
<u>Current</u>		
Other payables		
Payables for salaries or bonuses	\$ 5,177,391	\$ 5,065,896
Payables for purchases of equipment	1,467,326	3,007,032
Payables for compensation of employees and remuneration of directors	2,048,479	2,291,898
Others	<u>12,156,910</u>	<u>12,766,167</u>
	20,850,106	23,130,993
Other payables - related party (Note 34)	<u>1,375</u>	<u>5,530</u>
	<u>\$ 20,851,481</u>	<u>\$ 23,136,523</u>

22. RETIREMENT BENEFIT PLANS

a. Defined contribution plans

The Company and the subsidiaries which incorporated in the ROC 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.

The other subsidiaries have defined contribution plans and make contributions based on a fixed rate of salaries and wages according to local regulations. The partial subsidiaries, which are holding companies, do not have pension plans since there is no employee.

b. Defined benefit plans

The defined benefit plans adopted by the Company and the subsidiaries which incorporated in the ROC 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. These Companies contribute retirement benefits at fixed percentage 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 Group 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 Group 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 Group has no right to influence the investment policy and strategy.

All the employees of partial subsidiaries have defined benefit plans. As of December 31, 2023 and 2022, the pension liabilities amounted to \$2,696,892 thousand and \$2,120,529 thousand, respectively, included in defined benefit liabilities.

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

	December 31	
	2023	2022
Present value of defined benefit obligation	\$ 360,856	\$ 346,045
Fair value of plan assets	<u>(200,771)</u>	<u>(205,117)</u>
Net defined benefit liabilities	<u>\$ 160,085</u>	<u>\$ 140,928</u>

Movements in net defined benefit liabilities were as follows:

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liabilities
Balance at January 1, 2022	\$ 390,023	\$ (210,613)	\$ 179,410
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>
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>

(Continued)

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liabilities
Balance at January 1, 2023	\$ 346,045	\$ (205,117)	\$ 140,928
Service cost			
Current service cost	1,219	-	1,219
Net interest expense (income)	<u>4,845</u>	<u>(2,925)</u>	<u>1,920</u>
Recognized in profit or loss	<u>6,064</u>	<u>(2,925)</u>	<u>3,139</u>
Remeasurement			
Actuarial loss			
Changes in financial assumptions	2,689	-	2,689
Experience adjustments	<u>22,523</u>	<u>(1,503)</u>	<u>21,020</u>
Recognized in other comprehensive income	<u>25,212</u>	<u>(1,503)</u>	<u>23,709</u>
Contributions from the employer	-	(7,670)	(7,670)
Benefits paid	<u>(16,465)</u>	<u>16,444</u>	<u>(21)</u>
Balance at December 31, 2023	<u>\$ 360,856</u>	<u>\$ (200,771)</u>	<u>\$ 160,085</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	
	2023	2022
Operating costs	\$ 2,586	\$ 2,278
Selling and marketing expenses	181	177
General and administrative expenses	259	400
Research and development expenses	<u>113</u>	<u>101</u>
	<u>\$ 3,139</u>	<u>\$ 2,956</u>

Through the defined benefit plans under the Labor Standards Act, the Group 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 and corporate 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	
	2023	2022
Discount rates	1.300%	1.400%
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	
	2023	2022
Discount rates		
0.25% increase	<u>\$ (6,862)</u>	<u>\$ (6,739)</u>
0.25% decrease	<u>\$ 7,077</u>	<u>\$ 6,957</u>
Expected rates of salary increase		
0.25% increase	<u>\$ 6,867</u>	<u>\$ 6,753</u>
0.25% decrease	<u>\$ (6,691)</u>	<u>\$ (6,574)</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	
	2023	2022
Expected contributions to the plans for the next year	<u>\$ 7,670</u>	<u>\$ 7,607</u>
Average duration of the defined benefit obligation	9 years	10 years

23. EQUITY

a. Share capital

1) Ordinary shares

	December 31	
	2023	2022
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>423,146</u>	<u>421,261</u>
Shares issued and fully paid	<u>\$ 4,231,455</u>	<u>\$ 4,212,608</u>

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

The movements of the ordinary shares were due to issue employee restricted shares and the convertible bonds converted to ordinary shares.

In order to attract and retain needed professionals, incentivize employee enhance team cohesion among employee, the shareholders' meeting of the Company resolved on June 6, 2023 to issue new employee restricted shares awards (RSAs) for its employees with no more than 1,100,000 shares. The aforementioned issuance of new employee restricted shares was approved by the Financial Supervisory Commission on July 18, 2023. The Company determined that August 18, 2023 to be the record date of the issuance of new shares. The legal registration procedures have been completed on September 14, 2023.

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, 2023 were as follows:

	GDRs (In Thousand Units)	Equivalent Ordinary Stock (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	66,975	334,874
GDRs transferred to ordinary shares	<u>(188,469)</u>	<u>(942,346)</u>
Outstanding GDRs issued	<u>39</u>	<u>194</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:

- Exercise voting rights;
- Convert the GDRs into ordinary shares; and
- 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	
	2023	2022
<u>May be used to offset a deficit, distributed as cash dividends or transferred to share capital (1)</u>		
Issuance of ordinary shares and bonds conversion	\$ 41,725,413	\$ 41,250,842
Treasury share transactions	8,016	-
<u>May only be used to offset a deficit</u>		
Share of changes in capital surplus of associates or subsidiaries (2)	145,730	151,159
<u>May not be used for any purpose</u>		
Equity component of convertible bonds	253,131	277,878
Employee restricted shares	<u>128,883</u>	<u>-</u>
	<u>\$ 42,261,173</u>	<u>\$ 41,679,879</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 24 (e).

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 2022 and 2021 were as follows:

	2022	2021
Legal reserve	<u>\$ 1,892,330</u>	<u>\$ 2,072,668</u>
Special reserve	<u>\$ (9,300,817)</u>	<u>\$ 5,316,805</u>
Cash dividends	<u>\$ 4,186,652</u>	<u>\$ 5,400,560</u>
Cash dividends per share (NT\$)	\$ 10.00	\$ 10.00

The above 2022 and 2021 appropriations for cash dividends were resolved by the Company's board of directors on March 14, 2023 and March 17, 2022, respectively; the other proposed appropriations for 2022 and 2021 were resolved by the shareholders in the shareholders' meetings on June 6, 2023 and June 8, 2022, respectively.

The appropriation of earnings for 2023, which were proposed by the Company's board of directors on February 29, 2024, were as follows:

	For the Year Ended December 31, 2023
Legal reserve	<u>\$ 1,752,620</u>
Special reserve	<u>\$ 258,600</u>
Cash dividends	<u>\$ 8,385,141</u>
Stock dividends	<u>\$ 838,514</u>
Cash dividends per share (NT\$)	\$ 20.00
Stock dividends per share (NT\$)	\$ 2.00

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 May 30, 2024.

d. Special reserves

	For the Year Ended December 31	
	2023	2022
Balance at January 1	\$ 9,911,736	\$ 4,594,931
Special reserves (reversed) recognized	<u>(9,300,817)</u>	<u>5,316,805</u>
Balance at December 31	<u>\$ 610,919</u>	<u>\$ 9,911,736</u>

e. Other equity items

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

	For the Year Ended December 31	
	2023	2022
Balance at January 1	\$ (421,272)	\$ (9,753,973)
Recognized for the year		
Exchange differences on translation of the financial statements of foreign operations	(88,062)	10,206,150
Share from associates accounted for using the equity method	(10,630)	75,342
Reclassification adjustments		
Former owner of business combinations under common control and non-controlling interests transferred to owners of the Company	-	(952,675)
Disposal of foreign operations	<u>-</u>	<u>3,884</u>
Balance at December 31	<u>\$ (519,964)</u>	<u>\$ (421,272)</u>

	Amount Before Tax	Related Income Tax	Amount After Tax
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>
Balance at January 1, 2023	\$ (535,352)	\$ 114,080	\$ (421,272)
Other comprehensive (loss) income recognized for the year	<u>(114,605)</u>	<u>15,913</u>	<u>(98,692)</u>
Balance at December 31, 2023	<u>\$ (649,957)</u>	<u>\$ 129,993</u>	<u>\$ (519,964)</u>

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

	For the Year Ended December 31	
	2023	2022
Balance at January 1	\$ (14,098)	\$ 81,021
Recognized for the year		
Unrealized gain (loss) - equity instruments	152,831	(74,448)
Share from associates accounted for using the equity method	1,495	(23,253)
Reclassification adjustments		
Former owner of business combinations under common control and non-controlling interests transferred to owners of the Company	-	1,993
Cumulative unrealized gain of equity instruments transferred to retained earnings due to disposal	<u>107</u>	<u>589</u>
Balance at December 31	<u>\$ 140,335</u>	<u>\$ (14,098)</u>

3) Gain (loss) on hedging instruments

	For the Year Ended December 31	
	2023	2022
Balance at January 1	\$ 631,535	\$ 198,811
Recognized for the year		
Gain (loss) on changes in the fair value of hedging instruments	<u>(627,606)</u>	<u>432,724</u>
Balance at December 31	<u>\$ 3,929</u>	<u>\$ 631,535</u>

4) Unearned employee benefits

In the meeting of shareholders on June 6, 2023, the shareholders approved a restricted share plan for employees (see Note 27).

	For the Year Ended December 31	
	2023	2022
Balance at January 1	\$ -	\$ -
Issuance of shares	139,264	-
Share-based payment expenses recognized	<u>(56,961)</u>	<u>-</u>
Balance at December 31	<u>\$ 82,303</u>	<u>\$ -</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	
	2023	2022
Balance at January 1	\$ -	\$ (46,739)
Reclassification adjustments		
Former owner of business combinations under common control transferred to owners of the Company	<u>-</u>	<u>46,739</u>
Balance at December 31	<u>\$ -</u>	<u>\$ -</u>

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

	For the Year Ended December 31	
	2023	2022
Balance at January 1	\$ -	\$ 473
Reclassification adjustments		
Former owner of business combinations under common control transferred to owners of the Company	<u>-</u>	<u>(473)</u>
Balance at December 31	<u>\$ -</u>	<u>\$ -</u>

g. Non-controlling interests

	For the Year Ended December 31	
	2023	2022
Balance at January 1	\$ 204,960	\$ 19,785,301
Share of profit for the year	91,743	38,165
Other comprehensive income (loss) during the year		
Exchange difference on translation of the financial statements of foreign operations	(2,486)	6,110
Cash dividends distributed by subsidiaries	(21,746)	(64,632)
Acquisition of non-controlling interests in subsidiaries (Note 28)	1,738,805	-
Adjustments relating to changes in capital surplus of associates accounted for using the equity method	2,592	-
Disposal of subsidiary (Note 30)	-	(99,159)
Acquisition of further interests in subsidiaries (Note 31)	(27,215)	(4,783)
Non-controlling interests transferred to owners of the Company	<u>-</u>	<u>(19,456,042)</u>
Balance at December 31	<u>\$ 1,986,653</u>	<u>\$ 204,960</u>

h. 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, 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>
Number of shares at January 1 and December 31, 2023	<u>3,184</u>	<u>-</u>	<u>802</u>	<u>3,986</u>

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, 2023</u>			
Ko-Shin Investment Limited	802	\$ 535,053	\$ 478,830
<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.

24. NET PROFIT FOR THE YEAR

a. Other gains and losses

	<u>For the Year Ended December 31</u>	
	2023	2022
Net foreign exchange gains	\$ 1,012,512	\$ 1,109,949
Net gain on disposal of property, plant and equipment and investment properties	168,286	24,127
Dividend income	38,128	32,614
Others	<u>510,369</u>	<u>(303,707)</u>
	<u>\$ 1,729,295</u>	<u>\$ 862,983</u>

b. Finance costs

	<u>For the Year Ended December 31</u>	
	2023	2022
Interest on bank loans	\$ 1,017,312	\$ 599,082
Interest on short-term bills	694,525	194,866
Interest on convertible bonds	166,051	169,471
Other finance costs	<u>291,254</u>	<u>295,989</u>
	<u>\$ 2,169,142</u>	<u>\$ 1,259,408</u>

c. Depreciation and amortization

	For the Year Ended December 31	
	2023	2022
An analysis of depreciation by function		
Operating costs	\$ 7,029,696	\$ 6,101,222
Operating expenses	<u>821,326</u>	<u>890,005</u>
	<u>\$ 7,851,022</u>	<u>\$ 6,991,227</u>
An analysis of amortization by function		
Operating costs	\$ 202,079	\$ 200,343
Operating expenses	630,974	486,939
Other expenses	<u>9,275</u>	<u>9,509</u>
	<u>\$ 842,328</u>	<u>\$ 696,791</u>

d. Employee benefit expense

	For the Year Ended December 31	
	2023	2022
Post-employment benefits		
Defined contribution plan	\$ 414,694	\$ 446,087
Defined benefit plans (Note 22)	<u>173,739</u>	<u>151,706</u>
	588,433	597,793
Share-based payments - equity-settled	56,961	-
Other employee benefits	<u>24,357,476</u>	<u>24,624,188</u>
Total employee benefit expense	<u>\$ 25,002,870</u>	<u>\$ 25,221,981</u>
An analysis of employee benefit expense by function		
Operating costs	\$ 16,577,096	\$ 16,481,870
Operating expenses	<u>8,425,774</u>	<u>8,740,111</u>
	<u>\$ 25,002,870</u>	<u>\$ 25,221,981</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, 2023 and 2022, which were approved by the Company's board of directors on February 29, 2024 and March 14, 2023, respectively, were as follows:

Accrual rate

	For the Year Ended December 31	
	2023	2022
Compensation of employees	3%	3%
Remuneration of directors	3%	3%

Amount

	For the Year Ended December 31			
	2023		2022	
	Cash	Shares	Cash	Shares
Compensation of employees	\$ 646,963	\$ -	\$ 766,476	\$ -
Remuneration of directors	646,963	-	766,476	-

If there is a change in the amounts after the annual consolidated 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 consolidated financial statements for the years ended December 31, 2022 and 2021.

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. Gains or losses on foreign currency exchange

	For the Year Ended December 31	
	2023	2022
Foreign exchange gains	\$ 4,065,344	\$ 5,852,958
Foreign exchange losses	<u>(3,052,832)</u>	<u>(4,743,009)</u>
	<u>\$ 1,012,512</u>	<u>\$ 1,109,949</u>

25. 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	
	2023	2022
<u>Current tax</u>		
In respect of current year	\$ 4,282,793	\$ 8,126,992
Income tax on unappropriated earnings	1,312,275	511,612
Land value increment tax	-	7,416
Adjustments for prior years	<u>114,744</u>	<u>(105,898)</u>
	<u>5,709,812</u>	<u>8,540,122</u>
<u>Deferred tax</u>		
In respect of current year	1,364,642	(354,190)
Adjustments for prior years	<u>(236,175)</u>	<u>172,213</u>
	<u>1,128,467</u>	<u>(181,977)</u>
Income tax expense recognized in profit or loss	<u>\$ 6,838,279</u>	<u>\$ 8,358,145</u>

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

	For the Year Ended December 31	
	2023	2022
Profit before tax	<u>\$ 24,398,868</u>	<u>\$ 31,128,020</u>
Income tax expense calculated at the statutory rate	\$ 4,879,774	\$ 6,225,604
Unrecognized deductible temporary differences	19,982	29,248
Income tax on unappropriated earnings	1,312,275	511,612
Land value increment tax	-	7,416
Effect of different tax rates in the Group entities operating in other jurisdictions	747,679	1,517,950
Adjustments for prior years' tax	<u>(121,431)</u>	<u>66,315</u>
Income tax expense recognized in profit or loss	<u>\$ 6,838,279</u>	<u>\$ 8,358,145</u>

b. Income tax recognized in other comprehensive income

	For the Year Ended December 31	
	2023	2022
<u>Deferred tax</u>		
In respect of the current year		
Translation of foreign operations	\$ (15,913)	\$ 2,336,031
Remeasurement of defined benefit plans	<u>(4,742)</u>	<u>6,717</u>
Total income tax recognized in other comprehensive (income) loss	<u>\$ (20,655)</u>	<u>\$ 2,342,748</u>

c. Current tax liabilities

	December 31	
	2023	2022
Current tax liabilities	<u>\$ 5,273,508</u>	<u>\$ 5,930,871</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, 2023

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Acquisitions Through Business Combinations	Exchange Differences	Closing Balance
<u>Deferred tax assets</u>						
Temporary differences						
Impairment loss on property, plant and equipment	\$ 182,224	\$ (19,660)	\$ -	\$ -	\$ -	\$ 162,564
Inventory write-downs	68,946	4,436	-	-	-	73,382
Accrued expenses	859,172	(21,700)	-	-	-	837,472
Defined benefit obligation	22,718	(935)	4,742	-	-	26,525
Exchange difference on foreign operation	114,079	-	15,913	-	-	129,992
Others	<u>2,266,487</u>	<u>(16,618)</u>	<u>-</u>	<u>-</u>	<u>(30,490)</u>	<u>2,219,379</u>
	3,513,626	(54,477)	20,655	-	(30,490)	3,449,314
Loss carryforwards	<u>53,862</u>	<u>42,780</u>	<u>-</u>	<u>-</u>	<u>(10,461)</u>	<u>86,181</u>
	<u>\$ 3,567,488</u>	<u>\$ (11,697)</u>	<u>\$ 20,655</u>	<u>\$ -</u>	<u>\$ (40,951)</u>	<u>\$ 3,535,495</u>

(Continued)

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Compre- hensive Income	Acquisitions Through Business Combinations	Exchange Differences	Closing Balance
<u>Deferred tax liabilities</u>						
Temporary differences						
Investments accounted for using the equity method	\$ -	\$ 898,746	\$ -	\$ -	\$ -	\$ 898,746
Others	<u>5,128,315</u>	<u>218,024</u>	<u>-</u>	<u>17,713</u>	<u>54,480</u>	<u>5,418,532</u>
	<u>\$ 5,128,315</u>	<u>\$ 1,116,770</u>	<u>\$ -</u>	<u>\$ 17,713</u>	<u>\$ 54,480</u>	<u>\$ 6,317,278</u>
						(Concluded)

For the year ended December 31, 2022

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Compre- hensive Income	Acquisitions Through Business Combinations	Exchange Differences	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>2,213,596</u>	<u>123,053</u>	<u>-</u>	<u>-</u>	<u>(70,162)</u>	<u>2,266,487</u>
	5,337,933	588,603	(2,342,748)	-	(70,162)	3,513,626
Loss carryforwards	<u>155,147</u>	<u>(102,924)</u>	<u>-</u>	<u>-</u>	<u>1,639</u>	<u>53,862</u>
	<u>\$ 5,493,080</u>	<u>\$ 485,679</u>	<u>\$ (2,342,748)</u>	<u>\$ -</u>	<u>\$ (68,523)</u>	<u>\$ 3,567,488</u>
<u>Deferred tax liabilities</u>						
Temporary differences						
Others	<u>\$ 4,723,754</u>	<u>\$ 303,702</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 100,859</u>	<u>\$ 5,128,315</u>

- e. Deductible temporary differences, unused loss carryforwards and unused investment credits for which no deferred tax assets have been recognized in the consolidated balance sheets

	<u>December 31</u>	
	<u>2023</u>	<u>2022</u>
Loss carryforwards	\$ 953,430	\$ 932,295
Investment credits	192,340	245,203
Deductible temporary differences	<u>258,205</u>	<u>358,117</u>
	<u>\$ 1,403,975</u>	<u>\$ 1,535,615</u>

- f. Information about unused investment credits, unused loss carryforwards and tax exemptions

Loss carryforwards as of December 31, 2023 comprised:

	Unused Amount	Expiry Year
KEMET Electronics Corporation	\$ 10,643,256	2024-2042
Novasentis, Inc.	1,621,664	2026-2039
KEMET Corporation	1,161,084	2025-No expiration (Note)
KEMET Electronics Italia S.r.l.	1,076,150	No expiration
		(Continued)

	Unused Amount	Expiry Year
Pulse Finland Oy	\$ 126,639	2024-2032
KEMET Electronics GmbH	100,103	No expiration
Pulse Italy S.r.L.	89,621	2037
KEMET Blue Powder Corporation	87,534	2025
KEMET Electronics Limited	87,268	No expiration
Pulse Electronics Korea YH	81,875	2024-2037
Pulse (Suzhou) Wireless Products Co. Ltd	68,670	2024-2025
Pulse Electronics GmbH	51,044	2037
Pulse Electronics Ltd	47,907	2037
CST Electronics Co. Ltd	40,344	2037
KEMET Electronics AB	24,918	No expiration
Acadia Electronics Co., Ltd.	11,060	2029-2031
TOKIN America Inc.	5,962	No expiration
Pulse Electronics (Shenzhen) Co. Ltd	3,263	2025
KEMET Electronics Asia Limited	<u>2,059</u>	No expiration
	<u>\$ 15,330,421</u>	

(Concluded)

Note: Loss carryforwards in some regions have no expiration date.

g. Income tax assessments

Except for 2020, the Company's income tax returns through 2021 have been assessed by the tax authorities.

h. Pillar Two income tax legislation

In December 2023, the subsidiaries of the Group located in Vietnam, Japan and certain European Union regions substantively enacted the Pillar Two income tax legislation. The Pillar Two income tax legislation in Vietnam and certain European Union regions took effect on January 1, 2024, and the Pillar Two income tax legislation in Japan took effect on April 1, 2024. Since the Pillar Two income tax legislation was not effective at the reporting date, the Group has no related current tax exposure.

Under the legislation, the subsidiaries of the Group located in Vietnam, Japan and certain European Union regions will be required to pay a top-up tax on the profits of its group entities that are taxed at an effective tax rate of less than 15 percent. As of December 31, 2023, the potential impact of this legislation on the annual profit of the Group is not considered significant. This information is based on the profits and tax expenses determined as part of the preparation of the Group's consolidated financial statements, considering that only the application of certain adjustments may have been required by the legislation. Because not all adjustments that would have been required by the legislation were made, the actual impact of the Pillar Two income tax legislation on the Group's results had it been in effect for the year ending December 31, 2023 may be significantly different. The Group is continuing to assess the impact of the Pillar Two income tax legislation on its future financial performance.

26. EARNINGS PER SHARE

Unit: NT\$ Per Share

	For the Year Ended December 31	
	2023	2022
Basic earnings per share	<u>\$ 41.80</u>	<u>\$ 44.22</u>
Diluted earnings per share	<u>\$ 40.61</u>	<u>\$ 43.21</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

	For the Year Ended December 31	
	2023	2022
Profit for the year attributable to owners of the Company	\$ 17,468,846	\$ 22,730,465
Profit for the year attributable to former owner of business combination under common control	<u>-</u>	<u>1,245</u>
Earnings used in the computation of basic earnings per share	<u>17,468,846</u>	<u>22,731,710</u>
Effect of potentially dilutive ordinary shares		
Interest on convertible bonds (after tax)	52,868	55,605
Net (gain) loss on financial instrument at fair value through profit or loss	<u>(4,742)</u>	<u>30,194</u>
Earnings used in the computation of diluted earnings per share	<u>\$ 17,486,980</u>	<u>\$ 22,817,509</u>

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

	For the Year Ended December 31	
	2023	2022
Weighted average number of ordinary shares used in the computation of basic earnings per share	417,876	514,008
Effect of potentially dilutive ordinary shares:		
Convertible bonds	11,177	11,949
Employee restricted shares	192	-
Compensation of employees	<u>1,375</u>	<u>2,097</u>
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>430,620</u>	<u>528,054</u>

The Group 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 will be 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.

27. SHARE-BASED PAYMENT ARRANGEMENTS

a. Employee restricted shares plan of the Company

Employee restricted shares plan for 2023

The issuance of employee restricted shares for 2023 of no more than 1,100 thousand ordinary shares has been approved by the Company's shareholders in their meeting held on June 6, 2023. The grants will be made free of charge. The Company's board of directors approved the issuance of employee restricted shares of 1,038 thousand shares on July 25, 2023. The Company's board of directors authorized the Chairman to determine that August 18, 2023 to be the record dates of the issuance of new shares.

1) The restrictions on the rights of the employees who acquire the restricted shares but have not met the vesting conditions are as follows:

- a) An employee having been allocated New Restricted Employee Shares may not sell, pledge, transfer, donate, create encumbrance or make any other disposal of the said Shares before the terms and conditions for vesting the said Shares have been satisfied, except for inheritance.
- b) An employee having been allocated New Restricted Employee Shares shall not have the rights to attend, propose, speak, vote and stand as candidate in shareholders' meeting before the terms and conditions for vesting the said Shares have been satisfied.
- c) An employee having been allocated New Restricted Employee Shares are not entitled to dividends, bonus, surplus distribution and follow-on offering before the terms and conditions for vesting the said Shares have been satisfied.
- d) In the case that the Company undergoes capital reduction or decreases its capital for reason other than mandatory capital reduction, the Company may write-off the New Restricted Employee Shares already allocated to employee but not yet vested, pro rata of the capital reduction percentage. In the case of capital reduction by cash refund, the cash refunded must be deposited in a trust fund until it may be released for distribution among eligible employee when the terms and conditions for vesting are satisfied, or repossessed by the Company when the terms and conditions for vesting are not satisfied.
- e) During the period from the transfer suspension dates for stock grant, cash dividend, exercising employee stock options at cash capital increase, transfer suspension for shareholders' meeting as stipulated in Article 165-3 of the Company Act or other mandatory occurrence-based transfer suspension, to the reference date of ex-dividend, a black-out period may apply to vesting shares to employee who have satisfied the terms and conditions for vesting. The time and procedure concerning lifting the said black-out on the vested shares shall follow the trust custody agreement or applicable laws and regulations.

2) Employee fails to meet vesting condition

- a) If an employee who has been previously allocated New Restricted Employee Shares but does not hold valid full-time employment status with the Company when the respective vested date is due; violates the employment contract, employee rules, non-competition clause, non-disclosure agreement or any agreement that employees may have agreed and/or entered with the Company; fails to achieve the performance goals prescribed by the Company or violates Article 5-9 of this Regulations concerning change, withdrawal, revocation, termination or cancellation of employees' proxy authorization granted to the Company, then the Company shall have the right to recall and write-off, without incurring any liability to the Company, the New Restricted Employee Shares that have been allocated but not yet vested to and that concern the relative performance evaluation period of the said employee.

- b) The Company may recall and write-off, without incurring any liability to the Company, the New Restricted Employee Shares that have been allocated but not yet vested to any employee who departs voluntarily, are terminated with employment or are laid off.

3) Information on employee restricted shares was as follows:

	Employee Restricted Shares Plan for 2023
	Number of Options (In Thousands)
Balance at January 1	-
Shares granted	<u>1,038</u>
Balance at December 31	<u>1,038</u>
Weighted-average fair value of employee restricted shares granted (\$)	<u>\$ 461.50</u>

Employee restricted shares granted were priced using the binomial option pricing model and the inputs to the model were as follows:

	Employee Restricted Shares Plan for 2023
Grant-date share price	\$461.50
Expected volatility	42.29%-49.33%
Expected life (in years)	1-3
Risk-free interest rate	0.96%-1.02%

Refer to Note 24 for the employee compensation costs of the employee restricted shares recognized by the Company.

b. Employee share options 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 share of Chilisin Electronics Corp.'s ordinary shares. 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.

Information on employee share options of Chilisin Electronics Corp. from January 1 to January 4, 2022 was as follows:

	From January 1 to January 4, 2022	
	Number of Options (In Thousands)	Weighted- average Exercise Price
Balance at January 1	20	43.20
Options transferred to the Company in accordance with the share exchange agreement	<u>(20)</u>	43.20
Balance at January 4	<u><u>-</u></u>	-
Options exercisable, end of year	<u><u>-</u></u>	

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>	

Options granted in April 2015 were priced using the binomial option pricing model and the inputs to the model were as follows:

	April 2015
Grant-date share price	\$56.8
Exercise price	\$56.8
Expected volatility	38.14-40.89%
Expected life (in years)	8
Risk-free interest rate	1.0003%-1.1626%

Expected volatility was based on the historical share price volatility over the past 5 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 2 times the exercise price.

28. BUSINESS COMBINATIONS

a. Subsidiaries acquired

Subsidiary	Principal Activity	Date of Acquisition	Proportion of Voting Equity Interests Acquired (%)	Consideration Transferred
Heraeus Nexensos GmbH and Heraeus Nexensos Malaysia Sdn. Bhd. (collectively, the “Nexensos”)	Manufacturing and selling temperature sensor	April 1, 2023	100.00	<u>\$ 2,862,077</u>
XSemi Corporation	Designing, testing and selling integrated circuits for various applications	May 17, 2023	6.00	<u>\$ 204,000</u>
Hudson Holdco France and other advanced industrial and telemecanique sensors business division (collectively, the “Telemecanique”)	Manufacturing and selling industrial and telemecanique sensor	November 1, 2023	100.00	<u>\$ 23,755,021</u>

In order to increase core competitiveness and expand the scale of its business and product portfolio, the Group acquired Nexensos in April 2023. After the transaction was completed, those names were changed to Yageo Nexensos GmbH and Yageo Nexensos Malaysia Sdn. Bhd., respectively.

In order to continue the expansion of the Group’s scale of business and product portfolio, the Group acquired XSemi Corporation in May 2023.

In order to increase core competitiveness and expand the scale of its business and product portfolio, the Group acquired Telemecanique in November 2023. After the transaction was completed, those names were changed to TMSS Holding SAS.

b. Consideration transferred

	Nexensos	XSemi Corporation	Telemecanique	Total
Cash	<u>\$ 2,862,077</u>	<u>\$ 204,000</u>	<u>\$ 23,755,021</u>	<u>\$ 26,821,098</u>

c. Assets acquired and liabilities assumed at the date of reorganization

	Nexensos	XSemi Corporation	Telemecanique	Total
Current assets				
Cash and cash equivalents	\$ 454,301	\$ 10,178	\$ 865,647	\$ 1,330,126
Trade receivables and other receivables	188,485	1,204	2,941,911	3,131,600
Inventories	728,103	22,662	2,652,107	3,402,872
Other current assets	181,007	21,351	16,445	218,803
Non-current assets				
Investments accounted for using the equity method	-	3,479,000	-	3,479,000
Property, plant and equipment	1,129,132	34,742	1,055,288	2,219,162
Intangible assets	246	15,767	3,659,461	3,675,474
Other non-current assets	26,301	23,061	14,670	64,032
Current liabilities				
Trade payables and other payables	(301,767)	(120,235)	(2,910,210)	(3,332,212)
Lease liabilities - current	(3,060)	(4,218)	(10,360)	(17,638)
Other current liabilities	(362,734)	(1,032)	(96,641)	(460,407)
Non-current liabilities				
Lease liabilities - non-current	(22,468)	(4,870)	(22,190)	(49,528)
Other non-current liabilities	<u>(396,423)</u>	<u>-</u>	<u>(149,578)</u>	<u>(546,001)</u>
	<u>\$ 1,621,123</u>	<u>\$ 3,477,610</u>	<u>\$ 8,016,550</u>	<u>\$ 13,115,283</u>

The initial accounting for the acquisition of Nexensos, XSemi Corporation and Telemecanique was only provisionally determined at the end of the period. The tax bases of Nexensos, XSemi Corporation and Telemecanique's assets were required to be reset based on the market values of the assets. At the date of issuance of these consolidated financial statements, the necessary market valuations and other calculations have not been finalized, and they have, therefore, only been provisionally determined based on management's best estimate of the likely tax values.

d. Non-controlling interests

XSemi Corporation measures the non-controlling interests at the share in the recognized amounts of the acquiree's identifiable net assets. As above, the non-controlling interests was only provisionally determined at the end of the period.

e. Goodwill (bargain purchase gain) recognized on acquisitions

	Nexensos	XSemi Corporation	Telemecanique	Total
Consideration transferred	\$ 2,862,077	\$ 204,000	\$ 23,755,021	\$ 26,821,098
Plus: The originally interests held by the Group at fair value on the date of acquisition	-	1,530,148	-	1,530,148
Plus: Non-controlling interests	-	1,738,805	-	1,738,805
Less: Fair value of identifiable net assets acquired	<u>(1,621,123)</u>	<u>(3,477,610)</u>	<u>(8,016,550)</u>	<u>(13,115,283)</u>
Goodwill (bargain purchase gain) recognized on acquisitions	<u>\$ 1,240,954</u>	<u>\$ (4,657)</u>	<u>\$ 15,738,471</u>	<u>\$ 16,974,768</u>

The goodwill recognized in the acquisitions of Nexensos and Telemecanique mainly represents the control premium included in the cost of the combinations. In addition, the consideration paid for the combinations effectively included amounts attributed to the benefits of expected synergies, revenue growth, future market development and the assembled workforces of Nexensos, XSemi Corporation and Telemecanique. These benefits are not recognized separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets.

f. Net cash outflow on the acquisition of subsidiaries

	Nexensos	XSemi Corporation	Telemecanique	Total
Consideration paid in cash	\$ 2,862,077	\$ 204,000	\$ 23,755,021	\$ 26,821,098
Less: Cash and cash equivalent balances acquired	<u>(454,301)</u>	<u>(10,178)</u>	<u>(865,647)</u>	<u>(1,330,126)</u>
	<u>\$ 2,407,776</u>	<u>\$ 193,822</u>	<u>\$ 22,889,374</u>	<u>\$ 25,490,972</u>

g. Impact of acquisitions on the results of the Group

The financial results of the acquirees since the acquisition dates, which are included in the consolidated statements of comprehensive income, were as follows:

	Nexensos	XSemi Corporation	Telemecanique
Revenue	<u>\$ 718,047</u>	<u>\$ 867</u>	<u>\$ 1,298,845</u>
Profit (loss)	<u>\$ (239,604)</u>	<u>\$ 119,876</u>	<u>\$ 123,207</u>

Had Nexensos, XSemi Corporation and Telemecanique concluded the acquisition at the beginning of 2023, the Group's revenue would have been \$115,785,969 thousand, and the profit would have been \$18,108,595 thousand for the year ended December 31, 2023. This pro-forma information is for illustrative purposes only and does not necessarily represent the revenue and operation results of the Group that would have been achieved had the acquisition been completed at the beginning of the acquisition year, 2023, nor is it intended to be a projection of future results.

29. BUSINESS COMBINATION UNDER COMMON CONTROL

In January 2022, the Group acquired 100% interest of Chilisin Electronics Corp. with the issuance of ordinary shares as consideration in order to continue the expansion of the Group's activities. The transaction is a business combination under common control; therefore, the comparative information of the prior period in the consolidated financial statements is restated as if the combination had already occurred.

a. Subsidiaries acquired

Subsidiary	Principal Activity	Date of Acquisition	Proportion of Voting Equity Interests Acquired (%)	Consideration Transferred
Chilisin Electronics Corp.	Manufacturing and selling electronic components	January 5, 2022	100.00	<u>\$ 477,793</u>

b. Consideration transferred

	Chilisin Electronics Corp.
Equity instruments issued	<u>\$ 477,793</u>

The Company issued 47,779 thousand ordinary shares with a par value of \$10 to acquire Chilisin Electronics Corp. in a share exchange agreement, according to the opinion issued by an independent professional in June 2021.

c. Net assets at the date of acquisition

	Chilisin Electronics Corp.
Current assets	
Cash and cash equivalents	\$ 3,497,530
Financial assets at fair value through profit or loss - current	2,043,175
Financial assets at amortized cost - current	430,837
Notes receivable, trade receivables and other receivables	5,796,124
Inventories	3,515,406
Other current assets	409,434
Non-current assets	
Financial assets at fair value through other comprehensive income - non-current	243,835
Financial assets at amortized cost - non-current	807,137
Property, plant and equipment	7,766,747
Right-of-use assets	474,189
Intangible assets	10,888,202
Deferred tax assets	965,085
Other non-current assets	416,595
	(Continued)

**Chilisin
Electronics
Corp.**

Current liabilities	
Financial liabilities at fair value through profit or loss - current	\$ (2,207)
Short-term borrowings	(1,779,286)
Short-term bills payable	(99,968)
Notes payable, trade payables and other payables	(6,024,830)
Lease liabilities - current	(101,609)
Other current liabilities	(579,496)
Non-current liabilities	
Long-term borrowings	(3,276,908)
Other non-current liabilities	<u>(2,112,159)</u>
	<u>\$ 23,277,833</u>
	(Concluded)

d. The impact of the business combination under common control

**Chilisin
Electronics
Corp.**

Consideration transferred	\$ 477,793
Plus: Organizational restructuring under common control - capital surplus	20,691,277
Plus: Investments accounted for using the equity method	3,398,725
Plus: Non-controlling interests	197,830
Plus: Unrealized gain on financial assets at FVTOCI	1,993
Less: Exchange differences on translation of the financial statements of foreign operations	(952,675)
Less: The shares of Chilisin Electronics Corp. held by Ko-Shin Investment Limited	(537,110)
Less: Book value of identifiable net assets acquired	<u>(23,277,833)</u>
	<u>\$ -</u>

The amount of the consideration paid that less than the carrying amount is adjusted to capital surplus from the issued ordinary shares.

30. DISPOSAL OF SUBSIDIARIES

In June 2022, XSemi Corporation, a subsidiary of the Group, issued ordinary shares for cash, and 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%, and lost control over the subsidiary.

In November 2022, the Group entered into an agreement to dispose of Yageo Components (Jiashan) Co., Ltd., which was engaged in manufacturing and selling overvoltage and overcurrent protection electronic components. The disposal was completed on November 17, 2023, on which date control of Yageo Components (Jiashan) Co., Ltd. was passed to the acquirer.

a. Consideration transferred

	Yageo Components (Jiashan) Co, Ltd.
	For the Year Ended December 31, 2023
Cash and cash equivalents	<u>\$ 226,628</u>

b. Analysis of assets and liabilities on the date control was lost

	Yageo Components (Jiashan) Co, Ltd.	XSemi Corporation
	For the Year Ended December 31, 2023	For the Year Ended December 31, 2022
Current assets		
Cash and cash equivalents	\$ 14	\$ 235,609
Trade receivables	16,053	18
Other current assets	-	3,726
Non-current assets		
Property, plant and equipment	166,587	18,347
Intangible assets	-	2,961
Other non-current assets	35,337	10,708
Current liabilities	(971)	(44,324)
Non-current liabilities	<u>-</u>	<u>(6,693)</u>
Net assets disposed of	<u>\$ 217,020</u>	<u>\$ 220,352</u>

c. Gain on disposal of subsidiaries

	Yageo Components (Jiashan) Co, Ltd.	XSemi Corporation
	For the Year Ended December 31, 2023	For the Year Ended December 31, 2022
Consideration for participating in the cash capital increase	\$ -	\$ (1,331,000)
Consideration received	226,628	-
Net assets disposed of	(217,020)	(220,352)
Non-controlling interests	-	99,159
Fair value of remaining investment	<u>-</u>	<u>1,496,000</u>
Gain on disposal	<u>\$ 9,608</u>	<u>\$ 43,807</u>

d. Net cash inflow (outflow) on disposal of subsidiary

	Yageo Components (Jiashan) Co, Ltd.	XSemi Corporation
Consideration for participating in the cash capital increase	\$ -	\$ (1,331,000)
Consideration received in cash and cash equivalents	226,628	-
Plus: Cash and cash equivalent balance disposed of	(14)	(235,609)
Plus: Advance received (other current liabilities)	<u>(112,647)</u>	<u>-</u>
	<u>\$ 113,967</u>	<u>\$ (1,566,609)</u>

31. EQUITY TRANSACTIONS WITH NON-CONTROLLING INTERESTS

In the fourth quarter of 2023, the Group acquired the shares of Mag Layers USA. Inc., increasing its continuing interest from 65.00% to 100.00%.

In the first quarter and third quarter of 2022, the Group acquired and disposed the shares of Ko-E Holding (Cayman), increasing its continuing interest from 97.00% to 97.15%.

	Mag Layers USA. Inc. For the Year Ended December 31, 2023	Ko-E Holding (Cayman) For the Year Ended December 31, 2022
Consideration paid	\$ (41,495)	\$ (8,104)
The proportionate share of the carrying amount of the net assets of the subsidiary transferred to non-controlling interests	<u>27,215</u>	<u>4,783</u>
Differences recognized from equity transactions	<u>\$ (14,280)</u>	<u>\$ (3,321)</u>
<u>Line items adjusted for equity transactions</u>		
Capital surplus	<u>\$ (14,280)</u>	<u>\$ (3,321)</u>

The above transactions were accounted for as equity transactions, since the Group did not cease to have control over the subsidiary.

32. CAPITAL MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximizing the return to shareholders through the optimization of the debt and equity balance. The Group'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 Group 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, other equity, and non-controlling interests).

Key management personnel of the Group 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 Group 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.

33. FINANCIAL INSTRUMENTS

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

December 31, 2023

	Carrying Amount	Fair Value			
		Level 1	Level 2	Level 3	Total
<u>Financial liabilities</u>					
Financial liabilities at amortized cost					
Convertible bonds	\$ 5,300,212	\$ -	\$ -	\$ 5,016,918	\$ 5,016,918

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	\$ 5,694,432	\$ -	\$ -	\$ 5,250,872	\$ 5,250,872

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

1) Fair value hierarchy

December 31, 2023

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Derivative financial assets	\$ -	\$ 117,474	\$ 2,695	\$ 120,169
Overseas listed shares	97,539	-	-	97,539
Domestic unlisted shares	-	-	46,104	46,104
Overseas unlisted shares	-	-	633	633
Foreign private funds	-	-	380,670	380,670
Structured notes	-	727,104	-	727,104
Structured deposits	-	1,416,373	2,310,983	3,727,356
	<u>\$ 97,539</u>	<u>\$ 2,260,951</u>	<u>\$ 2,741,085</u>	<u>\$ 5,099,575</u>

(Continued)

	Level 1	Level 2	Level 3	Total
Financial assets at FVTOCI				
Investments in equity instruments				
Domestic listed shares and emerging market shares	\$ 1,665,946	\$ -	\$ -	\$ 1,665,946
Financial liabilities at FVTPL				
Derivative financial liabilities	\$ -	\$ 139,104	\$ -	\$ 139,104
Financial assets for hedging				
Cash flow hedges				
Foreign exchange forward contracts	\$ -	\$ 267,881	\$ -	\$ 267,881
Net investment in a foreign operation hedges				
Cross-currency swap contracts	-	1,062,902	-	1,062,902
	\$ -	\$ 1,330,783	\$ -	\$ 1,330,783
Financial liabilities for hedging				
Cash flow hedges				
Foreign exchange forward contracts	\$ -	\$ 2,129	\$ -	\$ 2,129
Cross-currency swap contracts	-	1,198,949	-	1,198,949
	\$ -	\$ 1,201,078	\$ -	\$ 1,201,078
				(Concluded)

December 31, 2022

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Derivative financial assets	\$ -	\$ 656,991	\$ 283	\$ 657,274
Overseas listed shares	108,128	-	-	108,128
Domestic unlisted shares	-	-	46,104	46,104
Overseas unlisted shares	-	-	653	653
Foreign private funds	-	-	362,719	362,719
Structured notes	-	808,352	-	808,352
Structured deposits	-	-	3,893,164	3,893,164
	\$ 108,128	\$ 1,465,343	\$ 4,302,923	\$ 5,876,394
Financial assets at FVTOCI				
Investments in equity instruments				
Domestic listed shares and emerging market shares	\$ 812,139	\$ -	\$ -	\$ 812,139
				(Continued)

	Level 1	Level 2	Level 3	Total
Financial liabilities at FVTPL				
Derivative financial liabilities	\$ -	\$ 178,032	\$ 32,322	\$ 210,354
Financial assets for hedging				
Cash flow hedges				
Foreign exchange forward contracts	\$ -	\$ 161,905	\$ -	\$ 161,905
Net investment in a foreign operation hedges				
Cross-currency swap contracts	-	831,882	-	831,882
	\$ -	\$ 993,787	\$ -	\$ 993,787
Financial liabilities for hedging				
Cash flow hedges				
Foreign exchange forward contracts	\$ -	\$ 7,541	\$ -	\$ 7,541
Cross-currency swap contracts	-	940,826	-	940,826
	\$ -	\$ 948,367	\$ -	\$ 948,367
				(Concluded)

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, 2023

	FVTPL Equity Instruments, Derivative and Other Financial Instruments
<u>Financial assets</u>	
Balance at January 1, 2023	\$ 4,302,923
Recognized in profit or loss	9,156
Purchases	9,196,976
Sales	(10,713,486)
Effects of foreign currency exchange differences	(54,484)
Balance at December 31, 2023	\$ 2,741,085

	Derivative Instruments
<u>Financial liabilities</u>	
Balance at January 1, 2023	\$ 32,322
Recognized in profit or loss	<u>(32,322)</u>
Balance at December 31, 2023	<u>\$ -</u>
<u>For the year ended December 31, 2022</u>	
	FVTPL Equity Instruments, Derivative and Other Financial Instruments
<u>Financial assets</u>	
Balance at January 1, 2022	\$ 3,929,915
Recognized in profit or loss	12,828
Purchases	15,645,723
Sales	(15,342,578)
Effects of foreign currency exchange differences	<u>57,035</u>
Balance at December 31, 2022	<u>\$ 4,302,923</u>
	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>

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

- a) The fair values of unlisted equity securities 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. 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 increases in fair value.
- b) The foreign private funds held by the Group were valued using the asset-based approach and were based on the net asset value measured at fair value and the investment agreement.
- c) The structured deposits were valued using the future cash flows.
- d) The fair values of redemption options and put options of domestic and foreign convertible bonds were determined using the binomial option pricing model, where the unobservable input is historical volatility. An increase in historical volatility used in isolation would result in an increase in the fair value.

c. Categories of financial instruments

	December 31	
	2023	2022
<u>Financial assets</u>		
FVTPL		
Mandatorily classified as at FVTPL	\$ 5,099,575	\$ 5,876,394
Financial assets for hedging	1,330,783	993,787
Financial assets at amortized cost (1)	121,845,224	97,715,790
Financial assets at FVTOCI		
Equity instruments	1,665,946	812,139
<u>Financial liabilities</u>		
FVTPL		
Mandatorily classified as at FVTPL	139,104	210,354
Financial liabilities for hedging	1,201,078	948,367
Amortized cost (2)	171,697,336	132,850,354

- 1) The balances included financial assets at amortized cost, which comprise cash and cash equivalents, debt investments, notes receivable, trade receivables (including related parties), 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 (including related parties), 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 Group's major financial instruments include equity and debt investments, trade receivables, trade payables, bonds payable and borrowings. The Group'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 Group 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 Group 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 Group'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 Group did not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

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

1) Market risk

The Group'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 Group entered into foreign exchange forward contracts, swap contract and cross-currency swap contracts to manage its exposure to foreign currency risk.

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

a) Foreign currency risk

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

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities (including those eliminated on consolidation) and of the derivatives exposing to foreign currency risk at the end of the reporting period are set out in Note 38.

Sensitivity analysis

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

The Group was mainly exposed to the US\$, EUR, RMB and JPY.

The following table details the Group'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 their adjusted translation at the end of the year for a 1% change in foreign currency rates. A negative number below indicates 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.

	For the Year Ended December 31	
	2023	2022
Profit or loss		
USD impact	\$ (207,455)	\$ (220,657)
EUR impact	(50,823)	(51,719)
RMB impact	(19,540)	(37,123)
JPY impact	<u>(20,426)</u>	<u>(8,057)</u>
	<u>\$ (298,244)</u>	<u>\$ (317,556)</u>

The analysis of profit or loss of the table was mainly attributable to the exposure to outstanding US\$-denominated, EUR-denominated, RMB-denominated and JPY-denominated receivables and payables which were not hedged, at the end of the reporting period.

The Group's sensitivity to foreign currency exchange decreased during the current year mainly due to the reduction in the US\$-denominated and RMB-denominated net assets.

b) Interest rate risk

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

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

	December 31	
	2023	2022
Fair value interest rate risk		
Financial assets	\$ 57,925,940	\$ 37,646,125
Financial liabilities	94,710,847	69,447,598
Cash flow interest rate risk		
Financial assets	39,722,596	35,325,042
Financial liabilities	42,324,196	26,790,014

The Group'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 Group'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 Group's variable-rate financial assets for the years ended December 31, 2023 and 2022 would have resulted in cash inflows by \$26,016 thousand and \$85,350 thousand, respectively.

The Group's sensitivity to interest rates decreased during the current year mainly due to the increased in variable-rate financial liabilities from the current year.

c) Other price risk

The Group 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, 2023 and 2022 would have decreased by \$5,249 thousand and \$5,176 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 years ended December 31, 2023 and 2022 would have decreased by \$16,659 thousand and \$8,121 thousand, respectively, as a result of the changes in fair value of financial assets at FVTOCI.

The Group's sensitivity to investments in equity securities has increased during the current year mainly due to the increase in equity securities.

2) Credit risk

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

The Group 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 Group 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 Group uses other publicly available financial information and its own trading records to rate its major customers. The Group'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 Group 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 Group 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 Group'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 Group did transactions with a large number of unrelated customers and, thus, no concentration of credit risk was observed.

3) Liquidity risk

The Group manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Group'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 Group relies on bank borrowings as a significant source of liquidity. As of December 31, 2023 and 2022, the Group had available unutilized short-term bank loan facilities of \$61,173,500 thousand and \$73,057,000 thousand, respectively.

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

The table below summarizes the maturity profile of the Group'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, 2023</u>				
Short-term borrowings	\$ 17,672,842	\$ 17,812,157	\$ 17,812,157	\$ -
Short-term bills payable	43,058,867	43,200,000	43,200,000	-
Long-term borrowings	54,784,196	55,233,309	11,839,413	43,393,896
Bonds payable	<u>19,790,528</u>	<u>20,137,390</u>	<u>1,099,783</u>	<u>19,037,607</u>
	<u>\$ 135,306,433</u>	<u>\$ 136,382,856</u>	<u>\$ 73,951,353</u>	<u>\$ 62,431,503</u>
<u>December 31, 2022</u>				
Short-term borrowings	\$ 12,492,638	\$ 12,590,608	\$ 12,590,608	\$ -
Short-term bills payable	28,075,967	28,150,000	28,150,000	-
Long-term borrowings	34,328,819	34,834,820	3,560,429	31,274,391
Bonds payable	<u>20,180,733</u>	<u>20,521,633</u>	<u>5,326,673</u>	<u>15,194,960</u>
	<u>\$ 95,078,157</u>	<u>\$ 96,097,061</u>	<u>\$ 49,627,710</u>	<u>\$ 46,469,351</u>

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

The following table detailed the Group'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, 2023

	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	\$ 2,436,889	\$ 990,178	\$ 4,048,970	\$ 419,904
Outflows	<u>(2,271,628)</u>	<u>(879,036)</u>	<u>(3,922,379)</u>	<u>(393,070)</u>
	<u>\$ 165,261</u>	<u>\$ 111,142</u>	<u>\$ 126,591</u>	<u>\$ 26,834</u>
Swap contracts				
Inflows	\$ 1,836,180	\$ -	\$ -	\$ -
Outflows	<u>(1,796,792)</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 39,388</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Cross-currency swap contracts				
Inflows	\$ 1,229,400	\$ -	\$ 2,151,450	\$ -
Outflows	<u>(1,216,000)</u>	<u>-</u>	<u>(2,247,000)</u>	<u>-</u>
	<u>\$ 13,400</u>	<u>\$ -</u>	<u>\$ (95,550)</u>	<u>\$ -</u>
<u>Net settled</u>				
Cross-currency swap contracts				
Inflows	\$ -	\$ -	\$ 9,418,001	\$ -
Outflows	<u>-</u>	<u>-</u>	<u>(9,590,603)</u>	<u>-</u>
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (172,602)</u>	<u>\$ -</u>

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	\$ 6,411,828	\$ 8,565,483	\$ 3,425,510	\$ 411,082
Outflows	<u>(6,193,567)</u>	<u>(8,375,013)</u>	<u>(3,220,874)</u>	<u>(390,851)</u>
	<u>\$ 218,261</u>	<u>\$ 190,470</u>	<u>\$ 204,636</u>	<u>\$ 20,231</u>
Swap contracts				
Inflows	\$ 1,478,929	\$ 921,240	\$ 294,585	\$ 614,160
Outflows	<u>(1,465,567)</u>	<u>(868,860)</u>	<u>(272,646)</u>	<u>(547,700)</u>
	<u>\$ 13,362</u>	<u>\$ 52,380</u>	<u>\$ 21,939</u>	<u>\$ 66,460</u>
Cross-currency 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>
<u>Net settled</u>				
Cross-currency swap contracts				
Inflows	\$ -	\$ -	\$ -	\$ 11,101,378
Outflows	<u>-</u>	<u>-</u>	<u>-</u>	<u>(11,298,462)</u>
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (197,084)</u>

34. TRANSACTIONS WITH RELATED PARTIES

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated upon consolidation and are not disclosed in this note. Besides information disclosed elsewhere in the other notes, details of transactions between the Group and other related parties are disclosed as follows.

a. Related party name and category:

<u>Related Party Name</u>	<u>Related Party Category</u>
Kaimei Electronic Corp.	Associate
KEMET Jianghai Electronics Components Co., Ltd.	Associate
Nippon Yttrium Co., Ltd.	Associate
NT Sales Co., Ltd.	Associate

(Continued)

Related Party Name	Related Party Category
Yuanling Country Xianghua Electronic Technology Co., Ltd. (Xianghua)	Associate
Ruiyi Technology (Hong Kong) Share Co., Limited	Associate
Shenzhen Ruiyi Electronics Co., Ltd.	Associate
Advanced Power Electronics Co., Ltd.	Associate (started in May 2023)
XSemi Corporation	Subsidiary (transferred from subsidiary to associate started in June 2022, and transferred from associate to subsidiary started in May 2023)
Teapo Electronics (H.K.) Ltd.	Subsidiary of associate
Teapo Electronics (Dongguan) Co., Ltd.	Subsidiary of associate
Ralec Electronic Corporation	Subsidiary of associate
Ralec Technology (Kunshan) Limited	Subsidiary of associate
Ralec Trading (Kunshan) Limited	Subsidiary of associate
Hunan Ralec Electronics Technology Co., Ltd.	Subsidiary of associate
ASJ Pte. Limited (ASJ Pte.)	Subsidiary of associate
ASJ Components (M) Sdn. Bhd.	Subsidiary of associate
Suzhou Kaimei Electronic Co., Ltd.	Subsidiary of associate
Hsin Bung International Co., Ltd.	Substantial related party
Yixin International Co., Ltd.	Substantial related party
Yixin Trading (Shenzhen) Co., Ltd.	Substantial related party
Suzhou Xingguo Electronics Co., Ltd.	Substantial related party
Yageo Professional Competition Development Association	Substantial related party
Yageo Foundation	Substantial related party
Tong Hsing Electronic Industries, Ltd.	Substantial related party
	(Concluded)

b. Sales of goods

Line Item	Related Party Category	For the Year Ended December 31	
		2023	2022
Sales	Associate	\$ 2,556,196	\$ 2,778,834
	Substantial related party	<u>130,462</u>	<u>189,722</u>
		<u>\$ 2,686,658</u>	<u>\$ 2,968,556</u>

c. Purchases of goods

Related Party Category	For the Year Ended December 31	
	2023	2022
Associate	\$ 1,235,725	\$ 1,026,342
Substantial related party	<u>435,645</u>	<u>1,018,417</u>
	<u>\$ 1,671,370</u>	<u>\$ 2,044,759</u>

d. Receivables from related parties

Line Item	Related Party Category	December 31	
		2023	2022
Trade receivables	Associate	\$ 417,551	\$ 498,345
	Substantial related party	<u>55,705</u>	<u>39,922</u>
		<u>\$ 473,256</u>	<u>\$ 538,267</u>
Other receivables	Associate	<u>\$ 9,552</u>	<u>\$ 10,355</u>

The outstanding trade receivable from related parties are unsecured. For the years ended December 31, 2023 and 2022, no impairment loss was recognized for trade receivable from related parties.

e. Payables to related parties

Line Item	Related Party Category	December 31	
		2023	2022
Trade payables	Associate	\$ 354,809	\$ 295,502
	Substantial related party	<u>129,051</u>	<u>124,503</u>
		<u>\$ 483,860</u>	<u>\$ 420,005</u>
Other payables	Associate	<u>\$ 1,375</u>	<u>\$ 5,530</u>

The outstanding trade payables to related parties are unsecured.

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

f. Acquisition of property, plant and equipment

Related Party Category	Purchase Price For the Year Ended December 31	
	2023	2022
Associate	<u>\$ 5,920</u>	<u>\$ 11,476</u>

g. Disposals of property, plant and equipment

Related Party Category	Proceeds For the Year Ended December 31		Gain (Loss) on Disposal For the Year Ended December 31	
	2023	2022	2023	2022
Substantial related party	<u>\$ -</u>	<u>\$ 9,705</u>	<u>\$ -</u>	<u>\$ 3,877</u>

h. Lease arrangements - Group is lessor

The Group leases out land, office and plant to its associate - Kaimei Electronic Corp., Teapo Electronics (Dongguan) Co., Ltd. and its substantial related party - Suzhou Xingguo Electronics Co., Ltd. under operating leases with lease terms of 1-3 years. As of December 31, 2023 and 2022, the balance of the gross lease payments receivable are \$8,337 thousand and \$8,583 thousand, respectively.

Lease income was as follows:

Related Party Category/Name	For the Year Ended December 31	
	2023	2022
Associates/Teapo Electronics (Dongguan) Co., Ltd	\$ 22,133	\$ 24,912
Associates/others	197	264
Substantial related party	<u>-</u>	<u>16</u>
	<u>\$ 22,330</u>	<u>\$ 25,192</u>

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

i. Disposals of investment properties

Related Party Category/Name	Proceeds		Gain (Loss) on Disposal	
	For the Year Ended December 31		For the Year Ended December 31	
	2023	2022	2023	2022
Substantial related party/Tong Hsing Electronic Industries, Ltd.	<u>\$ -</u>	<u>\$ 120,679</u>	<u>\$ -</u>	<u>\$ 26,480</u>

j. Other transactions with related parties

Line Item	Related Party Category	For the Year Ended December 31	
		2023	2022
Other incomes	Associates	<u>\$ 6,621</u>	<u>\$ 10,665</u>
Other expenses	Substantial related party	\$ 29,500	\$ 8,000
	Associates	<u>-</u>	<u>1,424</u>
		<u>\$ 29,500</u>	<u>\$ 9,424</u>

k. Compensation of key management personnel

	For the Year Ended December 31	
	2023	2022
Short-term employee benefits	\$ 928,668	\$ 942,802
Share-based payments	6,656	-
Post-employment benefits	<u>897</u>	<u>769</u>
	<u>\$ 936,221</u>	<u>\$ 943,571</u>

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

35. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets were provided as collateral for bank borrowings:

	December 31	
	2023	2022
Property, plant and equipment, net	\$ 3,315,598	\$ 3,253,733
Trade receivables	1,219,797	3,197,362
Inventories	<u>169,584</u>	<u>190,021</u>
	<u>\$ 4,704,979</u>	<u>\$ 6,641,116</u>

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

36. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

In addition to those disclosed in other notes, significant commitments and unrecognized commitments of the Group as of December 31, 2023 and 2022, were as follows:

a. Significant unrecognized commitments

Unrecognized commitments were as follows:

	December 31	
	2023	2022
Acquisition of property, plant and equipment	<u>\$ 4,579,459</u>	<u>\$ 8,264,182</u>
Disposal of property, plant and equipment	<u>\$ 1,972,905</u>	<u>\$ 2,114,475</u>

b. Contingencies

Contingent liabilities

- 1) Refer to Table 2 about the endorsements/guarantees and between the company and subsidiaries.
- 2) In December 2015, the Taiwan Fair Trade Commission (TFTC) notified TOKIN Corporation (TOKIN) of its decision to impose an administrative fine on TOKIN for violation of the Taiwan Fair Trade Act as it affected the function of the tantalum capacitor market. TOKIN filed its appeal against the TFTC's decision with the Taipei High Administrative Court in January 2016 and obtained a favorable judgment. TFTC appealed to the Taiwan Administrative Supreme Court. In December 2019, the Taiwan Administrative Supreme Court directed the TFTC to recalculate the fine. Both agreed to try to settle in accordance with the court's suggestion. Before the resulting judgment on the appeal is determined, TOKIN needs to pay the fine first, which will be paid in 48 installments starting from September 2021 according to the agreement with the TFTC. As of December 31, 2023, the case is currently under trial. The Group has recognized related liabilities and believes the compensatory damages would not significantly affect its financial condition and business operations.

- 3) In August 2013, Continental GA, a German company, filed a lawsuit against KEMET Electronics GmbH, a subsidiary of the Group, for damages in a German court due to abnormal capacitor issues. The Group was opposed to the claims made by Continental GA. In May 2020, as encouraged by the judge, the Group and Continental GA began conducting settlement discussions. The Group and Continental GA settled the case in May 2023, and it did not significantly affect its financial condition and business operations.
- 4) CYNTEC Co., Ltd., the subsidiary of Delta Electronics, Inc., filed a patent infringement lawsuit against the Company and its subsidiary Chilisin America Ltd. in the United States District Court for the Northern District of California in 2018. In May 2022, the U.S. District Court announced a verdict that Chilisin America Ltd. should pay US\$5,553 thousands in damages. Chilisin America Ltd. has filed an appeal on May 31, 2022. Appeal Hearing took place in June 2023. The court adjudged the infringement in October 2023, and the damages was remanded. As of December 31, 2023, the Group has recognized related liabilities.

37. SIGNIFICANT EVENTS AFTER REPORTING PERIOD

In February 2024, the Company's board of directors resolved to the sale of 30% ordinary shares of its associate Nippon Yttrium Co., Ltd. to a non-related party, Mitsui Mining & Smelting Co., Ltd. The price per share is JPY10,562.5, for a total amount of JPY2,535 million.

38. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

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

December 31, 2023

	Foreign Currency (In Thousands)	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 260,452	7.0985 (USD:RMB)	\$ 8,005,014
USD	173,762	7.8118 (USD:HKD)	5,340,531
USD	426,576	30.735 (USD:NTD)	13,110,813
USD	120,648	0.9041 (USD:EUR)	3,708,211
USD	407	22.329 (USD:CZK)	12,509
USD	582	83.134 (USD:INR)	17,888
USD	11,825	34.205 (USD:THB)	363,460
USD	49,557	141.37 (USD:JPY)	1,523,077
EUR	391	8.6406 (EUR:HKD)	13,292
EUR	25,465	33.996 (EUR:NTD)	865,708
EUR	144,726	1.1061 (EUR:USD)	4,920,103
EUR	781	24.6981 (EUR:CZK)	26,552
HKD	6,331	3.9344 (HKD:NTD)	24,909
HKD	32,964	0.128 (HKD:USD)	129,683

(Continued)

	Foreign Currency (In Thousands)	Exchange Rate	Carrying Amount
RMB	\$ 579,624	0.1409 (RMB:USD)	\$ 2,510,097
RMB	101,853	4.3298 (RMB:NTD)	441,003
JPY	12,889,463	0.2174 (JPY:NTD)	2,802,169
JPY	56,105	0.0071 (JPY:USD)	12,243
PLN	24,554	0.2548 (PLN:USD)	192,289
SGD	1,036	23.323 (SGD:NTD)	24,163
SGD	718	0.7588 (SGD:USD)	16,745
GBP	435	1.1521 (GBP:EUR)	17,038
VND	174,378,321	0.00004 (VND:USD)	214,381
IDR	24,249,420	0.0001 (IDR:USD)	74,531
DKK	3,560	0.1342 (DKK:USD)	<u>16,242</u>
			<u>\$ 44,382,651</u>
Non-monetary items			
Investments accounted for using equity method			
JPY	\$ 2,068,592	0.0071 (JPY:USD)	\$ 451,405
USD	13,305	30.735 (USD:NTD)	408,937
HKD	42,507	0.1280 (HKD:USD)	167,226
RMB	16,649	0.1409 (RMB:USD)	<u>72,100</u>
			<u>\$ 1,099,668</u>
<u>Financial liabilities</u>			
Monetary items			
USD	254,140	30.735 (USD:NTD)	\$ 7,810,993
USD	111,056	7.0985 (USD:RMB)	3,413,316
USD	1,361	0.9041 (USD:EUR)	41,831
USD	848	141.37 (USD:JPY)	26,062
USD	407	1.7677 (USD:BDT)	12,509
USD	650	55.59 (USD:MKD)	19,978
USD	367	34.205 (USD:THB)	11,280
EUR	4,489	1.1061 (EUR:USD)	152,608
EUR	14,020	24.6981 (EUR:CZK)	476,637
EUR	826	61.4881 (EUR:MKD)	28,081
EUR	2,531	1.9553 (EUR:BDT)	86,046
HKD	7,286	0.9087 (HKD:RMB)	28,667
HKD	11,649	0.128 (HKD:USD)	45,828
RMB	230,246	0.1409 (RMB:USD)	997,094
JPY	2,070,152	0.2174 (JPY:NTD)	450,051
JPY	766,566	0.0502 (JPY:RMB)	166,618
JPY	524,367	0.0071 (JPY:USD)	114,427
JPY	187,327	0.242 (JPY:THB)	40,736
PLN	13,214	0.2548 (PLN:USD)	103,483
SGD	1,011	0.7588 (SGD:USD)	23,578
VND	73,015,473	0.00004 (VND:USD)	<u>89,765</u>
			<u>\$ 14,139,588</u>
			(Concluded)

December 31, 2022

	Foreign Currency (In Thousands)	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 305,226	6.9514 (USD:RMB)	\$ 9,372,822
USD	151,529	7.7975 (USD:HKD)	4,653,170
USD	433,110	30.708 (USD:NTD)	13,299,942
USD	106,074	0.9382 (USD:EUR)	3,257,414
USD	419	22.652 (USD:CZK)	12,866
USD	545	82.74 (USD:INR)	16,734
USD	2,037	57.69 (USD:MKD)	62,553
USD	5,493	34.513 (USD:THB)	168,688
USD	51,755	131.79 (USD:JPY)	1,589,244
EUR	731	7.4095 (EUR:RMB)	23,927
EUR	32,912	32.7317 (EUR:NTD)	1,077,266
EUR	151,457	1.0659 (EUR:USD)	4,957,439
EUR	709	24.1448 (EUR: CZK)	23,206
EUR	541	1.9557 (EUR:BGN)	17,708
HKD	351,029	0.8915 (HKD:RMB)	1,382,423
HKD	41,144	0.1282 (HKD:USD)	161,974
HKD	11,190	0.1203 (HKD:EUR)	44,062
RMB	641,237	0.1439 (RMB:USD)	2,833,550
RMB	173,568	4.4175 (RMB:NTD)	766,737
RMB	270,088	0.135 (RMB:EUR)	1,193,459
JPY	7,104,329	0.2330 (JPY:NTD)	1,655,309
JPY	81,951	0.0076 (JPY:USD)	19,126
PLN	10,437	0.2135 (PLN:EUR)	72,936
SGD	2,990	0.7451 (SGD:USD)	68,413
VND	152,229,712	0.00004 (VND:USD)	186,987
IDR	15,646,829	0.0001 (IDR:USD)	<u>48,048</u>
			<u>\$ 46,966,003</u>
Non-monetary items			
Investments accounted for using equity method			
JPY	1,775,707	0.0076 (JPY:USD)	\$ 414,417
USD	13,120	30.708 (USD:NTD)	402,896
HKD	38,309	0.1282 (HKD:USD)	150,813
RMB	15,569	0.1439 (RMB:USD)	<u>68,797</u>
			<u>\$ 1,036,923</u>
			(Continued)

	Foreign Currency (In Thousands)	Exchange Rate	Carrying Amount
<u>Financial liabilities</u>			
Monetary items			
USD	\$ 250,599	30.708 (USD:NTD)	\$ 7,695,394
USD	75,303	6.9514 (USD:RMB)	2,312,390
USD	7,524	0.9382 (USD:EUR)	231,054
USD	3,033	131.7900 (USD:JPY)	93,135
USD	556	1.8348 (USD:BGN)	17,074
USD	609	34.513 (USD:THB)	18,702
EUR	780	7.4095 (EUR:RMB)	25,531
EUR	855	32.7317 (EUR:NTD)	27,986
EUR	12,135	1.0659 (EUR:USD)	397,199
EUR	11,266	24.1448 (EUR:CZK)	368,744
EUR	552	61.4918 (EUR:MKD)	18,068
EUR	2,752	1.9557 (EUR:BGN)	90,077
HKD	5,569	0.8915 (HKD:RMB)	21,932
HKD	13,083	0.1282 (HKD:USD)	51,505
RMB	208,974	0.1439 (RMB:USD)	923,431
RMB	35,751	0.1350 (RMB:EUR)	157,976
JPY	1,937,253	0.2330 (JPY:NTD)	451,380
JPY	535,702	0.0527 (JPY:RMB)	124,713
JPY	1,109,663	0.0076 (JPY: USD)	258,974
JPY	144,653	0.2619 (JPY:THB)	33,710
PLN	20,175	0.2135 (PLN:EUR)	140,987
CAD	6,525	0.7384 (CAD:USD)	147,953
SGD	1,389	0.7451 (SGD:USD)	31,781
VND	70,376,693	0.00004 (VND:USD)	<u>86,445</u>
			<u>\$ 13,726,141</u>
			(Concluded)

For the years ended December 31, 2023 and 2022, realized and unrealized net foreign exchange gains (losses) were \$1,012,512 thousand and \$1,109,949 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 Group.

39. 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 investment 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. (None)
 - 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 5)
 - 8) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital. (Table 6)
 - 9) Trading in derivative instruments. (Notes 7, 10 and 33)
 - 10) Intercompany relationships and significant intercompany transactions. (Table 9)
- b. Information on investees. (Table 7)
- 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 8)
 - 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 5)
 - b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the year. (Table 5)
 - c) The amount of property transactions and the amount of the resultant gains or losses. (Eliminated from the consolidated financial statements)
 - 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 period interest with respect to the financing of funds. (Table 1)
 - f) Other transactions that have a material effect on the profit or loss for the year or on the financial position, such as the rendering or receiving of services. (None)
- d. Information of 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)

40. SEGMENT INFORMATION

a. Basic information

Information reported to the chief operating decision maker for resource allocation and the assessment of segment performance is solely based on the financial information of each plant owned by the Group. Each plant has similar economic features as well as manufacturing procedures. In addition, products are sold by the Group in a centralized way. Thus, the Group is reported as a single segment. The Group's revenues and operating results in 2023 and 2022 are shown in the consolidated statements of comprehensive income for 2023 and 2022.

b. Revenue from major products

The following is an analysis of the Group's revenue from its major products.

	For the Year Ended December 31	
	2023	2022
Magnetics	\$ 37,303,804	\$ 34,739,953
Capacitors	23,757,234	24,809,912
Tantalum	17,664,398	26,244,234
Resistors	14,365,134	14,968,358
Sensors	2,697,657	-
Others	<u>11,821,109</u>	<u>20,324,468</u>
	<u>\$ 107,609,336</u>	<u>\$ 121,086,925</u>

c. Geographical information

The Group's revenue from external customers by location of operations and information about its non-current assets by location of assets are detailed below:

	Revenue from External Customers		Non-current Assets	
	Year Ended December 31		December 31	
	2023	2022	2023	2022
China	\$ 50,605,201	\$ 50,457,316	\$ 73,022,473	\$ 70,174,027
Europe	25,937,126	25,333,983	25,717,071	2,660,320
USA	14,562,040	18,088,376	61,379,778	59,442,815
Asia	<u>16,504,969</u>	<u>27,207,250</u>	<u>2,468,456</u>	<u>2,865,283</u>
	<u>\$ 107,609,336</u>	<u>\$ 121,086,925</u>	<u>\$ 162,587,778</u>	<u>\$ 135,142,445</u>

Non-current assets exclude financial instruments, deferred tax assets and net defined benefit assets.

d. Information about major customers

No single customer contributed 10% or more to the Group's revenue for both 2023 and 2022.

YAGEO CORPORATION AND SUBSIDIARIES

FINANCINGS PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2023
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

No.	Financing Company	Counterparty	Financial Statement Account	Related Party	Maximum Balance for the Period	Ending Balance	Amount Actually Drawn	Interest Rate	Nature for Financing (Note 3)	Transaction Amounts	Reason for Financing	Allowance for Impairment Loss	Collateral		Financing Limits for Each Borrowing Company (Note 1)	Financing Company's Total Financing Amount Limits (Note 2)
													Item	Value		
0	Yageo Corporation	Kuo-Shin Investment Limited	Receivables from related parties	Yes	\$ 3,000,000	\$ 3,000,000	\$ -	1.5%	b	\$ -	For revolving fund	\$ -	None	\$ -	\$ 53,852,757	\$ 53,852,757
1	Yageo Holding (Bermuda) Ltd.	Yageo Europe Holding B.V.	Loans to subsidiaries considered as a component of investment	Yes	5,879,798	5,879,798	5,879,798	-	b	-	For revolving fund	-	None	-	63,845,385	63,845,385
		Brightking Holdings Ltd.	Receivables from related parties	Yes	67,617	-	-	-	b	-	For revolving fund	-	None	-	63,845,385	63,845,385
		Yageo Corporation	Receivables from related parties	Yes	9,220,500	9,220,500	9,220,500	-	b	-	For revolving fund	-	None	-	63,845,385	63,845,385
		Yageo USA (H.K.) Limited	Receivables from related parties	Yes	6,705,836	6,091,136	6,091,136	-	b	-	For revolving fund	-	None	-	63,845,385	63,845,385
2	Vitrohm Holding GmbH	Yageo Holding (Bermuda) Ltd.	Receivables from related parties	Yes	223,283	223,283	223,283	1.25%	b	-	For revolving fund	-	None	-	492,738	492,738
3	Yageo Electronics (Dongguan) Co., Ltd.	Bestbright Electronics Co., Ltd.	Receivables from related parties	Yes	1,298,940	1,298,940	497,927	2.5%	b	-	For revolving fund	-	None	-	3,002,812	3,002,812
4	Yageo (Suzhou) Trade Co., Ltd.	Yageo Electronics (China) Co., Ltd.	Receivables from related parties	Yes	1,298,940	519,576	-	2%	b	-	For revolving fund	-	None	-	807,114	807,114
5	Yageo Electronics (China) Co., Ltd.	Yageo (Suzhou) Trade Co., Ltd.	Receivables from related parties	Yes	1,731,920	1,731,920	-	2%	b	-	For revolving fund	-	None	-	12,303,101	12,303,101
6	Yageo Europe Holding B.V.	Yageo USA (H.K.) Limited	Receivables from related parties	Yes	1,598,220	-	-	-	b	-	For revolving fund	-	None	-	30,500,259	30,500,259
		Yageo Nexensos GmbH	Receivables from related parties	Yes	322,962	322,962	322,962	5.202%	b	-	For revolving fund	-	None	-	30,500,259	30,500,259
7	Kuo-Shin Investment Limited	Ko-E Component Co., Ltd.	Receivables from related parties	Yes	250,000	-	-	-	b	-	For revolving fund	-	None	-	446,074	446,074
		XSemi Corporation	Receivables from related parties	Yes	165,000	-	-	-	b	-	For revolving fund	-	None	-	446,074	446,074
8	Pulse Component Ltd.	Pulse Electronics (Singapore) Pte. Ltd	Receivables from related parties	Yes	553,230	553,230	553,230	-	a	687,783	-	-	None	-	687,783	687,783
9	Pulse Electronics (Singapore) Pte. Ltd	Yageo Corporation	Receivables from related parties	Yes	3,073,500	3,073,500	3,073,500	0.5%	b	-	For revolving fund	-	None	-	8,743,954	8,743,954
		Pulse India	Receivables from related parties	Yes	172,116	162,896	162,896	1%	b	-	For revolving fund	-	None	-	8,743,954	8,743,954
10	TOKIN Corporation	KEMET Corporation	Receivables from related parties	Yes	3,587,100	3,587,100	3,587,100	2.39909%	b	-	For revolving fund	-	None	-	13,508,674	13,508,674
		KEMET Corporation	Receivables from related parties	Yes	1,195,700	597,850	597,850	2.14909%	b	-	For revolving fund	-	None	-	13,508,674	13,508,674
11	KEMET Electronics Corporation	KEMET Electronics Bulgaria EAD	Receivables from related parties	Yes	271,968	220,974	220,974	2.5%	b	-	For revolving fund	-	None	-	55,025,424	55,025,424
		KEMET Electronics Bulgaria EAD	Receivables from related parties	Yes	67,992	67,992	67,992	3.25%	b	-	For revolving fund	-	None	-	55,025,424	55,025,424
		KEMET Electronics Italia SRL	Receivables from related parties	Yes	896,678	727,072	727,072	-	b	-	For revolving fund	-	None	-	55,025,424	55,025,424
12	KEMET Electronics (Suzhou) Co., Ltd.	Shanghai Arcotronics Components & Machineries Co., Ltd.	Receivables from related parties	Yes	229,479	229,479	229,479	3.65%	b	-	For revolving fund	-	None	-	3,368,218	3,368,218
13	EGSTON System Electronics Eggenburg GmbH	EGSTON System Electronic spol.s.r.o.	Receivables from related parties	Yes	173,380	173,380	139,384	6.438%	b	-	For revolving fund	-	None	-	741,912	741,912
14	EGSTON Automotive Eggenburg GmbH	EGSTON Holding GmbH	Receivables from related parties	Yes	50,994	50,994	-	6.438%	b	-	For revolving fund	-	None	-	199,378	199,378
15	EGSTON Far East GmbH	EGSTON System Electronics Eggenburg GmbH	Receivables from related parties	Yes	74,791	74,791	-	6.438%	b	-	For revolving fund	-	None	-	192,247	192,247

(Continued)

No.	Financing Company	Counterparty	Financial Statement Account	Related Party	Maximum Balance for the Period	Ending Balance	Amount Actually Drawn	Interest Rate	Nature for Financing (Note 3)	Transaction Amounts	Reason for Financing	Allowance for Impairment Loss	Collateral		Financing Limits for Each Borrowing Company (Note 1)	Financing Company's Total Financing Amount Limits (Note 2)
													Item	Value		
16	Maxtop Profits Limited	Pulse Component Ltd. Acadia Electronics Co., Ltd	Receivables from related parties Receivables from related parties	Yes Yes	\$ 419,225 353,453	\$ 419,225 353,453	\$ 419,225 281,225	- -	b b	\$ - -	For revolving fund For revolving fund	\$ - -	None None	\$ - -	\$ 776,028 776,028	\$ 776,028 776,028
17	Pulse Finland Oy	Pulse Electronics Korea YH	Receivables from related parties	Yes	169,980	169,980	169,698	0.5%	b	-	For revolving fund	-	None	-	253,256	253,256
18	Pulse Electronics Inc	Pulse Electronics (Singapore) Pte. Ltd	Receivables from related parties	Yes	1,075,725	1,075,725	1,075,725	1.6%	b	-	For revolving fund	-	None	-	7,381,102	7,381,102
19	Dongguan Chilisín Electronics Co., Ltd.	Mag. Layers International Co., Ltd. Shenzhen Chilisín Electronics Co., Ltd.	Other receivables - related parties	Yes	886,527	886,527	886,527	3.5%	b	-	For revolving fund	-	None	-	2,433,185	2,433,185
			Other receivables - related parties	Yes	216,490	216,490	216,490	2.5%	b	-	For revolving fund	-	None	-	2,433,185	2,433,185
20	Chilisín Holding (Hong Kong) Limited	Mag. Layers International Co., Ltd.	Other receivables - related parties	Yes	159,822	-	-	-	b	-	For revolving fund	-	None	-	3,535,558	3,535,558
21	Mag. Layers International Co., Ltd.	Shin Yuan Electronics Productions (Kunshan) Co., Ltd.	Other receivables - related parties	Yes	108,245	108,245	108,245	2.5%	b	-	For revolving fund	-	None	-	1,180,878	1,180,878
22	Mag. Layers Scientific-Technics Co., Ltd.	Magic Technology Co., Ltd.	Other receivables - related parties	Yes	245,880	245,880	245,880	2.867%	b	-	For revolving fund	-	None	-	1,164,867	1,164,867
23	Yageo Electronics Investment (S) PTE. LTD.	Yageo Nexensos GmbH Yageo Nexensos Malaysia Sdn. Bhd.	Receivables from related parties	Yes	220,974	220,974	220,974	5.202%	b	-	For revolving fund	-	None	-	2,533,552	2,533,552
			Receivables from related parties	Yes	407,952	407,952	193,777	5.933%	b	-	For revolving fund	-	None	-	2,533,552	2,533,552
24	Yageo Electronics Holding(S) PTE LTD.	YAGEO Holding France	Receivables from related parties	Yes	6,799,200	6,799,200	6,799,200	4.65%	b	-	For revolving fund	-	None	-	56,633,392	56,633,392
25	YAGEO Holding France	TMSS France	Receivables from related parties	Yes	679,920	679,920	407,952	4.65%	b	-	For revolving fund	-	None	-	17,154,178	17,154,178
26	TMSS France	TMSS Holding	Receivables from related parties	Yes	2,379,720	2,379,720	830,862	4.65%	b	-	For revolving fund	-	None	-	15,633,061	15,633,061
		Dinel	Receivables from related parties	Yes	2,379,720	2,379,720	70,882	4.65%	b	-	For revolving fund	-	None	-	15,633,061	15,633,061
		STHU Germany GmbH	Receivables from related parties	Yes	2,379,720	2,379,720	8,839	4.65%	b	-	For revolving fund	-	None	-	15,633,061	15,633,061
		TESE ITALY S.R.L	Receivables from related parties	Yes	2,379,720	2,379,720	-	4.65%	b	-	For revolving fund	-	None	-	15,633,061	15,633,061
		ELECTRIC TESE ESPAÑA S.L.	Receivables from related parties	Yes	2,379,720	2,379,720	8,941	4.65%	b	-	For revolving fund	-	None	-	15,633,061	15,633,061
		TESE Denmark ApS	Receivables from related parties	Yes	2,379,720	2,379,720	31,989	4.451%	b	-	For revolving fund	-	None	-	15,633,061	15,633,061
		SE TESE UK Ltd	Receivables from related parties	Yes	2,379,720	2,379,720	6,032	5.9367%	b	-	For revolving fund	-	None	-	15,633,061	15,633,061
		TESE SINGAPORE PTE. LTD	Receivables from related parties	Yes	2,379,720	2,379,720	164,124	4.013%	b	-	For revolving fund	-	None	-	15,633,061	15,633,061
		TESE Japan INC.	Receivables from related parties	Yes	2,379,720	2,379,720	97,834	0.75%	b	-	For revolving fund	-	None	-	15,633,061	15,633,061
		TES ELECTRIC US, LLC	Receivables from related parties	Yes	2,379,720	2,379,720	-	6.13%	b	-	For revolving fund	-	None	-	15,633,061	15,633,061
		ELECTRIC TESE MEXICO, S.A. DE C.V.	Receivables from related parties	Yes	2,379,720	2,379,720	6,900	-	b	-	For revolving fund	-	None	-	15,633,061	15,633,061
27	TESE ITALY S.R.L	TMSS France	Receivables from related parties	Yes	645,924	645,924	38,585	3.9%	b	-	For revolving fund	-	None	-	992,785	992,785
28	TES ELECTRIC US, LLC	TMSS France	Receivables from related parties	Yes	706,905	706,905	21,822	5.38%	b	-	For revolving fund	-	None	-	1,423,786	1,423,786

Note 1: For the Company and its domestic investees (Kuo-Shin Investment Limited and Mag. Layers Scientific-Technics Co., Ltd.) 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 Electronics (Dongguan) Co., Ltd., Yageo (Suzhou) Trade Co., Ltd., Yageo Electronics (China) Co., Ltd., Vitrohm Holding GmbH, Yageo Europe Holding B.V., Pulse Electronics (Singapore) Pte. Ltd, TOKIN Corporation, KEMET Electronics Corporation, KEMET Electronics (Suzhou) Co., Ltd., EGSTON System Electronics Eggenburg GmbH, EGSTON Automotive Eggenburg GmbH, EGSTON Far East GmbH, Maxtop Profits Limited, Pulse Electronics Inc., Dongguan Chilisín Electronics Co., Ltd., Chilisín Holding (Hong Kong) Limited, Mag. Layers International Co., Ltd., Yageo Electronics Investment (S) PTE. LTD, YAGEO Holding France, TMSS France, TESE ITALY S.R.L and TES ELECTRIC US, LLC. is 100% of each net worth presented in the latest financial statements audited or reviewed by auditors. For Pulse Finland Oy and Yageo Electronics Holding(S) PTE LTD., 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.

(Continued)

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 Electronics (Dongguan) Co., Ltd., Yageo (Suzhou) Trade Co., Ltd., Yageo Electronics (China) Co., Ltd., Vitrohm Holding GmbH, Yageo Europe Holding B.V., Pulse Electronics (Singapore) Pte. Ltd, TOKIN Corporation, KEMET Electronics Corporation, KEMET Electronics (Suzhou) Co., Ltd., EGSTON System Electronics Eggenburg GmbH, EGSTON Automotive Eggenburg GmbH, EGSTON Far East GmbH, Maxtop Profits Limited, Pulse Electronics Inc., Dongguan Chilisín Electronics Co., Ltd., Chilisín Holding (Hong Kong) Limited, Mag. Layers International Co., Ltd., Yageo Electronics Investment (S) PTE. LTD, YAGEO Holding France, TMSS France, TESE ITALY S.R.L and TES ELECTRIC US, LLC. is 100% of each net worth presented in the latest financial statements audited or reviewed by auditors. For Pulse Finland Oy and Yageo Electronics Holding(S) PTE LTD., 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, 2023, of NTD to HKD, USD, JPY, EUR and RMB were 1: 3.9344, 1: 30.735, 1:0.2174, 1:33.996 and 1:4.3298, respectively; the currency exchange rates of USD to HKD, JPY, EUR and RMB were 1:0.128, 1:0.0071, 1:1.1061 and 1:0.1409, respectively.

Note 5: All intercompany financing loans have been eliminated on consolidation.

(Concluded)

TABLE 2

YAGEO CORPORATION AND SUBSIDIARIES

**ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2023
(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	Ending Balance	Amount Actually Drawn	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	Kuo-Shin Investment Limited	Subsidiary	\$ 134,631,893	\$ 5,000,000	\$ 5,000,000	\$ 608,500	\$ -	3.71%	\$ 201,947,840	Yes	No	No
		Yageo Holding (Bermuda) Ltd.	Subsidiary	134,631,893	6,747,445	6,747,445	-	-	5.01%	201,947,840	Yes	No	No
		The shared borrowing facilities of Yageo Electronics (China) Co., Ltd. and Yageo Electronics (Dongguan) Co., Ltd.	Subsidiary	134,631,893	737,640	737,640	-	-	0.55%	201,947,840	Yes	No	Yes
		Yageo USA (H.K.) Limited	Subsidiary	134,631,893	153,675	153,675	-	-	0.11%	201,947,840	Yes	No	No
		Yageo Europe Holding B.V.	Subsidiary	134,631,893	153,675	153,675	-	-	0.11%	201,947,840	Yes	No	No
		TOKIN Corporation	Subsidiary	134,631,893	5,978,500	5,978,500	1,294,834	-	4.44%	201,947,840	Yes	No	No
1	TOKIN Corporation	TOKIN Electronics (Thailand) Co., Ltd.	Subsidiary	13,508,674	1,279,049	1,279,049	-	-	9.47%	20,263,011	Yes	No	No
2	KEMET Corporation, The Forest Electric Company	KEMET Electronics Corporation/The Forest Electric Company/KEMET Electronics Marketing Services Singapore	Subsidiary	81,649,095	1,536,750	1,536,750	-	-	1.88%	122,473,643	Yes	No	No
3	Chilisin Electronics Corp.	Chilisin International Ltd.	Subsidiary	14,170,138	1,628,955	1,014,255	-	-	3.58%	28,340,275	Yes	No	No
		Chilisin Electronics (Vietnam) Limited company	Subsidiary	14,170,138	2,539,980	-	-	-	-	28,340,275	Yes	No	No
		Ferroxcube Hong Kong Limited	Subsidiary	14,170,138	331,938	-	-	-	-	28,340,275	Yes	No	No
		Ferroxcube Polska Sp. Z.o.o.	Subsidiary	14,170,138	61,470	-	-	-	-	28,340,275	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. 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. is 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, 2023, of NTD to USD and JPY, which were 1:30.735 and 1:0.2174, respectively.

TABLE 3

YAGEO CORPORATION AND SUBSIDIARIES

MARKETABLE SECURITIES HELD

DECEMBER 31, 2023

(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, 2023				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	275,000	1.50	275,000	1
	Cathay Financial Holding Co., Ltd. Preferred Shares A	-	Financial assets at FVTOCI - non-current	1,598	95,241	0.19	95,241	1
	Fubon Financial Holding Co., Ltd. Preferred Shares A	-	Financial assets at FVTOCI - non-current	1,586	96,905	0.26	96,905	1
	Tong Hsing Electronic Industries, Ltd.	Substantial related party	Financial assets at FVTOCI - non-current	2,374	373,826	1.14	373,826	1
	Foxtron Vehicle Technologies Co., Ltd.	-	Financial assets at FVTOCI - non-current	2,000	89,200	0.11	89,200	1
	<u>Bonds</u>							
	Citigroup Global Markets Holdings	-	Financial assets at amortized cost - non-current	-	445,904	-	445,904	2
	HSBC Holdings PLC	-	Financial assets at amortized cost - non-current	-	428,856	-	428,856	2
	Goldman Sachs BDC Inc.	-	Financial assets at amortized cost - non-current	-	401,373	-	401,373	2
	TSMC Global Ltd.	-	Financial assets at amortized cost - non-current	-	293,305	-	293,305	2
	BNP Paribas	-	Financial assets at amortized cost - non-current	-	281,437	-	281,437	2
	Hon Hai Technology Group (Foxconn)	-	Financial assets at amortized cost - non-current	-	119,790	-	119,790	2
	UBS Group	-	Financial assets at amortized cost - non-current	-	116,790	-	116,790	2
	<u>Structured notes</u>							
	Giant Manufacturing Co., Ltd. credit-linked structured notes	-	Financial assets at FVTPL - non-current	-	30,233	-	30,233	1
	<u>Structured deposits</u>							
	Taipei Fubon Bank dual currency investment	-	Financial assets at FVTPL - current	-	1,416,373	-	1,416,373	1
Kuo-Shin Investment Limited.	<u>Shares</u>							
	Hsin Bung International Co., Ltd.	Substantial related party	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	478,830	0.19	478,830	1, 3
Yageo Holding (Bermuda) Ltd.	Tong Hsing Electronic Industries, Ltd.	Substantial related party	Financial assets at FVTOCI - non-current	2,421	381,229	1.16	381,229	1
	<u>Shares</u>							
	Canoo Inc.	-	Financial assets at FVTPL - current	1,000	7,991	2.07	7,991	1
	<u>Bonds</u>							
	Lloyds Banking Group	-	Financial assets at amortized cost - non-current	-	835,649	-	835,649	2
	Nomura Holdings, Inc.	-	Financial assets at amortized cost - non-current	-	818,745	-	818,745	2
	HSBC Holdings PLC	-	Financial assets at amortized cost - non-current	-	807,974	-	807,974	2

(Continued)

Holding Company Name	Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	December 31, 2023				Note
				Shares/Units (In Thousands)	Carrying Value	Percentage of Ownership (%)	Fair Value (Note)	
Yageo Europe Holding B.V.	Citigroup Global Markets Holdings Inc.	-	Financial assets at amortized cost - non-current	-	\$ 753,236	-	\$ 753,236	2
	Bank of America Corporation	-	Financial assets at amortized cost - non-current	-	736,990	-	736,990	2
	Morgan Stanley	-	Financial assets at amortized cost - non-current	-	639,223	-	639,223	2
	Formosa Plastics Corporation	-	Financial assets at amortized cost - non-current	-	621,938	-	621,938	2
	Sumitomo Mitsui Trust Bank	-	Financial assets at amortized cost - non-current	-	607,283	-	607,283	2
	Mizuho Financial Group	-	Financial assets at amortized cost - non-current	-	524,800	-	524,800	2
	Mitsubishi UFJ Financial Group	-	Financial assets at amortized cost - non-current	-	499,231	-	499,231	2
	Barclays PLC	-	Financial assets at amortized cost - non-current	-	495,452	-	495,452	2
	Hon Hai Technology Group (Foxconn)	-	Financial assets at amortized cost - non-current	-	478,340	-	478,340	2
	Sumitomo Mitsui Financial Group	-	Financial assets at amortized cost - non-current	-	353,346	-	353,346	2
	Nissan Motor Co., Ltd.	-	Financial assets at amortized cost - non-current	-	302,941	-	302,941	2
	Goldman Sachs Finance Corp International Ltd	-	Financial assets at amortized cost - non-current	-	301,203	-	301,203	2
	TSMC	-	Financial assets at amortized cost - non-current	-	291,066	-	291,066	2
	BNP Paribas	-	Financial assets at amortized cost - non-current	-	281,436	-	281,436	2
	Standard Chartered PLC	-	Financial assets at amortized cost - non-current	-	272,820	-	272,820	2
	JP Morgan	-	Financial assets at amortized cost - non-current	-	269,748	-	269,748	2
	Wells Fargo	-	Financial assets at amortized cost - non-current	-	268,445	-	268,445	2
	Goldman Sachs BDC Inc.	-	Financial assets at amortized cost - non-current	-	215,122	-	215,122	2
	Societe Generale	-	Financial assets at amortized cost - non-current	-	161,416	-	161,416	2
	HP Inc.	-	Financial assets at amortized cost - non-current	-	151,168	-	151,168	2
	Verizon Communications	-	Financial assets at amortized cost - non-current	-	148,915	-	148,915	2
	Comcast Corporation	-	Financial assets at amortized cost - non-current	-	144,681	-	144,681	2
	UBS Group	-	Financial assets at amortized cost - non-current	-	116,963	-	116,963	2
	<u>Structured notes</u>							
	Goldman Sachs structured notes	-	Financial assets at FVTPL - non-current	-	611,871	-	611,871	1
	<u>Foreign private fund</u>							
	SMART Growth Fund, L.P.	-	Financial assets at FVTPL - non-current	-	259,285	1.60	259,285	1
	New Epoch Investment Partners Limited	-	Financial assets at FVTPL - non-current	-	121,385	1.95	121,385	1
	<u>Bonds</u>							
	Citigroup Global Markets Holdings Inc.	-	Financial assets at amortized cost - non-current	-	461,168	-	461,168	2
	Imperial Brands	-	Financial assets at amortized cost - non-current	-	319,677	-	319,677	2
	Nissan Motor Co., Ltd.	-	Financial assets at amortized cost - non-current	-	302,134	-	302,134	2
	ABN Amro Bank N.V.	-	Financial assets at amortized cost - non-current	-	292,168	-	292,168	2
	NatWest Group	-	Financial assets at amortized cost - non-current	-	267,195	-	267,195	2
	Barclays PLC	-	Financial assets at amortized cost - non-current	-	266,218	-	266,218	2
	Goldman Sachs BDC Inc.	-	Financial assets at amortized cost - non-current	-	248,132	-	248,132	2
	HSBC HOLDINGS PLC.	-	Financial assets at amortized cost - non-current	-	158,577	-	158,577	2
	Credit Agricole SA	-	Financial assets at amortized cost - non-current	-	157,567	-	157,567	2
	Lloyds Banking Group Perp	-	Financial assets at amortized cost - non-current	-	156,625	-	156,625	2
	DBS Group Holdings Ltd,	-	Financial assets at amortized cost - non-current	-	154,871	-	154,871	2
	Argentum Netherlands BV	-	Financial assets at amortized cost - non-current	-	92,205	-	92,205	2

(Continued)

Holding Company Name	Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	December 31, 2023				Note
				Shares/Units (In Thousands)	Carrying Value	Percentage of Ownership (%)	Fair Value (Note)	
Ko-E Technology (Shenzhen) Co., Ltd.	<u>Structured deposits</u>							
	China Construction Bank Qianyuan-Hengying Net Value RMB Financial Products	-	Financial assets at FVTPL - current	-	\$ 281,422	-	\$ 281,422	1
	CCB Wealth Management Tiantianli Financial Products	-	Financial assets at FVTPL - current	-	281,422	-	281,422	1
Yageo Electronics (Dongguan). Co., Ltd	<u>Structured deposits</u> Guanlibao No. 3 Net Value Financial Product	-	Financial assets at FVTPL - current	-	238,120	-	238,120	1
Kemet Electronics Corporation	<u>Bonds</u>							
	Bank of America Corporation	-	Financial assets at amortized cost - non-current	-	565,524	-	565,524	2
	Citigroup Global Markets Holdings Inc	-	Financial assets at amortized cost - non-current	-	307,350	-	307,350	2
	HSBC Holdings plc	-	Financial assets at amortized cost - non-current	-	254,306	-	254,306	2
	Goldman Sachs Group Inc.	-	Financial assets at amortized cost - non-current	-	73,808	-	73,808	2
TOKIN Corporation	<u>Shares</u>							
	Ryosan Co Ltd.	-	Financial assets at FVTPL - non-current	32	32,522	0.13	32,522	1
	Sanshin Electronics Co Ltd.	-	Financial assets at FVTPL - non-current	50	23,589	0.31	23,589	1
	The 77 Bank Ltd.	-	Financial assets at FVTPL - non-current	30	22,849	0.04	22,849	1
	Hagiwara Electric Holdings Co Ltd.	-	Financial assets at FVTPL - non-current	10	10,588	0.10	10,588	1
	SK Tech Co., Ltd.	-	Financial assets at FVTPL - non-current	13	611	5.95	611	1
	Nyuzen Machidukuri Kahihatsu	-	Financial assets at FVTPL - non-current	-	22	1.00	22	1
	Tohoku Magnet Institute	-	Financial assets at FVTPL - non-current	57	-	1.97	-	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
Chilisin Electronics Corp.	<u>Shares</u>							
	Fubon Financial Holding Co., Ltd. Preferred Shares A	-	Financial assets at FVTOCI - non-current	2,195	134,115	0.37	134,115	1
	Fubon Financial Holding Co., Ltd. Preferred Shares C	-	Financial assets at FVTOCI - non-current	2,333	128,314	0.70	128,314	1
	Fubon Financial Holding Co., Ltd. Preferred Shares B	-	Financial assets at FVTOCI - non-current	1,106	66,249	0.17	66,249	1
	Cathay Financial Holding Co., Ltd. Preferred Shares A	-	Financial assets at FVTOCI - non-current	434	25,866	0.05	25,866	1
	<u>Structured notes</u>							
	Yulon Finance Corporation 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>							
	Formosa Plastics Corporation	-	Financial assets at amortized cost - non-current	-	92,708	-	92,708	2
	The Shanghai Commercial & Savings Bank, Ltd.	-	Financial assets at amortized cost - non-current	-	39,854	-	39,854	2
Dongguan Chilisin Electronics Co., Ltd.	<u>Structured deposits</u> Fubon Bank (China) RMB interest rate structured products (monthly distribution)	-	Financial assets at FVTPL - current	-	825,170	-	825,170	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	-	65,742	-	65,742	1

(Continued)

Holding Company Name	Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	December 31, 2023				Note
				Shares/Units (In Thousands)	Carrying Value	Percentage of Ownership (%)	Fair Value (Note)	
Magic Electronic Technology (Chongqing) Co., Ltd.	<u>Structured deposits</u> Fubon Bank (China) RMB interest rate structured products (monthly distribution)	-	Financial assets at FVTPL - current	-	\$ 108,245	-	\$ 108,245	1
Deyang Bothhand Electronics Co., Ltd.	<u>Structured deposits</u> Bank of China Wealth Management Enjoy Everyday	-	Financial assets at FVTPL - current	-	136,326	-	136,326	1
	Industrial and Commercial Bank of China Tianlibao Net Value Financial Products	-	Financial assets at FVTPL - current	-	114,464	-	114,464	1
Guangzhou Chenghan Electronic Technology Co., Ltd.	<u>Structured deposits</u> Industrial and Commercial Bank of China Tianlibao Net Value Financial Products	-	Financial assets at FVTPL - current	-	147,251	-	147,251	1
Deyang Hongyi Electronics Co., Ltd.	<u>Structured deposits</u> Bank of China Accumulation Plan - Daily	-	Financial assets at FVTPL - current	-	103,578	-	103,578	1
	Bank of China Wealth Management Enjoy Everyday	-	Financial assets at FVTPL - current	-	9,243	-	9,243	1

Note 1: The listed ordinary shares and preference shares were valued by their closing prices as of December 31, 2023. 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, 2023
(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	
					Shares/Units	Amount (Foreign Currency in Thousands)	Shares/Units	Amount (Foreign Currency in Thousands)	Shares/Units	Amount (Foreign Currency in Thousands)	Carrying Value (Foreign Currency in Thousands)	Gain/Loss on Disposal (Foreign Currency in Thousands)	Shares/Units	Amount (Foreign Currency in Thousands)
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 83,466	-	RMB 51,000	-	RMB 119,000	RMB 119,000	\$ -	-	RMB 15,184
Dongguan Chilisin Electronics Co., Ltd.	Fubon Bank (China) RMB interest rate structured products (monthly distribution)	Financial assets at FVTPL - current	Fubon Bank (China)	-	-	RMB 99,839	-	RMB 457,000	-	RMB 368,245	RMB 365,400	RMB 2,845	-	RMB 190,578
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 20,086	-	RMB 51,060	-	RMB 72,391	RMB 71,060	RMB 1,331	-	-

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

TABLE 5

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, 2023
(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	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total	
Yageo Corporation	Yageo Corporation (South Asia)	Subsidiary	Sale	\$ (1,157,811)	(4)	T/T 90 days	\$ -	-	\$ 94,137	2	-
	Yageo Europe Holding B.V.	Subsidiary	Sale	(1,536,482)	(5)	Offset account T/T 45 days	-	-	108,881	2	-
	Yageo USA (H.K.) Limited	Subsidiary	Sale	(15,004,887)	(51)	Offset account T/T 90 days	-	-	(852,807)	(11)	-
	Yageo Electronics (China) Co., Ltd.	Subsidiary	Sale	(1,741,013)	(6)	T/T 90 days	-	-	1,000,181	21	-
	Yageo Electronics (Dongguan) Co., Ltd.	Subsidiary	Sale	(2,352,082)	(8)	Offset account T/T 90 days	-	-	(1,149,963)	(15)	-
	Yageo (Suzhou) Trade Co., Ltd.	Subsidiary	Sale	(636,032)	(2)	T/T 90 days	-	-	377,206	8	-
	Ko-E Component Co., Ltd.	Subsidiary	Sale	(348,454)	(1)	T/T 90 days	-	-	97,983	2	-
	Ko-E (H.K.) Limited	Subsidiary	Sale	(221,092)	(1)	T/T 90 days	-	-	71,741	-	-
	KEMET Electronics Corporation	Subsidiary	Sale	(362,844)	(1)	T/T 90 days	-	-	99,312	2	-
Yageo Electronics (China) Co., Ltd.	Yageo Corporation	Ultimate parent company	Sale	(10,089,873)	(84)	T/T 90 days	-	-	2,117,964	59	-
	Yageo Europe Holding B.V.	Associate	Sale	(477,420)	(4)	T/T 90 days	-	-	27,664	1	-
Yageo USA (H.K.) Limited	Yageo Electronics (Dongguan) Co., Ltd.	Associate	Sale	(3,075,737)	(20)	T/T 90 days	-	-	133,512	3	-
	Yageo (Suzhou) Trade Co., Ltd.	Associate	Sale	(7,864,186)	(51)	T/T 90 days	-	-	3,654,398	80	-
	Ko-E (H.K.) Limited	Associate	Sale	(369,665)	(2)	T/T 90 days	-	-	33,573	1	-
Yageo (Suzhou) Trade Co., Ltd.	Ko-E Technology (Shenzhen) Co., Ltd.	Associate	Sale	(6,886,697)	(76)	T/T 65 days	-	-	2,439,819	83	-
Yageo Electronics (Dongguan) Co., Ltd.	Yageo Corporation	Ultimate parent company	Sale	(7,064,879)	(92)	Offset account T/T 90 days	-	-	1,149,963	59	-
Yageo Components (Suzhou) Co., Ltd	Yageo Corporation	Ultimate parent company	Sale	(104,237)	(33)	T/T 90 days	-	-	29,993	43	-
Bestbright Electronics Co., Ltd.	Yageo Corporation	Ultimate parent company	Sale	(137,933)	(10)	T/T 30-60 days	-	-	39,568	10	-
	Ko-E Technology (Shenzhen) Co., Ltd.	Associate	Sale	(1,072,006)	(78)	T/T 30-60 days	-	-	302,958	75	-
Yageo Nexensos GmbH	KEMET Electronics Corporation	Associate	Sale	(170,837)	(11)	T/T 90 days	-	-	27,424	9	-
	Yageo Corporation	Ultimate parent company	Sale	(473,477)	(32)	T/T 90 days	-	-	103,139	35	-
	YAGEO Nexensos Malaysia Sdn. Bhd.	Associate	Sale	(107,001)	(7)	T/T 90 days	-	-	33,593	11	-
YAGEO Nexensos Malaysia Sdn. Bhd.	Yageo Nexensos GmbH	Associate	Sale	(133,368)	(100)	T/T 90 days	-	-	38,187	100	-
EGSTON System Electronics Eggenburg GmbH	EGSTON Automotive Eggenburg GmbH	Associate	Sale	(170,580)	(9)	T/T 30 days	-	-	264,343	37	-
	EGSTON System Electronic spol.s.r.o.	Associate	Sale	(111,811)	(6)	T/T 30 days	-	-	231,393	32	-
EGSTON System Electronic spol.s.r.o.	EGSTON System Electronics Eggenburg GmbH	Associate	Sale	(1,525,624)	(41)	T/T 30 days	-	-	73,480	27	-
	EGSTON Automotive Eggenburg GmbH	Associate	Sale	(2,082,305)	(56)	T/T 30 days	-	-	185,979		-
EGSTON Zhuhai Co. Ltd.										69	
	EGSTON Far East GmbH	Associate	Sale	(330,870)	(37)	T/T 60 days	-	-	164,235	51	-
	EGSTON System Electronic spol.s.r.o.	Associate	Sale	(112,364)	(13)	T/T 30 days	-	-	46,715	14	-
	EGSTON Automotive Eggenburg GmbH	Associate	Sale	(142,905)	(16)	T/T 30 days	-	-	68,447	21	-
Dongguan Pulse Electronics Co., Ltd.	Pulse Electronics (Singapore) Pte. Ltd	Parent company	Sale	(1,911,224)	(86)	T/T 90 days	-	-	2,219,451	83	-
Mian Yang Pulse Electronics Co., Ltd.	Pulse Electronics (Singapore) Pte. Ltd	Parent company	Sale	(1,706,359)	(72)	T/T 90 days	-	-	462,505	69	-
	Pulse Electronics Inc.	Parent company	Sale	(273,728)	(12)	T/T 90 days	-	-	117,448	18	-
Suining Pulse Electronics Co., Ltd.	Pulse Electronics (Singapore) Pte. Ltd	Parent company	Sale	(1,121,625)	(55)	T/T 90 days	-	-	140,301	26	-
	Pulse Electronics Inc.	Parent company	Sale	(110,587)	(5)	T/T 90 days	-	-	56,777	10	-

(Continued)

Company Name	Related Party	Nature of Relationships	Transaction Details (Note)				Abnormal Transaction		Notes/Accounts Payable or Receivable		Note
			Purchases/ Sales	Amount	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total	
KEMET Electronics Italia S.r.l.	KEMET Electronics Corporation	Parent company	Sale	\$ (166,649)	-	Net 60 days	\$ -	-	\$ 64,731	-	-
KEMET Electronics Bulgaria EAD	KEMET Electronics Corporation	Parent company	Sale	(219,695)	(1)	Net 60 days	-	-	52,865	-	-
KEMET Electronics Macedonia DOOEL Skopje	KEMET Electronics Corporation	Parent company	Sale	(317,105)	(1)	Net 60 days	-	-	57,328	-	-
KEMET Electronics Portugal, S.A.	KEMET Electronics Corporation	Parent company	Sale	(473,333)	(1)	Net 60 days	-	-	518,152	1	-
Shanghai Arcotronics Components & Machineries Co., Ltd.	KEMET Electronics Corporation	Parent company	Sale	(397,199)	(1)	Net 60 days	-	-	78,917	-	-
	KEMET Electronics (Suzhou) Co., Ltd.	Parent company	Sale	(137,653)	-	Net 60 days	-	-	45,589	-	-
KEMET Electronics (Suzhou) Co., Ltd.	KEMET Electronics Corporation	Parent company	Sale	(1,057,735)	(3)	Net 60 days	-	-	683,048	2	-
KEMET Electronics Corporation	KEMET Electronics (Suzhou) Co., Ltd.	Subsidiary	Sale	(465,496)	(1)	Net 60 days	-	-	(683,048)	(2)	-
	KEMET Electronics Marketing (S) Pte Ltd.	Subsidiary	Sale	(2,509,336)	(6)	Net 60 days	-	-	797,478	2	-
	TOKIN Electronics (Thailand) Co., Ltd.	Subsidiary	Sale	(197,159)	-	Net 45 days	-	-	52,346	-	-
TOKIN Corporation	TOKIN Hong Kong Ltd.	Subsidiary	Sale	(3,166,482)	(8)	T/T 90 days	-	-	559,327	2	-
	TOKIN Singapore Pte Ltd.	Subsidiary	Sale	(526,412)	(1)	T/T 30 days	-	-	44,049	-	-
	TOKIN Electronics (Xiamen) Corporation	Subsidiary	Sale	(157,940)	-	Net 60 days	-	-	38,682	-	-
	KEMET Electronics Corporation	Parent company	Sale	(336,107)	(1)	Net 60 days	-	-	700,135	2	-
	KEMET Electronics (Suzhou) Co., Ltd.	Associate	Sale	(138,712)	-	Net 60 days	-	-	274,353	1	-
TOKIN Electronics (Xiamen) Corporation	TOKIN Corporation	Parent company	Sale	(927,607)	(2)	Net 80 days	-	-	247,457	1	-
TOKIN Electronics (Vietnam) Co., Ltd.	TOKIN Corporation	Parent company	Sale	(1,731,558)	(4)	Net 50 days	-	-	172,654	-	-
TOKIN Electronics (Thailand) Co., Ltd.	TOKIN Corporation	Parent company	Sale	(2,637,487)	(7)	T/T 80 days	-	-	674,751	2	-
TOKIN Electronics (Xiamen) Corporation	TOKIN Electronics (Vietnam) Co., Ltd.	Associate	Sale	(168,527)	-	T/T 50 days	-	-	22,757	-	-
Deyang Bothhand Electronics Co., Ltd.	Mian Yang Pulse Electronics Co., Ltd.	Associate	Sale	(234,610)	(20)	T/T 120 days	-	-	52,452	19	-
Ferroxcube Polska Sp. Z.o.o.	Ferroxcube International Holding B.V. Ferroxcube Electronics (Dongguan) Limited	Parent company	Sale	(503,031)	(32)	T/T 120 days	-	-	37,504	23	-
		Associate	Sale	(204,138)	(13)	T/T 120 days	-	-	28,584	17	-
Ferroxcube Electronics (Dongguan) Limited	Ferroxcube Hong Kong Limited	Parent company	Sale	(320,653)	(38)	T/T 120 days	-	-	91,512	41	-
Chilisin Electronics Corp.	Chilisin Electronics (Vietnam) Limited company	Subsidiary	Sale	(397,335)	(9)	T/T 120 days	-	-	272,487	12	-
	Pulse Electronics (Singapore) Pte. Ltd	Associate	Sale	(1,272,491)	(27)	T/T 120 days	-	-	1,281,008	55	-
	Pulse Electronics (Singapore) Pte. Ltd., Taiwan Branch	Associate	Sale	(123,347)	(3)	T/T 120 days	-	-	43,889	2	-
Hunan Chilisin Electronics Technology Co., Ltd.	Chilisin Electronics Corp.	Parent company	Sale	(999,430)	(45)	T/T 120 days	-	-	458,354	43	-
	Mag. Layers International Co., Ltd.	Associate	Sale	(533,516)	(24)	T/T 120 days	-	-	286,632	27	-
	Chilisin International Ltd.	Parent company	Sale	(115,000)	(5)	T/T 120 days	-	-	43,540	4	-
	Dongguan Chilisin Electronics Co., Ltd.	Associate	Sale	(206,141)	(9)	T/T 120 days	-	-	67,614	6	-
Shenzhen Chilisin Electronics Co., Ltd.	Mag. Layers International Co., Ltd.	Associate	Sale	(268,929)	(28)	T/T 120 days	-	-	31,939	8	-
Dongguan Chilisin Electronics Co., Ltd.	Chilisin Electronics Corp.	Parent company	Sale	(861,991)	(63)	T/T 120 days	-	-	338,194	57	-
	Mag. Layers International Co., Ltd.	Associate	Sale	(151,432)	(11)	T/T 120 days	-	-	74,694	13	-
	Chilisin International Ltd.	Parent company	Sale	(198,756)	(14)	T/T 120 days	-	-	99,666	17	-
Chilisin Electronics (Vietnam) Limited company	Chilisin Electronics Corp.	Parent company	Sale	(767,438)	(43)	T/T 120 days	-	-	486,086	49	-
	Shenzhen Chilisin Electronics Co., Ltd.	Associate	Sale	(451,647)	(25)	T/T 120 days	-	-	263,879	27	-
	Dongguan Chilisin Electronics Co., Ltd.	Associate	Sale	(377,741)	(21)	T/T 120 days	-	-	172,314	17	-

(Continued)

Company Name	Related Party	Nature of Relationships	Transaction Details (Note)				Abnormal Transaction		Notes/Accounts Payable or Receivable		Note
			Purchases/ Sales	Amount	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total	
Mag. Layers Scientific-Technics Co., Ltd.	Mag. Layers USA, Inc.	Subsidiary	Sale	\$ (175,525)	(7)	T/T 120 days	\$ -	-	\$ 51,693	6	-
Mag. Layers International Co., Ltd.	Chilisin Electronics Corp.	Parent company	Sale	(221,566)	(10)	T/T 120 days	-	-	150,357	15	-
	Mag. Layers Scientific-Technics Co., Ltd.	Parent company	Sale	(1,181,760)	(51)	T/T 120 days	-	-	468,602	47	-
	Suining Pulse Electronics Co., Ltd.	Associate	Sale	(583,208)	(25)	T/T 120 days	-	-	283,652	29	-
Shin Yuan Electronics Productions (Kunshan) Co., Ltd.	Mag. Layers International Co., Ltd.	Parent company	Sale	(203,206)	(40)	T/T 120 days	-	-	100,177	41	-
	Hunan Chilisin Electronics Technology Co., Ltd.	Associate	Sale	(226,735)	(45)	T/T 120 days	-	-	109,623	45	-

Note: All intercompany transactions have been eliminated on consolidation.

(Concluded)

TABLE 6

YAGEO CORPORATION AND SUBSIDIARIES

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

DECEMBER 31, 2023

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

Company Name	Related Party	Nature of Relationships	Ending Balance	Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Action Taken		
Yageo Corporation	Yageo Europe Holding B.V.	Subsidiary	\$ 108,881	10.00	\$ -	-	\$ 108,881	\$ -
	Yageo Electronics (China) Co., Ltd.	Subsidiary	1,000,181	2.84	-	-	249,440	-
	Yageo (Suzhou) Trade Co., Ltd.	Subsidiary	377,206	2.81	-	-	155,300	-
Yageo Electronics (China) Co., Ltd.	Pulse (Suzhou) Wireless Products Co., Ltd.	Associate	377,507	0.15	-	-	-	-
	Yageo Corporation	Ultimate parent company	2,117,964	6.49	-	-	170,364	-
Yageo USA (H.K.) Limited	Yageo Corporation	Ultimate parent company	852,807	-	-	-	-	-
	Yageo (Suzhou) Trade Co., Ltd.	Associate	3,654,398	2.62	-	-	20,000	-
	Yageo Electronics (Dongguan) Co., Ltd.	Associate	133,512	4.49	-	-	27,044	-
Yageo Electronics (Dongguan) Co., Ltd.	Yageo Corporation	Ultimate parent company	1,149,963	5.44	-	-	290,798	-
	Bestbright Electronics Co., Ltd.	Associate	504,516 (Note 2)	-	-	-	10,000	-
Yageo (Suzhou) Trade Co., Ltd.	Ko-E Technology (Shenzhen) Co., Ltd.	Associate	2,439,819	3.31	-	-	254,175	-
Bestbright Electronics Co., Ltd.	Ko-E Technology (Shenzhen) Co., Ltd.	Associate	302,958	3.37	-	-	46,264	-
Yageo Nexensos GmbH	Yageo Corporation	Ultimate parent company	103,139	9.18	-	-	-	-
Yageo Holding (Bermuda) Ltd.	Yageo (Hong Kong) Limited	Subsidiary	333,773 (Note 2)	-	-	-	-	-
	Yageo Corporation	Ultimate parent company	9,220,500 (Note 2)	-	-	-	-	-
	Yageo USA (H.K.) Limited	Associate	6,091,136 (Note 2)	-	-	-	-	-
	Yageo Europe Holding B.V.	Associate	5,879,798 (Note 1)	-	-	-	-	-
Yageo Europe Holding B.V.	Yageo Nexensos GmbH	Subsidiary	322,962 (Note 2)	-	-	-	-	-
Vitrohm Holding GmbH	Yageo Holding (Bermuda) Ltd.	Parent company	223,283 (Note 2)	-	-	-	-	-

(Continued)

Company Name	Related Party	Nature of Relationships	Ending Balance	Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Action Taken		
Yageo Electronics Investment (S) PTE. LTD.	Yageo Nexensos GmbH	Subsidiary	\$ 220,974 (Note 2)	-	\$ -	-	\$ -	\$ -
	Yageo Nexensos Malaysia Sdn. Bhd.	Subsidiary	193,777 (Note 2)	-	-	-	-	-
Yageo Electronics Holding (S) PTE. LTD.	Yageo Holding France	Subsidiary	6,799,200 (Note 2)	-	-	-	-	-
Yageo Holding France	TMSS France	Subsidiary	407,952 (Note 2)	-	-	-	-	-
EGSTON System Electronics Eggenburg GmbH	EGSTON System Electronic spol.s.r.o.	Associate	231,393 (Note 2)	-	-	-	-	-
	EGSTON Automotive Eggenburg GmbH	Associate	264,343	0.67	-	-	-	-
EGSTON System Electronic spol.s.r.o.	EGSTON Automotive Eggenburg GmbH	Associate	185,979	12.31	-	-	-	-
EGSTON Zhuhai Co. Ltd.	EGSTON Far East GmbH	Associate	164,235	2.35	-	-	-	-
Dongguan Pulse Electronics Co., Ltd.	Pulse Electronics (Singapore) Pte. Ltd	Parent company	2,219,451	1.01	-	-	155,734	-
	Pulse Electronics GmbH	Associate	368,411	0.09	-	-	-	-
Mianyang Pulse Electronics Co., Ltd.	Pulse Electronics Inc.	Parent company	117,448	1.67	-	-	-	-
	Pulse Electronics (Singapore) Pte. Ltd	Parent company	462,505	5.01	-	-	185,271	-
Pulse (Suzhou) Wireless Products Co., Ltd.	Pulse Electronics Korea YH	Associate	158,182	-	-	-	-	-
Suining Pulse Electronics Co., Ltd.	Pulse Electronics (Singapore) Pte. Ltd	Parent company	140,301	4.79	-	-	41,557	-
Pulse Component Ltd.	Pulse Electronics (Singapore) Pte. Ltd	Parent company	450,338 (Note 2)	-	-	-	30,735	-
Pulse Electronics (Singapore) Pte. Ltd	Yageo Corporation	Ultimate parent company	3,073,500 (Note 2)	-	-	-	-	-
	Pulse System Electronics (India) Pte. Ltd	Subsidiary	162,896 (Note 2)	-	-	-	-	-
Maxtop Profits Limited	Pulse Component Ltd.	Associate	414,923 (Note 2)	-	-	-	-	-
	Acadia Electronics Co., Ltd	Parent company	368,820 (Note 2)	-	-	-	-	-
Pulse Finland Oy	Pulse Electronics Korea YH	Subsidiary	153,675 (Note 2)	-	-	-	-	-
Pulse Electronics Inc.	Pulse Electronics (Singapore) Pte. Ltd	Subsidiary	1,075,725 (Note 2)	-	-	-	-	-

(Continued)

Company Name	Related Party	Nature of Relationships	Ending Balance	Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Action Taken		
TOKIN Corporation	TOKIN Hong Kong Ltd.	Subsidiary	\$ 559,327	4.68	\$ -	-	\$ 347,183	\$ -
	KEMET Electronics Corporation	Parent company	700,135 (Note 2)	-	-	-	278,668	-
	KEMET Electronics (Suzhou) Co., Ltd.	Associate	274,353 (Note 2)	-	-	-	54,647	-
TOKIN Electronics (Xiamen) Corporation	TOKIN Corporation	Parent company	247,457	3.65	-	-	75,547	-
TOKIN Electronics (Vietnam) Co., Ltd.	TOKIN Corporation	Parent company	172,654	5.79	-	-	153,952	-
TOKIN Electronics (Thailand) Co., Ltd.	TOKIN Corporation	Parent company	674,751	3.73	-	-	487,180	-
KEMET de Mexico, S.A. de C.V.	KEMET Electronics Corporation	Parent company	1,073,429 (Note 2)	-	-	-	161,973	-
KEMET Electronics Corporation	KEMET Electronics Marketing (S) Pte Ltd.	Subsidiary	797,478 (Note 2)	-	-	-	797,478	-
KEMET Electronics (Suzhou) Co., Ltd.	KEMET Electronics Corporation	Parent company	683,048 (Note 2)	-	-	-	491,936	-
KEMET Electronics GmbH	KEMET Electronics Corporation	Parent company	914,819 (Note 2)	-	-	-	26,646	-
P.T. KEMET Electronics Indonesia	KEMET Electronics Corporation	Parent company	169,606 (Note 2)	-	-	-	54,186	-
KEMET Electronics Portugal, S.A.	KEMET Electronics Corporation	Parent company	518,152 (Note 2)	-	-	-	348,620	-
Evox Rifa Pte Ltd.	KEMET Electronics Marketing (S) Pte Ltd.	Associate	203,485 (Note 2)	-	-	-	-	-
KEMET Electronics Limited	KEMET Electronics Corporation	Parent company	365,842 (Note 2)	-	-	-	9,720	-
KEMET Electronics AB	KEMET Electronics Corporation	Parent company	203,154 (Note 2)	-	-	-	6,662	-
Chilisin Electronics Corp.	Pulse Electronics (Singapore) Pte. Ltd	Associate	1,281,008	1.96	-	-	-	-
	Chilisin Electronics (Vietnam) Limited company	Subsidiary	272,487 (Note 2)	-	-	-	158,712	-
Chilisin International Ltd.	Chilisin Electronics Corp.	Parent company	1,294,666 (Note 2)	-	-	-	61,470	-

(Continued)

Company Name	Related Party	Nature of Relationships	Ending Balance	Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Action Taken		
Hunan Chilisin Electronics Technology Co., Ltd.	Chilisin Electronics Corp. Mag. Layers International Co., Ltd.	Parent company Associate	\$ 458,354 286,632 (Note 2)	2.23 -	\$ - -	- -	\$ 181 41	\$ - -
Dongguan Chilisin Electronics Co., Ltd.	Chilisin Electronics Corp.	Parent company	338,194	2.18	-	-	135,816	-
Chilisin Electronics (Vietnam) Limited company	Chilisin Electronics Corp.	Parent company	486,086	2.11	-	-	486,086	-
	Shenzhen Chilisin Electronics Co., Ltd.	Associate	263,879	2.08	-	-	263,879	-
	Dongguan Chilisin Electronics Co., Ltd.	Associate	172,314	3.15	-	-	172,314	-
Mag. Layers International Co., Ltd.	Suining Pulse Electronics Co., Ltd.	Associate	283,652	3.96	-	-	67,341	-
	Chilisin Electronics Corp.	Parent company	150,357	2.50	-	-	65,195	-
	Mag. Layers Scientific-Technics Co., Ltd.	Parent company	468,602	2.17	-	-	324,242	-
Shin Yuan Electronics Productions (Kunshan) Co., Ltd.	Hunan Chilisin Electronics Technology Co., Ltd.	Associate	109,623	2.07	-	-	19,787	-
	Mag. Layers International Co., Ltd.	Parent company	100,177	2.62	-	-	13,618	-
Dongguan Chilisin Electronics Co., Ltd.	Shenzhen Chilisin Electronics Co., Ltd.	Associate	223,832 (Note 2)	-	-	-	9,162	-
	Mag. Layers International Co., Ltd.	Associate	908,744 (Note 2)	-	-	-	908,744	-
Mag. Layers International Co., Ltd.	Shin Yuan Electronics Productions (Kunshan) Co., Ltd.	Subsidiary	111,909 (Note 2)	-	-	-	-	-
Mag. Layers Scientific-Technics Co., Ltd.	Magic Technology Co., Ltd.	Associate	249,264 (Note 2)	-	-	-	1,468	-

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

Note 2: Including financing or other receivables.

Note 3: All intercompany transactions have been eliminated on consolidation.

(Concluded)

TABLE 7

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, 2023

(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, 2023			Net Income (Losses) of the Investee (Foreign Currency in Thousands)	Share of Profits/Losses of Investee (Foreign Currency in Thousands)	Note
				December 31, 2023 (Foreign Currency in Thousands)	December 31, 2022 (Foreign Currency in Thousands)	Shares	Percentage of Ownership	Carrying Value (Foreign Currency in Thousands)			
Yageo Corporation	Yageo Holding (Bermuda) Ltd.	Bermuda	Investment	US\$ 287,158	US\$ 237,158	290,732,477	100.00	\$ 63,668,040	\$ 2,141,820	\$ 2,141,820	Subsidiary
	Kuo-Shin Investment Limited	Taipei	Investment	1,612,059	1,612,059	89,300,000	100.00	609,398	10,103	34,178	Subsidiary
	Brightking Holdings Ltd.	Cayman Islands	Holding company	3,328,253	3,328,253	45,608,336	100.00	3,177,670	52,709	(6,030)	Subsidiary
	Yageo Corporation (South Asia)	Singapore	Selling electronic components	SGD 780	SGD 780	-	100.00	977,105	76,328	76,328	Subsidiary
	Yageo Europe Holding B.V.	Netherlands	Holding company	EUR 932,056	EUR 172,056	622,269,060	100.00	30,462,097	399,624	399,624	Subsidiary
	Yageo South Asia (M) Sdn. Bhd.	Malaysia	Selling electronic components	-	-	-	100.00	4,146	998	998	Subsidiary
	Pulse Electronics Corporation	America	Investment	US\$ 721,461	US\$ 721,461	25,574,331	100.00	36,715,030	3,201,474	3,082,295	Subsidiary
	Yageo Holding Hungary LLC	Hungary	Investment	47,870,886	47,870,886	-	100.00	85,144,723	10,255,145	10,258,902	Subsidiary
	Chilisin Electronics Corp.	Hsinchu	Manufacturing and selling electronic components	23,050,490	23,050,490	614,438,204	100.00	30,005,262	2,212,789	2,212,519	Subsidiary
	Yageo USA (H.K.) Limited	Hong Kong	Selling passive components	HK\$ 8,000	HK\$ 8,000	-	100.00	1,050,182	108,815	108,815	Subsidiary
	XSemi Corporation (Note 5)	Taoyuan City	Designing, testing and selling integrated circuits for various applications	1,190,000	1,190,000	1,190,000,000	35.00	1,263,011	(67,412)	41,957	Subsidiary
	GTCL	Singapore	Holding company	41,694	60,603	8,232,388	23.58	326,177	100,450	23,046	Associate
	Kaimei Electronic Corp.	New Taipei City	Manufacturing and selling capacitor	1,048,487	1,048,487	6,499,905	5.98	623,078	329,272	17,824	Associate
	Strong Components Co., Ltd.	Kaohsiung	Manufacturing and selling electronic components	79,384	79,384	6,530,000	31.42	125,025	28,747	10,378	Associate
Kuo-Shin Investment Limited	XSemi Corporation (Note 5)	Taoyuan City	Designing, testing and selling integrated circuits for various applications	510,000	306,000	510,000,000	15.00	541,290	(67,412)	17,981	Subsidiary
	GTCL	Singapore	Investment	45,854	50,078	1,838,954	5.27	82,760	100,450	5,148	Associate
Yageo Holding (Bermuda) Ltd.	Kaimei Electronic Corp.	New Taipei City	Manufacturing and selling capacitor	91,075	89,939	1,473,440	1.36	132,713	329,272	4,067	Associate
	Yageo (Hong Kong) Limited	Hong Kong	Investment	HK\$ 1,316,340	HK\$ 1,316,340	1,030,499,458	100.00	US\$ 490,351	US\$ 46,936	US\$ 46,936	Subsidiary
	Vitrohm Holding GmbH	Germany	Investment	EUR 15,849	EUR 15,849	-	100.00	US\$ 16,032	US\$ 438	US\$ 438	Subsidiary
	Yageo Korea	Korea	Sales of resistors	US\$ 236	US\$ 236	-	100.00	US\$ 3,746	US\$ 177	US\$ 177	Subsidiary
	Yageo Japan	Japan	Sales of resistors	US\$ 339	US\$ 339	-	100.00	US\$ 394	US\$ (27)	US\$ (27)	Subsidiary
	Hsu Tai International (H.K.) Ltd.	Hong Kong	Investment	US\$ 2,400	US\$ 2,400	1,000	100.00	US\$ 1,034	US\$ (1)	US\$ (1)	Subsidiary
Brightking Holdings Ltd.	Brightking Enterprise (H.K.) Co., Ltd.	Hong Kong	Selling overvoltage and overcurrent protection electronic components	600,165	600,165	153,968,000	100.00	1,730,002	19,201	19,201	Subsidiary
Pulse Electronics Corporation	Pulse Electronics (Singapore) Pte. Ltd	Singapore	Selling electronic components	US\$ 228,755	US\$ 228,755	127,259,097	100.00	US\$ 285,306	US\$ 63,664	US\$ 63,664	Subsidiary
Pulse Electronics (Singapore) Pte. Ltd	EGSTON Holding GmbH	Austria	Investment	US\$ 22,030	US\$ 22,030	-	100.00	US\$ 77,259	US\$ 17,149	US\$ 17,149	Subsidiary
Yageo Corporation (South Asia)	Ruiyi Technology (Hong Kong) Share Co., Limited	Hong Kong	Selling electronic components	HK\$ 30,561	HK\$ 30,561	18,000,000	30.00	US\$ 5,441	US\$ 1,787	US\$ 536	Associate

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2023			Net Income (Losses) of the Investee (Foreign Currency in Thousands)	Share of Profits/Losses of Investee (Foreign Currency in Thousands)	Note
				December 31, 2023 (Foreign Currency in Thousands)	December 31, 2022 (Foreign Currency in Thousands)	Shares	Percentage of Ownership	Carrying Value (Foreign Currency in Thousands)			
XSemi Corporation	Advanced Power Electronics Co., Ltd.	Hsinchu	Design of electronic elements, integrated circuits, semi-conductors, and the testing service	\$ 2,886,800	\$ -	35,000,000	29.69	\$ 3,384,874	\$ 330,426	\$ 68,941	Associate
Yageo Europe Holding B.V.	Yageo Electronics Holding (S) PTE. LTD.	Singapore	Investment	EUR 833,454	EUR 41,454	1,331,269,056	100.00	EUR 832,942	EUR 6,920	EUR 6,920	Subsidiary
Yageo Electronics Holding (S) PTE. LTD.	Yageo Electronics Investment (S) PTE. LTD.	Singapore	Investment	EUR 83,000	-	415,000,001	100.00	EUR 74,525	EUR (6,584)	EUR (6,584)	Subsidiary
	Ko-E Holding (Cayman)	Cayman Islands	Investment	US\$ 5,543	US\$ 6,801	6,800,500	97.15	EUR 50,903	EUR 12,213	EUR 11,865	Subsidiary
	YAGEO Holding France (Note 4)	France	Investment	EUR 509,010	-	509,010,000	100.00	EUR 504,594	EUR (23)	EUR (23)	Subsidiary
YAGEO Holding France (Note 4)	TMSS Holding SAS (Note 6)	France	Investment	EUR 689,323	-	-	100.00	EUR 688,596	EUR 3,656	EUR 3,656	Subsidiary
TMSS Holding SAS	TMSS France (Note 6)	France	Manufacturing and selling industrial and telemecanique sensor	EUR 65,000	-	-	100.00	EUR 459,850	EUR 2,414	EUR 2,414	Subsidiary
Yageo Electronics Investment (S) PTE. LTD.	Yageo Nexensos GmbH (Note 6)	Germany	Manufacturing and selling temperature sensor	EUR 61,522	-	-	100.00	EUR 54,259	EUR (5,782)	EUR (5,782)	Subsidiary
	Yageo Nexensos Malaysia Sdn. Bhd. (Note 6)	Malaysia	Manufacturing and selling temperature sensor	EUR 2,735	-	40,900,000	100.00	EUR 1,021	EUR (1,328)	EUR (1,328)	Subsidiary
Ko-E Holding (Cayman)	Ko-E (H.K.) Limited	Hong Kong	Selling electronic components	US\$ 4,662	US\$ 4,662	-	100.00	US\$ 41,009	US\$ 9,960	US\$ 9,960	Subsidiary
	Ko-E Electronics Trade Co., Ltd. (Note 2)	New Taipei City	Selling electronic components	-	US\$ 1,481	-	-	-	US\$ (233)	US\$ (233)	Subsidiary
	Ko-E Electronic (Hong Kong) Limited	Hong Kong	Selling electronic components	US\$ 646	US\$ 646	5,000,000	100.00	US\$ 11,161	US\$ 3,518	US\$ 3,518	Subsidiary
Brightking Enterprise (H.K.) Co., Ltd.	Ko-E Component Co., Ltd. (Note 2)	New Taipei City	Manufacturing and selling overvoltage and overcurrent protection electronic components	318,893	129,393	31,889,268	100.00	(100,022)	17,576	17,576	Subsidiary
Yageo Holding Hungary LLC	Yageo Holding Netherlands B.V.	Netherlands	Holding company	-	US\$ 1,636,052	1	100.00	-	US\$ 323,468	US\$ 323,468	Subsidiary
	KEMET Corporation	America	Selling electronic components	US\$ 1,636,052	-	1,000	100.00	US\$ 2,656,551	-	-	Subsidiary
Yageo Holding Netherlands B.V.	KEMET Corporation	America	Selling electronic components	-	US\$ 1,636,052	-	-	-	US\$ 323,468	US\$ 323,468	Subsidiary
KEMET Corporation	KEMET Electronics Corporation	America	Manufacturing and selling electronic components	US\$ 291,946	US\$ 291,946	1,000	100.00	US\$ 1,790,318	US\$ 241,970	US\$ 241,970	Subsidiary
KEMET Electronics Corporation	TOKIN Corporation	Japan	Manufacturing and selling electronic components	US\$ 200,358	US\$ 200,358	467,866,401	100.00	US\$ 441,176	US\$ 38,713	US\$ 38,713	Subsidiary
TOKIN Corporation	NT Sales Co., Ltd.	Japan	Selling electronic components	JPY 297,335	JPY 297,335	264,000	33.00	US\$ 3,401	US\$ 2,209	US\$ 729	Associate
	Nippon Yttrium Co., Ltd.	Japan	Selling electronic components	JPY 123,168	JPY 123,168	240,000	30.00	US\$ 11,286	US\$ 4,233	US\$ 1,270	Associate
Chilisin Electronics Corp.	Chilisin International Ltd.	Samoa	Selling electronic components	6,049,429	6,049,429	201,345,270	100.00	8,555,157	373,902	373,902	Subsidiary
	Chilisin Holding (Samoa) Ltd.	Samoa	Investment	244,045	244,045	7,280,000	100.00	388,334	(1,243)	(1,243)	Subsidiary

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2023			Net Income (Losses) of the Investee (Foreign Currency in Thousands)	Share of Profits/Losses of Investee (Foreign Currency in Thousands)	Note
				December 31, 2023 (Foreign Currency in Thousands)	December 31, 2022 (Foreign Currency in Thousands)	Shares	Percentage of Ownership	Carrying Value (Foreign Currency in Thousands)			
	Chilisin Asia Investment Limited	Samoa	Investment	\$ 11,371	\$ 11,371	360,000	100.00	\$ 30,251	\$ (127)	\$ (127)	Subsidiary
	Chilisin Holding (Hong Kong) Limited	Hong Kong	Investment	2,563,365	2,563,365	85,000,000	94.15	3,289,410	82,381	77,562	Subsidiary
	Ferroxcube International Holding B.V.	Netherlands	Investment	4,252,786	4,252,786	-	100.00	3,249,962	266,193	265,093	Subsidiary
	Mag. Layers Scientific-Technics Co., Ltd.	Taoyuan City	Manufacturing and selling electronic components	12,383,969	12,383,969	173,849,444	100.00	12,679,714	691,945	471,946	Subsidiary
	Magic Technology Co., Ltd.	New Taipei City	Selling electronic components	1,429,883	1,429,883	68,237,890	100.00	1,356,870	32,069	32,069	Subsidiary
	Bothhand Enterprise Inc.	Taoyuan City	Manufacturing and selling computer components and electronic components	2,800,000	2,800,000	119,317,009	100.00	2,769,873	222,706	222,706	Subsidiary
Chilisin Holding (Samoa) Ltd.	Chilisin Holding (Hong Kong) Limited	Hong Kong	Investment	177,254	177,254	5,280,000	5.85	215,803	165,528	9,683	Subsidiary
Chilisin Holding (Hong Kong) Limited	Chilisin Electronics (Vietnam) Limited company	Vietnam	Manufacturing and selling electronic components	2,563,365	2,563,365	102,000,000	100.00	3,444,195	159,421	159,421	Subsidiary
Ferroxcube International Holding B.V.	Ferroxcube Italia S.r.l.	Italy	Selling electronic components	EUR 12	EUR 12	-	100.00	39,935	1,765	1,765	Subsidiary
	Ferroxcube Deutschland GmbH	Germany	Selling electronic components	EUR 50	EUR 50	-	100.00	169,562	5,142	5,142	Subsidiary
	Ferroxcube USA Inc.	America	Selling electronic components	US\$ 23	US\$ 23	-	100.00	54,332	6,482	6,482	Subsidiary
	Hispano Ferritas S.A.	Spain	Selling electronic components	EUR 9,063	EUR 9,063	-	100.00	30,799	5,128	5,128	Subsidiary
	Ferroxcube Polska Sp. Z.o.o.	Poland	Manufacturing and selling electronic components	PLN 55,243	PLN 55,243	-	100.00	1,768,667	36,011	36,011	Subsidiary
	Ferroxcube Hong Kong Limited	Hong Kong	Resource allocation center and Investment	HK\$ 79,551	HK\$ 79,551	-	67.00	585,265	165,710	111,026	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	288,265	165,710	54,684	Subsidiary
Mag. Layers Scientific-Technics Co., Ltd.	Mag. Layers International Co., Ltd.	The British Virgin Islands	Investment	736,428	736,428	24,500,000	100.00	1,683,169	226,248	226,248	Subsidiary
	Mag. Layers USA, Inc.	America	Selling electronic equipment	18,078	18,078	400,000	100.00	69,067	724	1,447	Subsidiary
Magic Technology Co., Ltd.	Magic Technology (Samoa) Co., Ltd.	Samoa	Investment	623,834	623,834	-	100.00	1,446,673	14,469	14,469	Subsidiary
Magic Technology (Samoa) Co., Ltd.	Classic Magic Developments Limited (Samoa)	Samoa	Selling electronic components	230,430	230,430	-	100.00	253,223	(33,614)	(33,614)	Subsidiary
	Trendy Island Investment Limited	Samoa	Investment	392,466	392,466	-	100.00	860,365	34,407	34,407	Subsidiary
Bothhand Enterprise Inc.	E-HENG Technology Co., Ltd. (Note 3)	Taoyuan City	Manufacturing and selling computer components and electronic components	-	4,400	-	-	-	12	12	Subsidiary
	Bothhand International Investment Co., Ltd.	The British Virgin Islands	Investment	60,829	60,829	1,000,000	100.00	1,831,003	125,959	125,959	Subsidiary

(Continued)

- Note 1: For information on investments in mainland China, refer to Table 8.
- Note 2: In order to reorganize and optimize operational efficiency, the board of Directors of Ko-E Component Co., Ltd. and Ko-E Electronics Trade Co., Ltd. approved the merger in December 2022. The merger effective date is on March 31, 2023, Ko-E Component Co., Ltd. shall be the surviving company, and Ko-E Electronics Trade Co., Ltd. shall be the dissolved company.
- Note 3: E-HENG Technology Co., Ltd. has dissolved and liquidated in the first quarter of 2023.
- Note 4: YAGEO Holding France has established in the first quarter of 2023.
- Note 5: In May 2023, the Group acquired 204,000 thousand ordinary shares of XSemi Corporation from Bao Shin International Investment Co., Ltd. and cumulatively acquired 50% of XSemi Corporation. The Group has the power to appoint the majority of the board of directors of XSemi Corporation, which has the power to direct the relevant activities of XSemi Corporation. Therefore, the Group concluded that it has control over XSemi Corporation and deems it a subsidiary.
- Note 6: In April 2023, the Group acquired 100% interest of the advanced temperature sensor business division of Heraeus Nexensos in a cash settlement. In November 2023, the Group acquired 100% interest of the advanced industrial and telemecanique sensors business division of Schneider Electric Industries SAS in a cash settlement.
- Note 7: All the above investment account and share of profit or loss relevant to subsidiaries have been eliminated upon consolidation.

(Concluded)

YAGEO CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTMENT IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2023
(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, 2023 (Foreign Currency in Thousands) (Note 3)	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2023 (Foreign Currency 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, 2023 (Foreign Currency in Thousands) (Note 3)	Accumulated Inward Remittance of Earnings as of December 31, 2023 (Foreign Currency in Thousands) (Note 3)
					Outflow (Note 3)	Inflow (Note 3)						
Yageo Electronics (Dongguan) Co., Ltd.	Manufacturing and selling passive components	US\$ 53,250 (\$ 1,636,639)	Indirect: Through a company registered in a third region	US\$ 46,510 (\$ 1,429,485)	\$ -	\$ -	US\$ 46,510 (\$ 1,429,485)	HK\$ 77,911 (\$ 310,117)	100.00	HK\$ 92,367 (\$ 367,658)	HK\$ 758,346 (\$ 2,983,637)	US\$ 61,915 (\$ 1,902,958)
Yageo Electronics (China) Co., Ltd.	Manufacturing and selling passive components	US\$ 301,977 (\$ 9,281,263)	Indirect: Through a company registered in a third region	US\$ 204,977 (\$ 6,299,968)	-	-	US\$ 204,977 (\$ 6,299,968)	HK\$ 226,420 (\$ 901,242)	100.00	HK\$ 225,336 (\$ 896,926)	HK\$ 2,858,454 (\$ 11,246,301)	US\$ 117,160 (\$ 3,600,913)
Yageo Components (Suzhou) Co., Ltd.	Manufacturing and selling passive components	US\$ 5,000 (\$ 153,675)	Indirect: Through a company registered in a third region	US\$ 5,000 (\$ 153,675)	-	-	US\$ 5,000 (\$ 153,675)	HK\$ 6,475 (\$ 25,773)	100.00	HK\$ 7,084 (\$ 28,197)	HK\$ 65,211 (\$ 256,566)	-
Yageo (Suzhou) Trade Co., Ltd.	Selling passive components	US\$ 5,000 (\$ 153,675)	Indirect: Through a company registered in a third region	US\$ 5,000 (\$ 153,675)	-	-	US\$ 5,000 (\$ 153,675)	HK\$ 39,258 (\$ 156,263)	100.00	HK\$ 39,258 (\$ 156,263)	HK\$ 205,143 (\$ 807,115)	-
Compostar Technology (Dongguan) Co., Ltd. (Note 7)	Manufacturing and selling passive components	US\$ 1,500 (\$ 46,103)	Indirect: Through a company registered in a third region	US\$ 1,164 (\$ 35,776)	-	-	US\$ 1,164 (\$ 35,776)	-	-	-	-	-
Compostar Technology (Suzhou) Co., Ltd. (Note 5)	Manufacturing and selling passive components	US\$ 5,150 (\$ 158,285)	Indirect: Through a company registered in a third region	US\$ 5,150 (\$ 158,285)	-	-	US\$ 5,150 (\$ 158,285)	-	-	-	-	-
Guo Chuang Electronics (Dongguan) Co., Ltd. (Note 8)	Manufacturing and selling passive components	US\$ 1,709 (\$ 52,526)	Indirect: Through a company registered in a third region	US\$ 789 (\$ 24,250)	-	-	US\$ 789 (\$ 24,250)	-	-	-	-	-
Ko-E Technology (Shenzhen) Co., Ltd.	Selling electronic components	US\$ 3,500 (\$ 107,573)	Indirect: Through a company registered in a third region	US\$ 3,150 (\$ 96,815)	-	-	US\$ 3,150 (\$ 96,815)	HK\$ 64,544 (\$ 256,911)	97.15	HK\$ 62,704 (\$ 249,589)	HK\$ 311,744 (\$ 1,226,526)	-
Guo Ray Electronics Co., Ltd. (Note 7)	Selling electronic components	US\$ 1,000 (\$ 30,735)	Indirect: Through a company registered in a third region	US\$ 460 (\$ 14,138)	-	-	US\$ 460 (\$ 14,138)	-	-	-	-	-
Chen-Xin Electronic (Chiao-Tao) Co., Ltd. (Note 5)	Manufacturing and selling passive components	HK\$ 1,000 (\$ 3,934)	Indirect: Through a company registered in a third region	US\$ 59 (\$ 1,813)	-	-	US\$ 59 (\$ 1,813)	-	-	-	-	-
Chen Xin (Dongguan) (Note 5)	Manufacturing passive components	US\$ 1,000 (\$ 30,735)	Indirect: Through a company registered in a third region	US\$ 460 (\$ 14,138)	-	-	US\$ 460 (\$ 14,138)	-	-	-	-	-
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 (\$ 3,390,101)	-	-	US\$ 110,301 (\$ 3,390,101)	164,951	100.00	164,951	1,165,723	-
Brightking (Shenzhen) Co., Ltd.	Selling overvoltage and overcurrent protection electronic components	94,380	Indirect: Through a company registered in a third region	-	-	-	-	84,108	100.00	84,108	410,313	-
Brightking (Shanghai) Co., Ltd.	Selling overvoltage and overcurrent protection electronic components	29,249	Indirect: Through a company registered in a third region	-	-	-	-	(9,712)	100.00	(9,712)	53,543	-
Brightking (Beijing) Co., Ltd. (Note 17)	Selling overvoltage and overcurrent protection electronic components	18,876	Indirect: Through a company registered in a third region	-	-	-	-	(397)	-	(397)	-	-
Huizhou Lien Shun Electronics Co., Ltd. (Note 10)	Manufacturing and selling overvoltage protection electronic components	-	Indirect: Through a company registered in a third region	US\$ 1,603 (\$ 49,268)	-	-	US\$ 1,603 (\$ 49,268)	-	-	-	-	-
Ceramate Technical (Suzhou) Co., Ltd. (Note 11)	Manufacturing and selling overvoltage and overcurrent protection electronic components	-	Indirect: Through a company registered in a third region	-	-	-	-	-	-	-	-	-

(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, 2023 (Foreign Currency in Thousands) (Note 3)	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2023 (Foreign Currency 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, 2023 (Foreign Currency in Thousands) (Note 3)	Accumulated Inward Remittance of Earnings as of December 31, 2023 (Foreign Currency in Thousands) (Note 3)
					Outflow (Note 3)	Inflow (Note 3)						
Yageo Components (Jiashan) Co, Ltd. (Note 19)	Manufacturing and selling overvoltage and overcurrent protection electronic components	\$ -	Indirect: Through a company registered in a third region	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	\$ -	\$ -
Pulse Electronics (Dongguan) Co., Ltd.	Manufacturing electronic components	HK\$ 197,297 (\$ 776,245)	Indirect: Through a company registered in a third region	US\$ 383,032 (\$ 11,772,489)	-	-	US\$ 383,032 (\$ 11,772,489)	239,062	100.00	239,062	2,437,073	-
Mian Yang Pulse Electronics Co., Ltd.	Manufacturing electronic components	US\$ 2,500 (\$ 76,838)	Indirect: Through a company registered in a third region	US\$ 37,012 (\$ 1,137,564)	-	-	US\$ 37,012 (\$ 1,137,564)	124,737	100.00	124,737	515,271	-
Suining Pulse Electronics Co., Ltd.	Manufacturing electronic components	US\$ 1,500 (\$ 46,103)	Indirect: Through a company registered in a third region	US\$ 37,445 (\$ 1,150,872)	-	-	US\$ 37,445 (\$ 1,150,872)	126,327	100.00	126,327	377,241	-
Pulse (Suzhou) Wireless Products Co., Ltd.	Manufacturing electronic components	US\$ 26,804 (\$ 823,821)	Indirect: Through a company registered in a third region	US\$ 21,788 (\$ 669,654)	-	-	US\$ 21,788 (\$ 669,654)	(76,173)	100.00	(76,173)	190,057	-
Pulse Electronics (ShenZhen) Co., Ltd.	Manufacturing electronic components	US\$ 650 (\$ 19,978)	Indirect: Through a company registered in a third region	US\$ 3,533 (\$ 108,587)	-	-	US\$ 3,533 (\$ 108,587)	(1,424)	100.00	(1,424)	11,408	-
Shengsheng Technology (Suzhou) Co., Ltd. (Note 9)	Manufacturing electronic components	US\$ 9,000 (\$ 276,615)	Indirect: Through a company registered in a third region	US\$ 9,656 (\$ 296,777)	-	-	US\$ 9,656 (\$ 296,777)	-	-	-	-	-
EGSTON Zhuhai Co. Ltd.	Manufacturing electronic components	US\$ 2,340 (\$ 71,920)	Indirect: Through a company registered in a third region	US\$ 19,748 (\$ 606,955)	-	-	US\$ 19,748 (\$ 606,955)	26,199	100.00	26,199	321,866	-
KEMET Electronics (Suzhou) Co., Ltd.	Manufacturing and selling electronic components	US\$ 26,667 (\$ 819,610)	Indirect: Through a company registered in a third region	US\$ 208,750 (\$ 6,415,931)	-	-	US\$ 208,750 (\$ 6,415,931)	US\$ 7,975 (\$ 248,488)	100.00	US\$ 7,975 (\$ 248,488)	US\$ 109,589 (\$ 3,368,221)	US\$ 5,395 (\$ 165,815)
Shanghai Arcotronics Components & Machineries Co., Ltd.	Manufacturing electronic components	RMB 32,600 (\$ 141,151)	Indirect: Through a company registered in a third region	-	-	-	-	US\$ 1,352 (\$ 42,139)	100.00	US\$ 1,352 (\$ 42,139)	US\$ 27,353 (\$ 840,686)	-
KEMET Jianghai Electronics Components Co., Ltd.	Manufacturing electronic components	US\$ 22,000 (\$ 676,170)	Indirect: Through a company registered in a third region	US\$ 16,666 (\$ 512,230)	-	-	US\$ 16,666 (\$ 512,230)	US\$ (1,197) (\$ (37,286))	50.00	US\$ (598) (\$ (18,643))	US\$ 662 (\$ 20,358)	-
TOKIN Electronics (Xiamen) Corporation	Manufacturing electronic components	US\$ 31,000 (\$ 952,785)	Indirect: Through a company registered in a third region	US\$ 57,825 (\$ 1,777,251)	-	-	US\$ 57,825 (\$ 1,777,251)	US\$ 1,409 (\$ 43,890)	100.00	US\$ 1,409 (\$ 43,890)	US\$ 32,512 (\$ 999,265)	-
Shenzhen Ruiyi Electronics Co., Ltd.	Selling electronic components	RMB 7,492 (\$ 32,439)	Indirect: Through a company registered in a third region	-	-	-	-	US\$ 952 (\$ 29,661)	30.00	US\$ 286 (\$ 8,898)	US\$ 2,346 (\$ 72,100)	-
TESE China Co., Ltd.	Manufacturing and selling industrial and telemecanique sensor	US\$ 40,050 (\$ 1,230,937)	Indirect: Through a company registered in a third region	-	-	-	US\$ 40,050 (\$ 1,230,937)	RMB 1,580 (\$ 6,951)	100.00	RMB 1,580 (\$ 6,951)	RMB 277,980 (\$ 1,203,598)	-
Dongguan Chilisin Electronics Co., Ltd.	Manufacturing and selling electronic components	HK\$ 495,060 (\$ 1,947,764)	Indirect: Through a company registered in a third region	US\$ 66,209 (\$ 2,034,934)	-	-	US\$ 66,209 (\$ 2,034,934)	US\$ 869 (\$ 27,078)	100.00	US\$ 869 (\$ 27,078)	US\$ 79,167 (\$ 2,433,185)	-
Chilisin Electronics (Su Zhou) Co., Ltd. (Note 12)	Manufacturing and selling electronic components	US\$ 5,850 (\$ 179,800)	Indirect: Through a company registered in a third region	US\$ 5,272 (\$ 162,035)	-	-	US\$ 5,272 (\$ 162,035)	-	-	-	-	-
Chilisin Electronics (Henan) Co., Ltd. (Note 12)	Manufacturing and selling electronic components	US\$ 4,000 (\$ 122,940)	Indirect: Through a company registered in a third region	US\$ 4,000 (\$ 122,940)	-	-	US\$ 4,000 (\$ 122,940)	-	-	-	-	-
Dongguan CNA Electronics Co., Ltd.	Manufacturing and selling electronic components	US\$ 1,000 (\$ 30,735)	Indirect: Through a company registered in a third region	US\$ 500 (\$ 15,368)	-	-	US\$ 500 (\$ 15,368)	US\$ 592 (\$ 18,443)	50.00	US\$ 296 (\$ 9,222)	US\$ 1,387 (\$ 42,627)	-
Dongguan Lianmao Electronics Co., Ltd. (Note 14)	Selling electronic components	US\$ 200 (\$ 6,147)	Indirect: Through a company registered in a third region	US\$ 200 (\$ 6,147)	-	-	US\$ 200 (\$ 6,147)	-	-	-	-	-
Suzhou Qiyixin Electronics Co., Ltd.	Selling electronic components	US\$ 2,000 (\$ 61,470)	Indirect: Through a company registered in a third region	US\$ 2,000 (\$ 61,470)	-	-	US\$ 2,000 (\$ 61,470)	US\$ (100) (\$ (3,125))	100.00	US\$ (100) (\$ (3,125))	US\$ 1,627 (\$ 50,006)	-
Hunan Chilisin Electronics Technology Co., Ltd.	Manufacturing and selling electronic components	US\$ 69,000 (\$ 2,120,715)	Indirect: Through a company registered in a third region	US\$ 69,000 (\$ 2,120,715)	-	-	US\$ 69,000 (\$ 2,120,715)	US\$ 5,585 (\$ 174,003)	100.00	US\$ 5,585 (\$ 174,003)	US\$ 73,982 (\$ 2,273,844)	-

(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, 2023 (Foreign Currency in Thousands) (Note 3)	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2023 (Foreign Currency 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, 2023 (Foreign Currency in Thousands) (Note 3)	Accumulated Inward Remittance of Earnings as of December 31, 2023 (Foreign Currency in Thousands) (Note 3)
					Outflow (Note 3)	Inflow (Note 3)						
Shenzhen Chilisin Electronics Co., Ltd.	Selling electronic components	US\$ 900 (\$ 27,662)	Indirect: Through a company registered in a third region	US\$ 900 (\$ 27,662)	\$ -	\$ -	US\$ 900 (\$ 27,662)	US\$ 1,260 (\$ 39,258)	100.00	US\$ 1,260 (\$ 39,258)	US\$ 2,865 (\$ 88,042)	\$ -
Yuanling Country Xianghua Electronic Technology Co., Ltd.	Manufacturing and selling electronic components	RMB 15,000 (\$ 64,947)	Indirect: Through a company in mainland China	-	-	-	-	-	49.90	-	-	-
Mag. Layers International Co., Ltd.	Manufacturing and selling passive components	US\$ 28,479 (\$ 875,302)	Indirect: Through a company registered in a third region	US\$ 24,500 (\$ 753,008)	-	-	US\$ 24,500 (\$ 753,008)	US\$ 7,461 (\$ 232,466)	100.00	US\$ 7,461 (\$ 232,466)	US\$ 38,633 (\$ 1,187,386)	-
Shin Yuan Electronics Productions (Kunshan) Co., Ltd.	Manufacturing and selling electronic components	RMB 41,446 (\$ 179,455)	Indirect: Through a company in mainland China	-	-	-	-	RMB 17,751 (\$ 78,095)	100.00	RMB 17,751 (\$ 78,095)	RMB 232,130 (\$ 1,005,520)	-
Ferroxcube Electronics (Dongguan) Limited	Manufacturing and selling electronic components	US\$ 22,300 (\$ 685,391)	Indirect: Through a company registered in a third region	US\$ 21,122 (\$ 649,185)	-	-	US\$ 21,122 (\$ 649,185)	EUR 4,022 (\$ 135,547)	100.00	EUR 4,022 (\$ 135,547)	EUR 30,313 (\$ 1,030,520)	-
Magic Electronic Technology (Shenzhen) Co., Ltd.	Manufacturing and selling electronic components	US\$ 1,287 (\$ 39,556)	Indirect: Through a company registered in a third region	US\$ 1,287 (\$ 39,556)	-	-	US\$ 1,287 (\$ 39,556)	US\$ 383 (\$ 11,948)	100.00	US\$ 383 (\$ 11,948)	US\$ 2,190 (\$ 67,322)	-
Magic Trade (Shenzhen) Co., Ltd.	Selling electronic components	US\$ 79 (\$ 2,428)	Indirect: Through a company registered in a third region	US\$ 79 (\$ 2,428)	-	-	US\$ 79 (\$ 2,428)	US\$ (66) (\$ (2,042))	100.00	US\$ (66) (\$ (2,042))	US\$ 3,911 (\$ 120,201)	-
Magic Electronic Technology (Hunan) Co., Ltd.	Manufacturing and selling electronic components	US\$ 1,000 (\$ 30,735)	Indirect: Through a company registered in a third region	US\$ 1,000 (\$ 30,735)	-	-	US\$ 1,000 (\$ 30,735)	US\$ (23) (\$ (729))	100.00	US\$ (23) (\$ (729))	US\$ 899 (\$ 27,643)	-
Magic Electronic Technology (Chongqing) Co., Ltd.	Manufacturing and selling electronic components	US\$ 13,000 (\$ 399,555)	Indirect: Through a company registered in a third region	US\$ 13,000 (\$ 399,555)	-	-	US\$ 13,000 (\$ 399,555)	US\$ 1,087 (\$ 33,855)	100.00	US\$ 1,087 (\$ 33,855)	US\$ 28,915 (\$ 888,711)	-
Bothhand Enterprise (Guangzhou) Inc. (Note 13)	Manufacturing and selling computer components and electronic components	-	Indirect: Through a company registered in a third region	HK\$ 5,764 (\$ 22,678)	-	-	HK\$ 5,764 (\$ 22,678)	-	-	-	-	-
Kaiping Bothhand Electronics Co., Ltd. (Note 15)	Manufacturing and selling computer components and electronic components	-	Indirect: Through a company registered in a third region	US\$ 879 HK\$ 34,609 (\$ 163,182)	-	-	US\$ 879 HK\$ 34,609 (\$ 163,182)	-	-	-	-	-
Guangzhou Bothhand Electronics Co., Ltd.	Manufacturing and selling computer components and electronic components	US\$ 2,022 (\$ 62,146)	Indirect: Through a company registered in a third region	US\$ 978 (\$ 30,059)	-	-	US\$ 978 (\$ 30,059)	RMB 706 (\$ 3,105)	100.00	RMB 706 (\$ 3,105)	RMB 46,114 (\$ 199,663)	-
Deyang Bothhand Electronics Co., Ltd.	Manufacturing and selling computer components and electronic components	US\$ 5,000 (\$ 153,675)	Indirect: Through a company registered in a third region	-	-	-	-	RMB 27,154 (\$ 119,462)	100.00	RMB 27,154 (\$ 119,462)	RMB 182,216 (\$ 788,957)	-
Guangzhou Chenghan Electronic Technology Co., Ltd.	Manufacturing and selling computer components and electronic components	RMB 25,988 (\$ 112,523)	Indirect: Through a company in mainland China	-	-	-	-	RMB 266 (\$ 1,171)	100.00	RMB 266 (\$ 1,171)	RMB 40,225 (\$ 174,296)	-
Deyang Shisheng Electronics Co., Ltd. (Note 18)	Manufacturing and selling computer components and electronic components	RMB 5,000 (\$ 21,649)	Indirect: Through a company in mainland China	-	-	-	-	RMB 162 (\$ 713)	-	RMB 162 (\$ 713)	-	-
Deyang Hongyi Electronics Co., Ltd.	Manufacturing and selling computer components and electronic components	RMB 30,000 (\$ 129,894)	Indirect: Through a company in mainland China	-	-	-	-	RMB 4,699 (\$ 20,674)	51.00	RMB 2,397 (\$ 10,544)	RMB 21,384 (\$ 92,590)	-
Magic (Suzhou) Photoelectric Technology., Ltd. (Note 12)	Manufacturing electronic components	-	Direct investment in mainland China	US\$ 400 (\$ 12,294)	-	-	US\$ 400 (\$ 12,294)	-	-	-	-	-

Accumulated Investment in Mainland China as of December 31, 2023 (US\$ in Thousands) (Note 3)	Investment Amounts Authorized by Investment Commission, MOEA (US\$ in Thousands) (Note 3)	Upper Limit on Investment
\$44,389,577 (US\$1,444,268)	\$49,521,093 (US\$1,571,178) (Note 1)	(Note 2)

(Continued)

- 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, 2023, of NTD to RMB, HKD and USD, which were 1:4.3298, 1:3.9344 and 1:30.735, respectively.
- Note 4: The currency exchange rates in 2023, of NTD to RMB, HKD and USD, which were 1:4.3995, 1:3.9804 and 1:31.158, 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: All the above investment account and share of profit or loss relevant to subsidiaries have been eliminated on consolidation.
- Note 7: Compostar Technology (Dongguan) Co., Ltd. and Guo Ray Electronics Co., Ltd. were cancelled in the third quarter of 2019.
- Note 8: Guo Chuang Electronics (Dongguan) Co., Ltd. was cancelled in March 2021.
- Note 9: Shengsheng Technology (Suzhou) Co., Ltd. was cancelled in September 2021.
- Note 10: Huizhou Lien Shun Electronics Co., Ltd. was dissolved and liquidated in September 2021.
- Note 11: Ceramate Technical (Suzhou) Co., Ltd. was dissolved and liquidated in January 2022.
- Note 12: Chilisín Electronics (Henan) Co., Ltd., Chilisín Electronics (Su Zhou) Co., Ltd., Magic (Suzhou) Photoelectric Technology., Ltd., Ltd., Magic Electronic Technology (Dongguan) Co., Ltd. and Kunshan Taijun Electronics Co., Ltd. were liquidated in May 2020, June 2020, November 2020, January 2021 and January 2021, respectively.
- Note 13: Bothhand Enterprise (Guangzhou) Inc. was liquidated in January 2011, but the remaining capital stock has not yet been remitted back to Taiwan.
- Note 14: Dongguan Lianmao Electronics Co., Ltd. was dissolved and liquidated in the fourth quarter of 2021.
- Note 15: Kaiping Bothhand Electronics Co., Ltd. was sold in July 2021 and its stock was transferred in October 2021.
- Note 16: Hunan Bothhand Electronics Co., Ltd. was liquidated in August 2022, but the remaining capital stock has not yet been remitted back to Taiwan.
- Note 17: Brightking (Beijing) Co., Ltd. was liquidated in January 2023.
- Note 18: Deyang Shisheng Electronics Co., Ltd. was liquidated in the second quarter of 2023.
- Note 19: Bestbright Electronics Co., Ltd. has decided through the board of directors to sell 100% equity of Yageo Components (Jiashan) Co, Ltd. and signed a sale contract with unrelated parties, with a total price of RMB 52,000,000. The equity transfer transaction was completed in November 2023.

(Concluded)

TABLE 9

YAGEO CORPORATION AND SUBSIDIARIES

**INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE YEAR ENDED DECEMBER 31, 2023
(Amounts in Thousands of New Taiwan Dollars)**

No.	Company Name	Counterparty	Nature of Relationship (Note 1)	Intercompany Transactions			
				Financial Statements Item	Amount	Terms	Percentage of Consolidated Net Revenue or Total Assets
0	Yageo Corporation	Yageo Corporation (South Asia)	a.	Sales	\$ 1,157,811	T/T 90 days	1
		Yageo Europe Holding B.V.	a.	Sales	1,536,482	Offset account T/T 45 days	1
		Yageo USA (H.K.) Limited	a.	Sales	15,004,887	Offset account T/T 90 days	14
		Yageo Electronics (China) Co., Ltd.	a.	Sales	1,741,013	T/T 90 days	2
		Yageo Electronics (Dongguan) Co., Ltd.	a.	Sales	2,352,082	Offset account T/T 90 days	2
1	Yageo Electronics (China) Co., Ltd.	Yageo Corporation	b.	Sales	10,089,873	T/T 90 days	9
2	Yageo USA (H.K.) Limited	Yageo Electronics (Dongguan) Co., Ltd.	c.	Sales	3,075,737	T/T 90 days	3
		Yageo (Suzhou) Trade Co., Ltd.	c.	Sales	7,864,186	T/T 90 days	7
		Yageo (Suzhou) Trade Co., Ltd.	c.	Receivables from related parties	3,654,398	T/T 90 days	1
3	Yageo (Suzhou) Trade Co., Ltd.	Ko-E Technology (Shenzhen) Co., Ltd.	c.	Sales	6,886,697	T/T 65 days	6
4	Yageo Electronics (Dongguan) Co., Ltd.	Yageo Corporation	b.	Sales	7,064,879	Offset account T/T 90 days	7
5	Yageo Holding (Bermuda) Ltd.	Yageo Corporation	b.	Receivables from related parties	9,220,500	Financing	3
		Yageo USA (H.K.) Limited	c.	Receivables from related parties	6,091,136	Financing	2
		Yageo Europe Holding B.V.	c.	Receivables from related parties	5,879,795	Financing	2
6	Yageo Electronics Holding (S) PTE. LTD.	Yageo Holding France	a.	Receivables from related parties	6,799,197	Financing	2
7	EGSTON System Electronic spol.s.r.o.	EGSTON System Electronics Eggenburg GmbH	c.	Sales	1,525,624	T/T 30 days	1
		EGSTON Automotive Eggenburg GmbH	c.	Sales	2,082,305	T/T 30 days	2
8	Dongguan Pulse Electronics Co., Ltd.	Pulse Electronics (Singapore) Pte. Ltd	b.	Sales	1,911,224	T/T 90 days	2
9	Mianyang Pulse Electronics Co., Ltd.	Pulse Electronics (Singapore) Pte. Ltd	b.	Sales	1,706,359	T/T 90 days	2
10	Suining Pulse Electronics Co., Ltd.	Pulse Electronics (Singapore) Pte. Ltd	b.	Sales	1,121,625	T/T 90 days	1
11	KEMET Electronics Corporation	KEMET Electronics Marketing (S) Pte Ltd	a.	Sales	2,509,336	Net 60 days	2
12	TOKIN Corporation	TOKIN Hong Kong Ltd.	a.	Sales	3,166,482	T/T 90 days	3
13	TOKIN Electronics (Vietnam) Co., Ltd.	TOKIN Corporation	b.	Sales	1,731,558	Net 50 days	2

(Continued)

No.	Company Name	Counterparty	Nature of Relationship (Note 1)	Intercompany Transactions			
				Financial Statements Item	Amount	Terms	Percentage of Consolidated Net Revenue or Total Assets
14	TOKIN Electronics (Thailand) Co., Ltd.	TOKIN Corporation	b.	Sales	\$ 2,637,487	T/T 80 days	2
15	Chilisin Electronics Corp.	Pulse Electronics (Singapore) Pte. Ltd	c.	Sales	1,272,491	T/T 120 days	1
16	Mag. Layers International Co., Ltd.	Mag. Layers Scientific-Technics Co., Ltd.	b.	Sales	1,181,760	T/T 120 days	1

Note 1: The flow of related-party transactions is as follows:

- a. From the parent company to its subsidiary.
- b. From a subsidiary to its parent company.
- c. Between subsidiaries.

Note 2: The percentage calculation is based on the consolidated total operating revenues or total assets. For balance sheet items, each item’s period-end balance is shown as a percentage to consolidated total assets as of December 31, 2023. For profit or loss items, cumulative amounts are shown as a percentage to consolidated total operating revenues for the year ended December 31, 2023.

Note 3: The above table only discloses each of the related-party transactions which amount to at least 1% of total revenue or total assets, while the reverse flow of transactions is not additionally disclosed.

Note 4: The intercompany transactions have been eliminated on consolidation.

(Concluded)

TABLE 10**YAGEO CORPORATION AND SUBSIDIARIES****INFORMATION OF MAJOR SHAREHOLDERS****DECEMBER 31, 2023**

Shareholders	Shares	
	Total Shares Owned	Ownership Percentage (%)
Tie-Min Chen	29,589,231	6.98
CTBC Bank as Custodian for PRC Holding Limited	27,900,000	6.58
CTBC Bank as Custodian for Dominant Investment Holdings Ltd.	27,850,961	6.57

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.

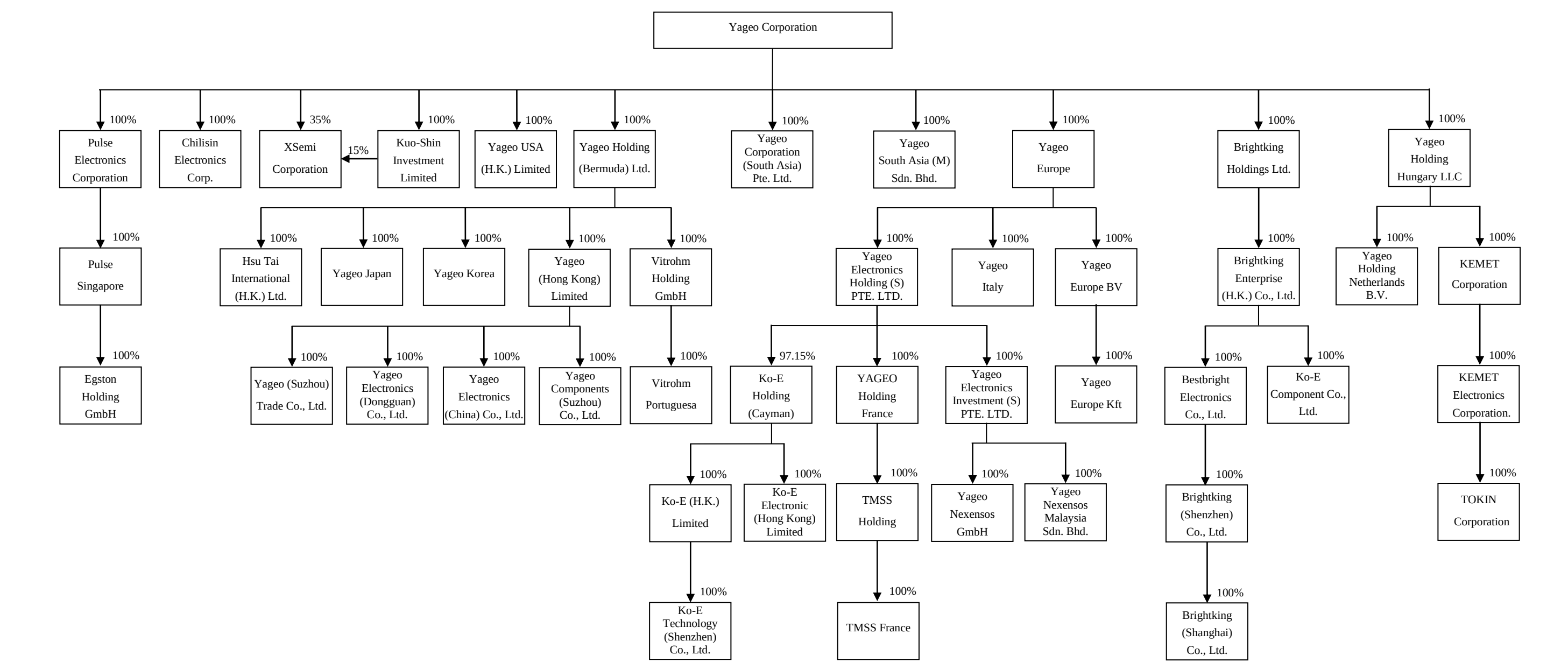
Note 2: If a shareholder delivers the shareholdings to the trust, the above information will be disclosed by the individual trustee who opened the trust account. For shareholders who declare insider shareholdings with ownership greater than 10% in accordance with the Security and Exchange Act, the shareholdings 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.

TABLE 12

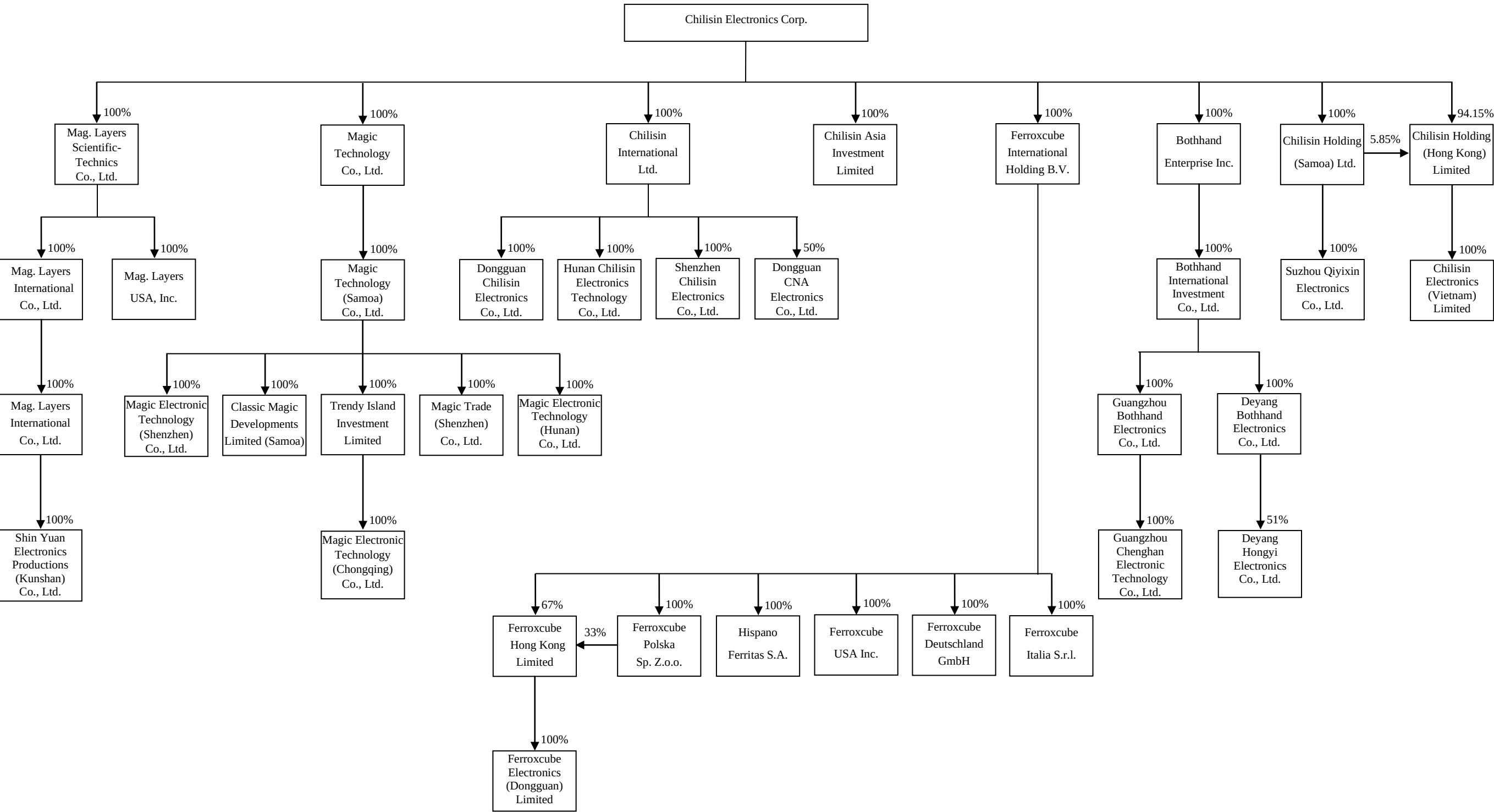
YAGEO CORPORATION AND SUBSIDIARIES

THE GROUP’S ORGANIZATION CHART
DECEMBER 31, 2023 AND 2022

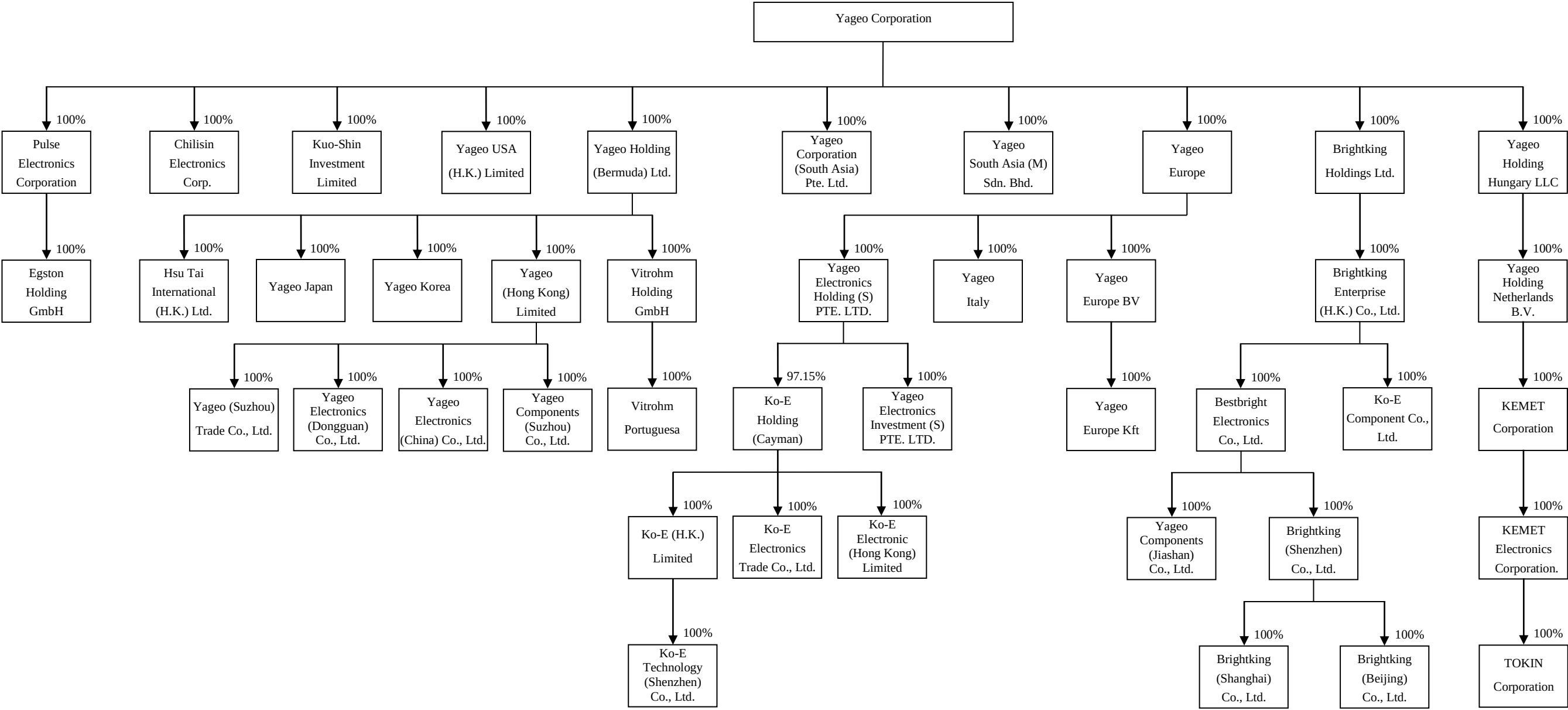
2023



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