Mosel Vitelic Inc. and Subsidiaries

Consolidated Financial Statements and

Independent Auditors' Review Report

March 31, 2024 and 2023

(Stock Code: 2342)

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Mosel Vitelic Inc. and Subsidiaries

Consolidated Financial Statements and Independent Auditors' Review Report

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Independent Auditors' Review Report

To the Board of Directors and Shareholders of Mosel Vitelic Inc.

Introduction

We have reviewed the accompanying consolidated balance sheets of Mosel Vitelic Inc. and subsidiaries as at March 31, 2024 and 2023, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the three-month periods then ended, and notes to the consolidated financial statements, including a summary of material accounting policies. Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and International Accounting Standard 34, "Interim Financial Reporting" that came into effect as endorsed by the Financial Supervisory Commission. Our responsibility is to express a conclusion on these consolidated financial statements based on our reviews.

Scope of review

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

Basis for qualified conclusion

As explained in Notes 4(3), the consolidated financial statements of certain insignificant consolidated subsidiaries and downstream investments accounted for under equity method were not reviewed by independent auditors. Total assets of these subsidiaries amounted to NT$209,277 thousand and NT$235,146 thousand, constituting 6.21% and 6.10% of the consolidated total assets as at March 31, 2024 and 2023, respectively, total liabilities amounted to NT$55,802 thousand and NT$59,703 thousand, constituting 5.51% and 4.32% of the consolidated total liabilities as at March 31, 2024 and 2023, respectively, and the total comprehensive income (loss) amounted to NT$1,802 thousand and (NT$491) thousand, constituting (17.09%) and (1.04%) of the consolidated total comprehensive income for the three-month periods then ended, respectively.

Qualified conclusion

Except for the impact of any adjustments that might have been determined to be necessary if the financial statements of certain insignificant consolidated subsidiaries and downstream investments accounted for under equity method as at March 31, 2024 and 2023 as described in the Basis for qualified conclusion section above been reviewed by independent auditors,based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of Mosel Vitelic Inc. and subsidiaries as at March 31, 2024 and 2023, and of its consolidated financial performance and cash flows for the three-month periods then ended in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” and International Accounting Standard 34, “Interim Financial Reporting” that came into effect as endorsed by the Financial Supervisory Commission.

The engagement partners on the reviews resulting in this independent auditors’ review report are Ya-Hui Cheng and Shu-Chien Pai.

PricewaterhouseCoopers, Taiwan

April 29, 2024

<u>*Notice to Readers*</u>

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 review such consolidated financial statements are those generally applied in the Republic of China.

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

Mosel Vitelic Inc. and Subsidiaries
Consolidated Balance Sheets
March 31, 2024, December 31, 2023 and March 31, 2023

(In Thousands of New Taiwan Dollars)

	Assets	Notes	March 31, 2024 Amount	%	December 31, 2023 Amount	%	March 31, 2023 Amount	%
	Current assets							
1100	Cash and cash equivalents	6(1)	$ 1,486,271	44	$ 988,930	29	$ 1,502,288	39
1136	Financial assets at amortized cost - current	6(3) and 8	92,994	3	721,333	21	708,592	18
1170	Accounts receivable, net	6(4)	148,828	5	127,588	4	198,600	5
1180	Accounts receivable - related parties, net	6(4) and 7	110,790	3	86,875	2	41,558	1
1200	Other receivables		5,341	-	8,204	-	5,555	-
1220	Current tax assets		6,161	-	5,132	-	2,820	-
130X	Inventories	6(5)	304,921	9	268,794	8	261,134	7
1410	Prepayments	6(6) and 9(2)	38,842	1	26,933	1	21,344	1
11XX	**Total current assets**		2,194,148	65	2,233,789	65	2,741,891	71
	Non-current assets							
1517	Financial assets at fair value through other comprehensive income - non-current	6(2)	16,162	-	16,911	-	29,548	1
1535	Financial assets at amortized cost - non-current	6(3) and 8	17,907	1	17,907	1	17,907	-
1600	Property, plant and equipment	6(8)	720,742	21	723,743	21	558,082	15
1755	Right-of-use assets	6(9)	295,910	9	298,854	9	304,671	8
1780	Intangible assets		1,230	-	906	-	453	-
1900	Other non-current assets	6(10)	124,366	4	124,877	4	201,131	5
15XX	**Total non-current assets**		1,176,317	35	1,183,198	35	1,111,792	29
1XXX	**Total assets**		$ 3,370,465	100	$ 3,416,987	100	$ 3,853,683	100

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Mosel Vitelic Inc. and Subsidiaries
Consolidated Balance Sheets
March 31, 2024, December 31, 2023 and March 31, 2023

(In Thousands of New Taiwan Dollars)

	Liabilities and equity	Notes	March 31, 2024 Amount	%	December 31, 2023 Amount	%	March 31, 2023 Amount	%
	Current liabilities							
2130	Contract liabilities - current	6(21)	$ 11,612	-	$ 14,497	-	$ 11,316	-
2150	Notes payable		7	-	7	-	7	-
2170	Accounts payable	6(11)	102,979	3	108,701	3	132,832	4
2180	Accounts payable - related parties	7	59,958	2	20,761	1	-	-
2200	Other payables	6(12)	183,069	5	202,235	6	389,214	10
2220	Other payables - related parties	7	-	-	1,327	-	-	-
2230	Current tax liabilities		183	-	183	-	555	-
2280	Lease liabilities - current		9,377	-	9,318	-	8,193	-
2300	Other current liabilities	6(13) and 7	290,492	9	229,303	7	240,401	6
21XX	**Total current liabilities**		657,677	19	586,332	17	782,518	20
	Non-current liabilities							
2580	Lease liabilities - non-current		303,767	9	306,134	9	311,027	8
2600	Other non-current liabilities	6(14) and 7	52,060	2	160,609	5	274,774	7
25XX	**Total non-current liabilities**		355,827	11	466,743	14	585,801	15
2XXX	**Total liabilities**		1,013,504	30	1,053,075	31	1,368,319	35
	Equity attributable to the owners of the parent company							
	Share capital	6(17)						
3110	Common shares		1,571,567	47	1,571,567	46	1,561,567	41
	Capital surplus	6(18)						
3200	Capital surplus		594,701	18	594,701	17	570,051	15
	Retained earnings	6(19)						
3310	Appropriated as legal capital reserve		80,899	2	80,899	2	52,665	1
3320	Appropriated as special capital reserve		80,827	2	80,827	2	78,822	2
3350	Undistributed earnings		112,531	3	122,490	4	276,803	7
	Other equity interest	6(20)						
3400	Other equity interest		(106,898)	(3)	(109,744)	(3)	(80,607)	(2)
31XX	**Total equity attributable to the owners of the parent company**		2,333,627	69	2,340,740	68	2,459,301	64
36XX	**Non-controlling interests**	4(3)	23,334	1	23,172	1	26,063	1
3XXX	**Total equity**		2,356,961	70	2,363,912	69	2,485,364	65
	Significant contingent liabilities and unrecognized contract commitments	9						
	Significant Subsequent Events	11						
3X2X	**Total liabilities and equity**		$ 3,370,465	100	$ 3,416,987	100	$ 3,853,683	100

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

Chairman: I-Hsien Tang　　Managerial Officer: Chien Chih Lu　　Accounting Officer: Ya-Fei Yang

Mosel Vitelic Inc. and Subsidiaries
Consolidated Statement of Comprehensive Income
For the three-months periods ended March 31, 2024 and 2023

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

	Item	Notes	Three months ended March 31 2024 Amount	2024 %	2023 Amount	2023 %
4000	Operating revenue	6(21) and 7	$ 351,559	100	$ 391,502	100
5000	Operating costs	6(5)(26)(27)	(313,138)	(89)	(373,537)	(96)
5900	Gross profit		38,421	11	17,965	4
	Operating expenses	6(26)(27)				
6100	Sales and marketing expenses		(5,861)	(2)	(4,708)	(1)
6200	General and administrative expenses		(35,143)	(10)	(25,869)	(7)
6300	Research and development expenses		(36,956)	(10)	(24,991)	(6)
6450	Expected credit gains	12(2)	97	-	-	-
6000	Total operating expenses		(77,863)	(22)	(55,568)	(14)
6900	Operating loss		(39,442)	(11)	(37,603)	(10)
	Non-operating income and expenses					
7100	Interest income	6(22)	9,320	3	8,904	2
7010	Other income	6(23)	470	-	3,747	1
7020	Other gains and losses	6(24)	21,845	6	(20,325)	(5)
7050	Financial costs	6(25)	(1,990)	(1)	(2,028)	-
7000	Total non-operating income and expenses		29,645	8	(9,702)	(2)
7900	**Net loss before tax**		(9,797)	(3)	(47,305)	(12)
7950	Income tax expenses	6(28)	-	-	-	-
8200	**Net loss**		($ 9,797)	(3)	($ 47,305)	(12)
	Other comprehensive income (loss)					
	Items that will not be reclassified subsequently to profit or loss					
8316	Unrealized gains or losses on investments in equity instruments measured at fair value through other comprehensive income	6(2)(20)	($ 749)	-	$ 211	-
8300	**Other comprehensive income (loss), net**		($ 749)	-	$ 211	-
8500	**Total comprehensive (loss) income**		($ 10,546)	(3)	($ 47,094)	(12)
	Net loss attributable to:					
8610	Owners of the parent company		($ 9,959)	(3)	($ 47,118)	(12)
8620	Non-controlling interests		162	-	(187)	-
			($ 9,797)	(3)	($ 47,305)	(12)

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Mosel Vitelic Inc. and Subsidiaries
Consolidated Statement of Comprehensive Income
For the three-months periods ended March 31, 2024 and 2023

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

	Item	Notes	Three months ended March 31			
			2024		2023	
			Amount	%	Amount	%
	Total comprehensive loss attributable to:					
8710	Owners of the parent company		($ 10,708)	(3)	($ 46,900)	(12)
8720	Non-controlling interests		162	-	(194)	-
			($ 10,546)	(3)	($ 47,094)	(12)
	Earnings (loss) per share (NTD)	6(29)				
9750	Basic earnings (loss) per share		($ 0.06)		($ 0.30)	
9850	Diluted earnings (loss) per share		($ 0.06)		($ 0.30)	

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

Chairman: I-Hsien Tang   Managerial Officer: Chien Chih Lu   Accounting Officer: Ya-Fei Yang

Mosel Vitelic Inc. and Subsidiaries
Consolidated Statements of Changes in Equity
For the three-months periods ended March 31, 2024 and 2023

(In Thousands of New Taiwan Dollars)

		Equity attributable to owners of the parent company									
				Retained earnings			Other equity interest				
	Notes	Common shares	Capital surplus	Legal reserve	Special reserve	Retained earnings (accumulated deficits)	Unrealized gain (losses) on financial assets measured at fair value through other comprehensive income	Unearned compensation of employees	Total	Non-controlling interests	Total equity
2023											
Balance, January 1, 2023		$ 1,561,567	$ 570,051	$ 52,665	$ 78,822	$ 480,078	($ 80,825)	$ -	$ 2,662,358	$ 26,257	$ 2,688,615
Net (loss)		-	-	-	-	(47,118)	-	-	(47,118)	(187)	(47,305)
Other comprehensive income (loss)	6(20)	-	-	-	-	-	218	-	218	(7)	211
Total comprehensive income		-	-	-	-	(47,118)	218	-	(46,900)	(194)	(47,094)
Appropriation and distribution of 2022 retained earnings	6(19)										
Cash dividends		-	-	-	-	(156,157)	-	-	(156,157)	-	(156,157)
Balance, March 31, 2023		$ 1,561,567	$ 570,051	$ 52,665	$ 78,822	$ 276,803	($ 80,607)	$ -	$ 2,459,301	$ 26,063	$ 2,485,364
2024											
Balance, January 1, 2024		$ 1,571,567	$ 594,701	$ 80,899	$ 80,827	$ 122,490	($ 86,292)	($ 23,452)	$ 2,340,740	$ 23,172	$ 2,363,912
Net (loss)		-	-	-	-	(9,959)	-	-	(9,959)	162	(9,797)
Other comprehensive (loss)	6(20)	-	-	-	-	-	(749)	-	(749)	-	(749)
Total comprehensive (loss)		-	-	-	-	(9,959)	(749)	-	(10,708)	162	(10,546)
Share-based compensation costs	6(16)(20)	-	-	-	-	-	-	3,595	3,595	-	3,595
Balance, March 31, 2024		$ 1,571,567	$ 594,701	$ 80,899	$ 80,827	$ 112,531	($ 87,041)	($ 19,857)	$ 2,333,627	$ 23,334	$ 2,356,961

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

Chairman: I-Hsien Tang Managerial Officer: Chien Chih Lu Accounting Officer: Ya-Fei Yang

Mosel Vitelic Inc.
Consolidated Statements of Cash Flows
For the three-months periods ended March 31, 2024 and 2023

(In Thousands of New Taiwan Dollars)

	Notes	Three months ended March 31 2024	Three months ended March 31 2023
Cash flows from operating activities			
Net loss before tax		($ 9,797)	($ 47,305)
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation expense	6(8) (9) (26)	22,058	17,131
Amortization expense	6(26)	74	45
Expected credit gains	12(2)	(97)	-
Interest expense	6(25)	1,990	2,028
Interest income	6(22)	(9,320)	(8,904)
Share-based compensation costs	6(16)(20)	3,595	-
Gain on disposal or retirement of property, plant and equipment	6(24)	(2,441)	(2,150)
Changes in operating assets/liabilities			
Net changes in operating assets			
Accounts receivable		(21,221)	51,012
Accounts receivable - related parties		(23,837)	50,072
Other receivables		532	(33)
Inventories		(36,127)	29,696
Prepayments		(11,909)	3,351
Net changes in operating liabilities			
Contract liabilities		(2,885)	(4,004)
Accounts payable		(5,722)	(39,741)
Accounts payable - related parties		39,197	-
Other payables		(12,506)	(19,872)
Other payables - related parties		(1,327)	-
Other current liabilities		(3,551)	(412)
Net defined benefit liabilities		(1,364)	(2,821)
Cash (outflow) inflow generated from operations		(74,658)	28,093
Interest received		11,651	9,697
Income tax (paid)		(1,029)	(852)
Net cash (outflow) inflow from operating activities		(64,036)	36,938
Cash flows from Investing activities			
Acquisition of financial assets at amortized cost		-	(561,409)
Disposal of financial assets at amortized cost		628,339	500,503
Acquisition of property, plant and equipment	6(30)	(23,928)	(20,956)
Proceeds from disposal of property, plant and equipment		2,441	2,150
Acquisition of intangible assets		(398)	-
Decrease in refundable deposits		1,666	1,667
Net cash inflow (outflow) from investing activities		608,120	(78,045)
Cash flows from financing activities			
Decrease in guaranteed deposits	6(31)	(42,445)	(71,042)
Repaid principal of lease liabilities	6(31))	(2,308)	(2,143)
Interest paid	6(9)(31)	(1,990)	(2,028)
Dividends paid		-	(156,157)
Net cash outflow from financing activities		(46,743)	(231,370)
Increase (decrease) in cash and cash equivalents		497,341	(272,477)
Balance of cash and cash equivalents at beginning of year	6(1)	988,930	1,774,765
Balance of cash and cash equivalents at end of year	6(1)	$ 1,486,271	$ 1,502,288

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

Chairman:I-Hsien Tang Managerial Officer: Chien Chih Lu Accounting Officer: Ya-Fei Yang

Mosel Vitelic Inc. and Subsidiaries
Notes to Consolidated Financial Statements
For the three-months periods ended March 31, 2024 and 2023

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

I. General

Mosel Vitelic Inc. (referred to as "the Company") is a company registered in the Republic of China. The primary scope of business of the Company and its subsidiaries (collectively referred to as "the Group") focuses on the field of power semiconductor devices and power management IC. The main products include Trench Power MOSFET, trench IGBT, Analog IC, Trench Schottky Diodes and electrostatic protection devices as well as various diodes. The customer end products are widely applied to the fields of computers, LCD monitors and televisions, mobile phone batteries, machine tools, LED lighting, power supplies and automotive electronics.

II. Authorization Date and Procedures of The Financial Statements

The accompanying consolidated financial statements were approved and authorized for issuance by the Board of Directors on April 29, 2024.

III. New Standards, Amendments and Interpretations Adopted

(I) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards ("IFRSs") as endorsed and announced by the Financial Supervisory Commission ("FSC")

The applicable new promulgated, amended and revised standards and interpretations of IFRSs endorsed and announced by the FSC in 2024 are as follows:

New, Revised or Amended Standards and Interpretations	Effective date issued by IASB
Amendments to IFRS 16 "Lease liabilities of after-sale and leaseback"	January 1, 2024
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 "S Supplier Finance Arrangements"	January 1, 2024

The Group has assessed the aforementioned standards and interpretations, and concluded that they do not have significant effects on the Group's financial position and financial performance.

(II) Effect of new issuances or amendments to International Financial Reporting Standards ("IFRSs") endorsed by the FSC but not yet adopted by the Group

None

(III) Effects of the IFRSs issued by IASB but not yet endorsed by the FSC

New standards and interpretations of and amendments to the IFRSs issued by IASB but not yet endorsed by the FSC are as follows:

New, Revised or Amended Standards and Interpretations	Effective date issued by IASB
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	To be decided by IASB
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17 “Insurance Contracts”	January 1, 2023
Amendment to IFRS 17 “Initial application of IFRS 17 and IFRS 9 - Comparative information”	January 1, 2023
IFRS 18 “Presentation and Disclosure in Financial Statements”	January 1, 2027
Amendments to IAS 21 “Lack of Exchangeability”	January 1, 2025

Except for the following, the above standards, interpretations and amendments have no significant impact to the Group’s financial condition and financial performance based on the Group’s assessment.

IFRS 18 “Presentation and disclosure in financial statements”

IFRS 18 “Presentation and disclosure in financial statements” replaces IAS 1. The standard introduces a defined structure of the statement of comprehensive income, disclosure requirements related to management-defined performance measures, and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes.

IV. Summary of Significant Accounting Policies

Except for the following, the principal accounting policies applied in the preparation of these consolidated financial statements are consistent with Note 4 in the consolidated financial statements for the year ended December 31, 2023 unless otherwise stated.

(1) Statement of Compliance

1. The consolidated financial statements of the Group have been prepared in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” and the International Accounting Standard 34, “Interim financial reporting” that came into effect as endorsed by the FSC.
2. These consolidated financial statements are to be read in conjunction with the consolidated financial statements for the year ended December 31, 2023.

(2) Basis of Preparation

1. Except for the following significant accounts, the consolidated financial statements have been prepared under the historical cost convention:
   (1) Financial assets at fair value through profit or loss.
   (2) Financial assets at fair value through other comprehensive income.
   (3) Defined benefit liabilities recognized based on the net amount of pension fund assets less present value of defined benefit obligation.
2. The preparation of financial statements in conformity with the IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Basis of Consolidation

1. Principles for preparing the consolidated financial statements:

   Basis for preparation of consolidated financial statements is consistent with the 2023 consolidated financial statements.

2. The subsidiaries in the consolidated financial statements:

			Shareholding Percentage			
Name of Investor	Name of Subsidiary	Major Business	March 31, 2024	December 31, 2023	March 31, 2023	Description
Mosel Vitelic Inc.	Giant Haven Investments Ltd.(B.V.I)	Holding company	100.00	100.00	100.00	
Mosel Vitelic Inc.	Mou Fu Investment Consultant Ltd.	Lease, labor dispatch and various services	100.00	100.00	100.00	
Mosel Vitelic Inc.	Bou Der Investment Ltd.	Investment holding	46.71	46.71	46.71	Note 1,3
Mosel Vitelic Inc.	DenMOS Technology Inc.	Sales and manufacturing of integrated circuits	80.24	80.24	80.24	Note 2,4
Mou Fu Investment Consultant Ltd.	Bou Der Investment Ltd	Investment holding	49.92	49.92	49.92	Note 1,3
Mou Fu Investment Consultant Ltd.	DenMOS Technology Inc.	Sales and manufacturing of integrated circuits	4.15	4.15	4.15	Note 2,4

Note 1: The Company and Mou Fu Investment Consultant Ltd, the subsidiary 100% owned by the company, totally hold 96.63% of the shares.

Note 2: The Company and Mou Fu Investment Consultant Ltd, the subsidiary 100% owned by the company, totally hold 84.39% of the shares.

Note 3: The subsidiary Bou Der Investment Ltd executed dissolution according to the resolution of the board of directors of the Company on July 27, 2023. Subsequently, after the Company bought all of its securities NT$2,676. It obtained the dissolution approval registration letter issued by competent authority on November 23, 2023, and was still in the process of liquidation.

Note 4: The financial statements of the entity as at and for the three-month periods ended March 31, 2024 and 2023 were not reviewed by the independent auditors as the entity did not meet the definition of a significant subsidiary

3. Subsidiaries not included in the consolidated financial statements: None.
4. Adjustments for subsidiaries with different balance sheet dates: None.
5. Significant restrictions: None.
6. Subsidiaries with significant non-controlling interests for the Group

The total non-controlling interests of the Group as of March 31, 2024, December 31, 2023 and March 31, 2023 were NT$23,334, NT$23,172 and NT$26,063, respectively. The following provides information on the non-controlling interests and subsidiaries thereof having materiality on the Group:

		Non-controlling interests					
		March 31, 2024		December 31, 2023		March 31, 2023	
Name of Subsidiary	Main Operating Location	Amount	Shareholding Percentage	Amount	Shareholding Percentage	Amount	Shareholding Percentage
Bou Der Investment Ltd	Taiwan	$ 2,573	3.37%	$ 2,571	3.37%	$ 2,559	3.37%
DenMOS Technology Inc.	Taiwan	20,761	15.61%	20,601	15.61%	23,504	15.61%
		$ 23,334		$ 23,172		$ 26,063	

Summary of financial information of subsidiaries:

<u>Balance Sheets</u>

	Bou Der Investment Ltd		
	March 31, 2024	December 31, 2023	March 31, 2023
Current assets	$ 76,378	$ 76,588	$ 73,257
Non-current assets	-	-	2,790
Current liabilities	-	(283)	(100)
Total net assets	$ 76,378	$ 76,305	$ 75,947

	DenMOS Technology Inc.		
	March 31, 2024	December 31, 2023	March 31, 2023
Current assets	$ 141,579	$ 139,630	$ 171,575
Non-current assets	206	206	206
Current liabilities	(8,782)	(7,857)	(21,210)
Total net assets	$ 133,003	$ 131,979	$ 150,571

Statement of Comprehensive Income

	Bou Der Investment Ltd	
	For the three-month period ended March 31, 2024	For the three-month period ended March 31, 2023
Revenue	$ -	$ -
Net income before tax	73	182
Income tax expenses	-	-
Net income	73	182
Other comprehensive income (loss) (net amount after tax)	-	(202)
Total comprehensive income of the year	$ 73	($ 20)
Total comprehensive income attributable to Non-controlling Interests	$ 2	($ 1)

	DenMOS Technology Inc.	
	For the three-month period ended March 31, 2024	For the three-month period ended March 31, 2023
Revenue	$ 15,972	$ 26,675
Net income (loss) before tax	1,024	(1,238)
Income tax expenses	-	-
Net income (loss)	1,024	(1,238)
Other comprehensive (loss) income (net amount after tax)	-	-
Total comprehensive (loss) income of the year	$ 1,024	($ 1,238)
Total comprehensive (loss) income attributable to Non-controlling Interests	$ 160	($ 193)

Statement of Cash Flows

	Bou Der Investment Ltd	
	For the three-month period ended March 31, 2024	For the three-month period ended March 31, 2023
Net cash (outflow) inflow from operating activities	($ 211)	$ 202
Net cash inflow from investment activities	57,300	-
Increase in cash and cash equivalents of the current period	57,089	202
Balance of cash and cash equivalents at beginning of period	9,489	3,055
Balance of cash and cash equivalents at end of the period	$ 66,578	$ 3,257

	DenMOS Technology Inc.	
	For the three-month period ended March 31, 2024	For the three-month period ended March 31, 2023
Net cash (outflow) inflow from operating activities	($ 976)	$ 6,603
Net cash inflow (outflow) from investing activities	3,489	(6)
Increase in cash and cash equivalents for the current period	2,513	6,597
Balance of cash and cash equivalents at beginning of period	79,661	93,587
Balance of cash and cash equivalents at end of the period	$ 82,174	$ 100,184

(4) Employee benefits

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

(5) Income tax

1. The interim period income tax expense is recognized based on the estimated average annual effective income tax rate expected for the full financial year applied to the pretax income of the interim period, and the related information is disclosed accordingly.
2. If a change in tax rate is enacted or substantively enacted in an interim period, the Group recognizes the effect of the change immediately in the interim period in which the change occurs. The effect of the change on items recognized outside profit or loss is recognized in other comprehensive income or equity while the effect of the change on items recognized in profit or loss is recognized in profit or loss.

V. Significant Accounting Judgments, Estimates and Key Sources of Estimation Uncertainty

There have been no significant changes as at March 31, 2024. Please refer to Note 5 in the consolidated financial statements for the year ended December 31, 2023.

VI. Details of Significant Accounts

(I) Cash and cash equivalents

	March 31, 2024	December 31, 2023	March 31, 2023
Cash on hand and petty cash	$ 150	$ 150	$ 150
Checking deposits and demand deposits	350,657	343,264	1,279,008
Time deposits	980,400	303,525	223,130
Repurchase agreements	155,064	341,991	-
Total	$ 1,486,271	$ 988,930	$ 1,502,288

1. Since the Group corresponds with multiple financial institutions with good credit quality to diversify credit risks, the risk of default is expected to be low.
2. For information on the cash being classified as “financial assets at amortized cost” due to usage limitation, please refer to Note 8 for details.

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

Item	March 31, 2024	December 31, 2023	March 31, 2023
Non-current items:			
Equity instruments			
Unlisted stocks	$ 92,121	$ 92,121	$ 110,522
Valuation adjustment	(75,959)	(75,210)	(80,974)
Total	$ 16,162	$ 16,911	$ 29,548

1. The Group chose to classify its strategic investment equity instruments as the financial assets at fair value through other comprehensive income, and the fair value of such investment as of March 31, 2024, December 31, 2023 and March 31, 2023 were amounted to NT$16,162, NT$16,911 and NT$29,548, respectively.

2. Due to Pacific Resources Corporation executed cash capital reduction in May 2023, the Group recovered the share capital at an amount of NT$6,948 in May 2023.

3. The subsidiary Bou Der Investment Ltd executed dissolution according to the resolution of the board of directors of the Company. Subsequently, the Company purchased all of its securities NT$2,676 in October 2023.

4. Financial assets measured at fair value through other comprehensive income recognized in profit and loss/comprehensive income are as follows:

	For the three-month period ended March 31, 2024	For the three-month period ended March 31, 2023
Equity instruments measured at fair value through other comprehensive income		
Changes in fair value recognized in other comprehensive income	($ 749)	$ 211

5. Please refer to Notes 12(2) and (3) for information relating to credit risk of financial assets at fair value through other comprehensive income and fair value formation.

(III) Financial assets at amortized cost

	March 31, 2024	December 31, 2023	March 31, 2023
Current items:			
Time deposits	$ 92,994	$ 721,333	$ 708,592
Non-current items:			
Time deposits	$ 17,907	$ 17,907	$ 17,907

1. Detail of the financial assets at amortized cost recognized under the profit or loss is as follows:

	For the three-month period ended March 31, 2024	For the three-month period ended March 31, 2023
Interest income	$ 1,433	$ 1,185

2. Under the condition where the enhancement of other credits held was not considered, for the most representing financial assets at amortized cost held by the Group, amounts of NT$110,901, NT$739,240 and NT$726,499, respectively.

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

4. Information relating to the credit risk of financial assets at amortized cost is provided in Note 12(2).

(IV) Accounts receivable

	March 31, 2024	December 31, 2023	March 31, 2023
Accounts receivable - general customers	$ 148,840	$ 127,619	$ 198,600
Accounts receivable - related parties	110,863	87,026	41,558
Subtotal	259,703	214,645	240,158
Less: Allowance for bad debts	(85)	(182)	-
	$ 259,618	$ 214,463	$ 240,158

1. The aging of accounts receivable is as follows:

	March 31, 2024	December 31, 2023	March 31, 2023
Not past due	$ 246,179	$ 195,476	$ 219,831
Up to 30 days	5,119	1,033	560
31 to 90 days	7,867	14,591	9,645
91 to 120 days	-	3,081	-
Over 121 days	538	464	10,122
Total	$ 259,703	$ 214,645	$ 240,158

The above aging analysis is based on the number of days past the due date.

2. The accounts receivable as of March 31, 2024, December 31, 2023 and March 31, 2023 all came from contracts with clients. In addition, the accounts receivable arising from contracts with clients as of January 1, 2023 was $341,242.
3. Under the condition where the enhancement of other credits was not considered, for the most representing accounts receivable of the Group, the maximum exposure amounts of credit risk as of March 31, 2024, December 31, 2023 and March 31, 2023 were NT$259,618, NT$214,463 and NT$240,158, respectively.
4. For information relating to accounts receivable credit risk, please refer to Note 12(2).

(V) Inventories

	March 31, 2024		
	Cost	Allowance for market value decline and slow-moving inventories	Book value
Raw materials	$ 268,396	($ 94,215)	$ 174,181
Work in progress	112,683	(2,233)	110,450
Finished products	59,838	(39,548)	20,290
Total	$ 440,917	($ 135,996)	$ 304,921

	December 31, 2023		
	Cost	Allowance for market value decline and slow-moving inventories	Book value
Raw materials	$ 252,442	($ 94,680)	$ 157,742
Work in progress	77,462	(5,949)	71,513
Finished products	82,557	(43,018)	39,539
Total	$ 412,441	($ 143,647)	$ 268,794

	March 31, 2023		
	Cost	Allowance for market value decline and slow-moving inventories	Book value
Raw materials	$ 233,024	($ 88,548)	$ 144,476
Work in progress	82,514	(8,574)	73,940
Finished products	67,477	(24,759)	42,718
Total	$ 383,015	($ 121,881)	$ 261,134

Operating costs recognized as expenses by the Group in the current period:

	For the three-month period ended March 31, 2024	For the three-month period ended March 31, 2023
Cost of inventories sold	$ 302,419	$ 336,773
Inventory (gain on reversal of) loss on decline in market value, obsolete and slow-moving inventories (Note)	(7,651)	8,470
Other	18,370	28,294
	$ 313,138	$ 373,537

Note：The Group recognized gain on the reversal of inventory for the three-month period ended March 31, 2024, resulting from active destocking.

(VI) Prepayments

	March 31, 2024	December 31, 2023	March 31, 2023
Prepayment for purchases (including long-term prepayment for purchases)	$ 64,079	$ 58,418	$ 58,568
Overpaid sales tax	3,916	5,023	3,579
Prepaid insurance premium	1,831	2,854	1,350
Other prepayments	27,434	19,056	16,265
Subtotal	97,260	85,351	79,762
Accumulated impairment loss	(58,418)	(58,418)	(58,418)
Total	$ 38,842	$ 26,933	$ 21,344

Please refer to Note 9(2) for relevant evaluation explanation on prepayment for purchases with recognition of impairment loss.

(VII) Investment accounted for using the equity method

Affiliates	March 31, 2024	December 31, 2023	March 31, 2023
Third Dimension Semiconductor, Inc.	$ 5,578	$ 5,578	$ 5,578
Integrated Memory Technologies, Inc.	-	-	-
Subtotal	5,578	5,578	5,578
Less: Accumulated impairment loss			
Third Dimension Semiconductor, Inc.	(5,578)	(5,578)	(5,578)
Total	$ -	$ -	$ -

The summary on the share of individual non-material affiliate's operating result of the Group is as follows:

	For the three-month period ended March 31, 2024	For the three-month period ended March 31, 2023
Net income of continuing operations	$ 779	$ -
Other comprehensive income (net amount after tax)	-	-
Total comprehensive income	$ 779	$ -

(VIII) Property, plant and equipment

Detail of the owner-occupied property, plant and equipment of the Group is as follows:

	2024					
	Land	Buildings	Machinery and equipment	Office equipment	Others	Total
Cost						
At January 1	$ 24,476	$ 3,187,586	$ 14,495,735	$ 136,868	$ 3,855	$ 17,848,520
Additions	-	232	5,731	195	-	6,158
Disposals	-	-	(471,529)	(8,696)	-	(480,225)
Reclassifications	-	-	9,955	-	-	9,955
At March 31	$ 24,476	$ 3,187,586	$ 14,039,892	$ 128,367	$ 3,855	$ 17,384,408
Accumulated depreciation						
At January 1	$ -	$ 2,782,047	$ 14,152,517	$ 124,744	$ 2,839	$ 17,062,147
Additions	-	5,566	12,778	743	27	19,114
Disposals	-	-	(471,529)	(8,696)	-	(480,225)
At March 31	$ -	$ 2,787,613	$ 13,693,766	$ 116,791	$ 2,866	$ 16,601,036
Accumulated impairment						
At January 1	$ 24,476	$ 37,995	$ 104	$ 55	$ -	$ 62,630
At March 31	$ 24,476	$ 37,995	$ 104	$ 55	$ -	$ 62,630
Net carrying amount						
At January 1	$ -	$ 367,544	$ 343,114	$ 12,069	$ 1,016	$ 723,743
At March 31	$ -	$ 362,210	$ 346,022	$ 11,521	$ 989	$ 720,742

	2023					
	Land	Buildings	Machinery and equipment	Office equipment	Others	Total
Cost						
At January 1	$ 24,476	$ 3,159,112	$ 14,360,114	$ 135,801	$ 3,855	$ 17,683,358
Additions	-	624	7,727	-	-	8,351
Disposals	-	(6,019)	(147,398)	-	-	(153,417)
Reclassifications	-	617	101,639	-	-	102,256
At March 31	$ 24,476	$ 3,154,334	$ 14,322,082	$ 135,801	$ 3,855	$ 17,640,548
Accumulated depreciation						
At January 1	$ -	$ 2,768,668	$ 14,263,870	$ 123,437	$ 2,731	$ 17,158,706
Additions	-	4,680	8,836	681	27	14,224
Disposals	-	(6,019)	(147,398)	-	-	(153,417)
At March 31	$ -	$ 2,767,329	$ 14,125,308	$ 124,118	$ 2,758	$ 17,019,513
Accumulated impairment						
At January 1	$ 24,476	$ 38,318	$ 104	$ 55	$ -	$ 62,953
At March 31	$ 24,476	$ 38,318	$ 104	$ 55	$ -	$ 62,953
Net carrying amount						
At January 1	$ -	$ 352,126	$ 96,140	$ 12,309	$ 1,124	$ 461,699
At March 31	$ -	$ 348,687	$ 196,670	$ 11,628	$ 1,097	$ 558,082

(IX) Lease transactions - lessee

1. The underlying assets of the Group's lease include lands, buildings, company vehicles and digital monitors. Except for the land lease contract duration of 32 years, the other lease contract durations are typically between 2 and 5 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.
2. The lease term of computer equipment and machine equipment leased by the Group is less than 12 months. The low-value underlying asset of the Group's lease is classified under the other equipment.
3. The information on the carrying amount of the right-of-use asset and the recognized depreciation expense is as follows:

	March 31, 2024	December 31, 2023	March 31, 2023
Land	$ 292,846	$ 295,582	$ 303,794
Buildings	693	739	877
Transportation equipment	297	334	-
Information equipment	2,074	2,199	-
	$ 295,910	$ 298,854	$ 304,671

	For the three-month period ended March 31, 2024	For the three-month period ended March 31, 2023
	Depreciation expense	Depreciation expense
Land	$ 2,736	$ 2,736
Buildings	46	46
Transportation equipment	37	52
Information equipment	125	73
	$ 2,944	$ 2,907

4. The Group's right-of-use asset increased by NT$0 and NT$923 for the three-month periods ended March 31, 2024 and 2023 respectively.
5. Profit or loss items in relation to lease contracts are as follows:

	For the three-month period ended March 31, 2024	For the three-month period ended March 31, 2023
Items that affect profit or loss		
Interest expense of lease liabilities	$ 1,990	$ 2,028
Expenses attributable to low-value assets	$ 1	$ 1

6. The Group's total cash used in lease contracts were NT$4,299 and NT$4,172 for the three-month periods ended March 31, 2024 and 2023 respectively.
7. Option of lease extension and option of lease termination

During the determination of lease period, the Group considers all of the facts and conditions related to economic incentives that may be generated due to exercise of the option of extension. When a material event is assessed to occur due to the exercise of the option of extension or non-exercise of the option of termination, the lease period will be re-evaluated.

(X) Other non-current assets

	March 31, 2024	December 31, 2023	March 31, 2023
Long-term accounts receivable	$ 397,055	$ 397,055	$ 397,055
Less: Allowance for bad debt	(397,055)	(397,055)	(397,055)
Subtotal	-	-	-
Refundable deposits	1,758	3,424	3,424
Prepayments on equipment	122,608	121,453	197,707
Total	$ 124,366	$ 124,877	$ 201,131

1. With regard to the polycrystalline silicon wafer purchase and sale contract “Original Contract” and “Supplementary Agreement” between the Company and Jiangxi LDK Solar High-Tech Co., Ltd. (referred to as “LDK”), since both parties failed to reach a consensus on the unit price of polycrystalline silicon wafer, according to the terms and conditions of the “Original Contract”, the Company informed LDK that the Contract shall be terminated automatically on April 1, 2010 and requested LDK to return the prepayment of US$28,611 thousand (reclassified as long-term accounts receivable). With regard to the dispute over the “Original Contract” and “Supplementary Agreement”, LDK filed an arbitration proceeding with the Hong Kong International Arbitration Centre. The arbitration court was established on May 27, 2011 and made a ruling with the issuance of a final decision on June 11, 2013. For the claim filed by the Company against LDK and the claim filed by LDK against the Company, each party received one favorable judgment and one unfavorable judgment respectively. According to the result of the arbitration, the Company had not breached the “Original Contract” for the unpurchased remaining quantity; however, the Company should indemnify the loss for the unpurchased remaining quantity according to the “Supplementary Agreement” should pay the default fine for not providing IC wafer recovery material according to the “Original Contract” and should return the material recovery amount previously paid by LDK. The total amount of these three items was US$13,532 thousand, and the Company has recognized such amount under the other losses. In addition, regarding the payable amount of US$2,836 thousand to LDK originally credited under accounts payable and the aforementioned total amount of the three items of US$13,532 of the Company, after offsetting with the long-term accounts receivable of US$28,611 thousand of the Company from LDK, the prepayment required to be returned by LDK to the Company was US$12,243 thousand. Accordingly, for this case, the Company has retained an attorney to file a petition for compulsory execution with the Intermediate People's Court of Xinyu Municipality, Jiangxi Province, the People's Republic of China, and the Court has accepted the case and informed LDC to fulfill the obligation specified in the content of the final decision. On December 18, 2017, LDK’ reorganizer informed the Company to receive the credit amount of RMB 2,093 thousand, and the Company may choose to receive payment in installments or in the form of shares. Based on the consideration of the timing of recovery such amount and the operational status of LDK, the Company has chosen the method of payment in the form of shares for LDK’s debt. However, up to the present day, the Company has not received

further notice from LDK, and LDK still refuses to assist the Company to understand relevant matters, such that the Company has not yet received the debt repayment from LDK. In addition to the legal action taken in China, the Company has also filed compulsory execution proceeding on the assets of LDK or creditor's right in order to protect the interest of the Company. Legal doubts related to compensation are tried by the court and presently, the appeal of the judgment of the first instance of the court is under review by the supreme court in Taiwan.

2. After the Company evaluates and considers the possibility of recovering the long-term accounts receivable, the relevant full amount has been recognized as an impairment loss in 2017.

(XI) Accounts payable

	March 31, 2024	December 31, 2023	March 31, 2023
Accounts payable	$ 91,935	$ 106,693	$ 118,739
Estimated Accounts Payable	11,044	2,008	14,093
Total	$ 102,979	$ 108,701	$ 132,832

(XII) Other payables

	March 31, 2024	December 31, 2023	March 31, 2023
Dividends payable	$ -	$ -	$ 156,157
Employees' compensation and remuneration of directors payable	-	-	76,948
Utility expenses payable	57,135	48,550	31,949
Payables on equipment	20,386	27,046	19,296
Repair expenses payable	18,786	23,455	27,214
Salary and bonus payable t	15,527	32,199	15,713
Bonus for unused vacation payable	13,279	13,461	13,461
Profession service fees payable	7,648	6,974	8,873
Others	50,308	50,550	39,603
Total	$ 183,069	$ 202,235	$ 389,214

(XIII) Other current liabilities

	March 31, 2024	December 31, 2023	March 31, 2023
Guaranteed deposits	$ 263,769	$ 199,029	$ 212,360
Others	26,723	30,274	28,041
Total	$ 290,492	$ 229,303	$ 240,401

(XIV) Other non-current liabilities

	March 31, 2024		December 31, 2023		March 31, 2023	
Net defined benefit liabilities	$	12,035	$	13,399	$	26,188
Guaranteed deposits		40,025		147,210		248,586
Total	$	52,060	$	160,609	$	274,774

(XV) Pension

1. (1) By adhering to the requirements set forth in the Labor Standards Act, the Company has established its own defined retirement benefits plan, which is applicable both to the service years of all regular employees rendered before the enforcement of the Labor Pension Act on July 1, 2005, and to the service years of all employees who elected to continue applying the Labor Standards Act after the implementation of the Labor Pension Act. Pensions for employees qualified for retirement are calculated based on their servicing years and their average salaries of the 6 months prior to their retirement. Two bases are given for each full year of service rendered within 15 years. But for the rest of the years over 15 years, one base is given for each full year of service rendered. The total number of bases shall be no more than 45. The Company contributes monthly an amount equal to 2% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, under the name of the Labor Retirement Reserve Supervisory Committee.

   (2) The pension costs under the defined benefit pension plans of the Group for the three-month periods ended March 31, 2024 and 2023 were $116 and $179, respectively.

   (3) Expected contributions to the defined benefit pension plans of the Company for the year ending December 31, 2024 amount to $2,880

2. (1) Since July 1, 2005, the Company and its domestic subsidiaries have established a defined contribution pension plan (the “New Plan”) under the Labor Pension Act (the “Act”), covering all regular employees with the Republic of China nationality. Under the New Plan, the Company and its domestic subsidiaries contributes monthly an amount based on 6% of the employees’ monthly salaries and wages to the employees’ individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.

   (2) The pension costs of the Group recognized according to the aforementioned pension regulations for the three-month periods ended March 31, 2024 and 2023 were $5,349 and $5,395, respectively.

(XVI) Share-based payments

1. The Group's share-based payment arrangements for March 31, 2024 and 2023 were as follows:

Type of agreement	Grant date	Fair value (NT$)	Quantity granted	Exercise price	Contract period	Vesting conditions
New restricted employee shares program (Note 1)	2023.12.11	34.65	1,000 thousand shares	-	3 years	(Note 2)

Note 1: The new restricted employee shares issued by the Company are prohibited from transfer during the vesting period; however, the voting rights are not restricted. When an employee resigns or is subject to death not to matters of occupational accidents before satisfying the vesting conditions, the Company will recover and cancel his/her shares at the issue price.

Note 2: For a portion of the new restricted employee shares, 30% of such shares are vested immediately after the year of service reaches one and two years from the grant date respectively. The rest of the 40% of the shares is vested after the year of services reaches three years. For an employee with the annual performance evaluation of any one year within the three years from the grant date failing to satisfy the performance criteria of the Company, the portion of the shares granted for that year but not yet vested are recovered and canceled at the issue price by the Company from such employee.

2. Details of the aforementioned share-based payment arrangements are as follows:

	2024	2023
	Number of shares (in thousands)	Number of shares (in thousands)
Outstanding shares as of January 1 and March 31	1,000	-

3. Expenses incurred by share-based payment transactions were as follows:

	For the three-month period ended March 31, 2024	For the three-month period ended March 31, 2023
Equity settlement	$ 3,595	$ -

(XVII) Share capital

1. As of March 31, 2024, the Company's authorized capital was $40,000,000, consisting of 4,000,000 thousand shares of ordinary stocks (including 100,000 thousand shares reserved for employee stock options), and the paid-in capital was $1,571,567 with a par value of 10 NT dollar per share. All proceeds for share subscription were collected in full.

   Adjustments in the number of the Company's ordinary shares outstanding (unit: thousand shares) are as follows:

	2024	2023
January 1 and March 31	157,156	156,156

2. According to the resolution of the board of directors of the Company on March 7, 2023, the number of new restricted employee shares for issuance was 1,000,000 shares, and the new shares issuance base date was December 11, 2023, with the subscription price per share of 10 NT dollars. The rights and obligations of the present issuance of ordinary shares, expect for the restricted shares transfer rights of employees satisfying the vesting conditions and without dividends and dividend rights, were the same as the other issued ordinary shares.

(XVIII) Capital surplus

According to the Company Act, capital surplus arising from shares issued at a premium or from donation may be used for offsetting deficit. Furthermore, if the Company has no accumulated loss, the capital surplus may be used for issuing new shares or distributing cash in proportion to shareholders' original shareholding percentage. According to the Securities and Exchange Act, when the above-mentioned capital surplus is used for capitalization, the total amount every year shall not exceed 10% of the paid-in capital. The Company may use capital surplus to offset loss only when the amount of reserves is insufficient to offset the loss.

	2024					
	Share premium	New restricted employee shares	Donated assets – shares	Difference between actual price of subsidiary equity acquired and the carrying value	Others	Total
January 1 and March 31	$536,445	$ 24,650	$ 3	$ 19,423	$ 14,180	$ 594,701

	2023					
	Share premium	New restricted employee shares	Donated assets – shares	Difference between actual price of subsidiary equity acquired and the carrying value	Others	Total
January 1 and March 31	$ 536,445	$ -	$ 3	$ 19,423	$14,180	$570,051

(XIX) Retained earnings

1. According to the Company Act 228-1 and the Articles of Incorporation of the Company, specifying that the Company may perform earnings distribution or deficit compensation at the end of the period semi-annually. However, during the earnings distribution, taxes payable shall be estimated and reserved in advance, and deficit shall be compensated and legal reserve shall be reserved, and the legal reserve has reached the total capital, such restriction shall not be applied. When there is surplus earning after the final account of a fiscal year, the following shall be appropriated sequentially:

   (1) Appropriate amount for tax payment.

(2) Compensate accumulated losses.

(3) Appropriate 10% as the legal reserve. (However, when the legal reserve has reached the total capital, such restriction shall not be applied)

(4) Appropriate or reverse special reserve according relevant laws and regulations.

(5) Remaining amount is combined with the accumulated unappropriated earnings from the previous year, and the board of directors then establishes a proposal for distribution of earnings for submission to the shareholders' meeting for resolution on the distribution.

2. The Company's dividend policy is as follows:

(1) The earnings distributed shall not be less than 30% of the net income after tax of the current year after the deficit compensation and after the deduction of legal reserve and special reserve required for appropriation, following which the distribution may be made in the form of cash dividends or share dividends. The Company is in the high-tech industry of high capital and technology intensity, and the industry also continues to grow significantly in a long term, such that the capital demand is great. Accordingly, the Company's dividend policy primarily considers the future capital budget planning and future capital demand measurement of the Company, in order to determine the ratio of the cash dividends and share dividends, and the ratio of the cash dividends shall not be less than 10% of the total dividends.

(2) When the Company has no surplus earnings, no dividends and bonus may be distributed. However, based on the consideration of the factors of finance, business, operation aspect, capital structure and various reserves, the Company may distribute all or a portion of the capital surplus.

(3) If carried out in the form of cash payment, shall be authorized by a resolution passed by a two-thirds majority of the directors present at the meeting, with a quorum of more than half of the directors present, and shall be reported to the shareholders' meeting.

(4) When the company has no loss, it may distribute legal reserve (the portion in excess of 25% of the Company's paid-in capital) and all or a portion of the capital surplus by cash in proportion to the number of shares being held by each of the shareholders, and shall be authorized by a resolution passed by a two-thirds majority of the directors present at the meeting, with a quorum of more than half of the directors present, and shall be reported to the shareholders' meeting.

3. Except being used to make up previous deficits or appropriate cash to shareholders in proportion to their shareholding percentage, the legal reserve shall not be used. However, the amount of legal reserves used to appropriate cash shall be limited to the portion exceeding 25% of the paid-in capital.

4. According to law, the Company may appropriate earnings only after it has provided special reserve equivalent to the net debit balance of other equity on the balance sheet date. If subsequently the debit balance of other equity is reversed, the reversed amount may be used as appropriable earnings.

5. The 2022 earnings distribution proposal of the Company according to the resolution of the board of directions is as follows:

	4th quarter of 2022	2nd quarter of 2022
Date of board resolution	March 7, 2023	October 28, 2022
Legal reserve	$ 28,234	$ 30,143
Special reserve	$ 2,005	$ 459
Cash dividends	$ 156,157	$ 156,157
Cash dividend per share (NT$)	$ 1.0	$ 1.0

The aforementioned cash dividends have been distributed according to the board resolution, and the resolution of the shareholders' meeting held on May 25, 2023.

6. On February 6, 2024, the Board of Directors of the Company were approved the 2023 deficit compensation, which is yet to be approved by the shareholders' meeting.

(XX) Other equity items

	Unrealized valuation gains (losses)	Unearned compensation of employees	Total
January 1, 2024	($ 86,292)	($ 23,452)	($ 190,744)
Financial assets at fair value through other comprehensive income - valuation adjustments	(749)	-	(749)
Share-based compensation costs	-	3,595	3,595
March 31, 2024	($ 86,292)	($ 19,857)	($ 106,898)

	Unrealized valuation gains (losses)	Unearned compensation of employees	Total
January 1, 2023	($ 80,825)	$ -	($ 80,825)
Financial assets at fair value through other comprehensive income - valuation adjustments	218	-	218
March 31, 2023	($ 80,607)	$ -	($ 80,607)

(XXI) Operating revenue

	For the three-month period ended March 31, 2024	For the three-month period ended March 31, 2023
Revenue from contracts with customers	$ 351,559	$ 391,502

1. Disaggregation of revenue from customer contracts with customers

The revenue of the Group can be classified into the following geographical areas:

For the three-month period ended March 31, 2024	Taiwan	Asia	Europe	Americas	Total
Segment revenue	$ 246,015	$ 89,601	$ 8,837	$ 437	$ 344,890
Revenue from internal segment transactions	6,669	-	-	-	6,669
Revenue from external customer contracts	$ 252,684	$ 89,601	$ 8,837	$ 437	$ 351,559

For the three-month period ended March 31, 2023	Taiwan	Asia	Europe	Americas	Total
Segment revenue	$ 291,790	$ 91,981	$ 18,942	$ 644	$ 403,357
Revenue from internal segment transactions	(11,855)	-	-	-	(11,855)
Revenue from external customer contracts	$ 279,935	$ 91,981	$ 18,942	$ 644	$ 391,502

2. Contract liabilities

(1) Contract liabilities related to customer contract revenue recognized by the Group are as follows:

	March 31, 2024	December 31, 2023	March 31, 2023	January 1, 2023
Contract liabilities				
Foundry service revenue	$ 11,606	$ 13,723	$ 10,790	$ 13,707
Sales of goods	6	774	526	1,613
	$ 11,612	$ 14,497	$ 11,316	$ 15,320

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

	For the three-month period ended March 31, 2024	For the three-month period ended March 31, 2024
Balance of contract liabilities at the beginning of the current period recognized as:		
Foundry service revenue	$ 7,430	$ 5,332

(XXII) Interest income

	For the three-month period ended March 31, 2024	For the three-month period ended March 31, 2023
Interest income from bank deposits	$ 7,887	$ 7,719
Interest income from financial assets at amortized cost	1 433	1,185
Total	$ 9,320	$ 8,904

(XXIII) Other income

	For the three-month period ended March 31, 2024	For the three-month period ended March 31, 2023
Rental income	$ 49	$ 49
Other income -others	421	3,698
Total	$ 470	$ 3,747

(XXIV) Other gains and losses

	For the three-month period ended March 31, 2024	For the three-month period ended March 31, 2023
Net foreign exchange gains (losses)	$ 19,404	($ 22,475)
Gain on disposal or retirement of property, plant and equipment	2,441	2,150
Total	$ 21,845	($ 20,325)

(XXV) Financial costs

	For the three-month period ended March 31, 2024	For the three-month period ended March 31, 2023
Interest expense of lease liabilities	$ 1,990	$ 2,028

(XXVI) Additional information on the nature of expenses

	For the three-month period ended March 31, 2024	For the three-month period ended March 31, 2023
Employee benefit expense	$ 152,739	$ 157,352
Property, plant and equipment depreciation expense	$ 19,114	$ 14,224
Right-of-use assets depreciation expense	$ 2,944	$ 2,907
Intangible assets amortization expense	$ 74	$ 45

(XXVII) Employee benefit expense

	For the three-month period ended March 31, 2024		For the three-month period ended March 31, 2023	
Salary expense	$	124,614	$	131,504
Employee stock options		3,595		-
Labor and health insurance expense		11,667		12,511
Pension expense		5,465		5,574
Other personnel expense		7,398		7,763
Total	$	152,739	$	157,352

1. According to the Articles of Incorporation of the Company, the Company shall appropriate 2.5% to 10% of the profit of the current year as the employees' compensation. The employees' compensation may be made in the form of shares or cash, and the distribution subject may include the Company's employees and employees of subordinate companies according to the law. The board of directors shall determine the distribution ratio of the employees' compensation of the current year through resolution and report to the shareholders' meeting. The Company also distributes remuneration of directors in cash within the limit not exceeding 2% of the profit of the current year. For the determination of the distribution ratio of remuneration of directors of the current year, the Remuneration Committee shall submit proposal to the board of directors for resolution. However, when the Company still has accumulated deficits, amount shall be reserved for making up the accumulated deficits first.
2. The Articles of Incorporation of the Company was revised and approved by Annual General Shareholders Meeting on May 25, 2023. According to the modification of the Articles of Incorporation of the Company, the Company shall appropriate no higher than 3% for directors' remuneration and no less than 5% for employees' compensation, if the Company generates profit. The employees' compensation may be made in the form of shares or cash, and the distribution subject may include the Company's employees and employees of controlled or subordinate companies, who meet the certain conditions, according to the law. The board of directors shall determine the distribution ratio of the employees' compensation of the current year through resolution and report to the shareholders' meeting. For the determination of the distribution ratio of remuneration of directors of the current year, the Remuneration Committee shall submit proposal to the board of directors for resolution. However, when the Company still has accumulated deficits, amount shall be reserved for making up the accumulated deficits first.
3. Based on net loss For the three-month periods ended March 31, 2024 and 2023, the Company did not estimate the employees' compensation and the remuneration of directors for the current period.
4. Relevant information on the employees' compensation and directors of the Company as resolved by the board of directors is available on the Market Observation Post System" (MOPS) website for inquiries.

(XXVIII) Income tax

1. Income tax expense

(1) Income tax components:

	For the three-month period ended March 31, 2024	For the three-month period ended March 31, 2023
Current income tax	$ -	$ -
Deferred income tax total	-	-
Income tax expenses	$ -	$ -

(2) Income tax associates with other comprehensive income: None.

(3) Income tax directly debited or credited in equity: None.

(XXIX) Earnings (loss) per share (EPS)

	For the three-month period ended March 31, 2024		
	After-tax amount	Weighted average number of ordinary shares outstanding (shares in thousands)	Loss per share (EPS) (NT$)
Basic loss per share			
Net (loss) attributable to shareholders of common shares	($ 9,959)	156,156	($ 0.06)
Diluted loss per share			
Net (loss) attributable to shareholders of common shares	($ 9,959)	156,156	($ 0.06)

	For the three-month period ended March 31, 2023		
	After-tax amount	Weighted average number of ordinary shares outstanding (shares in thousands)	Loss per share (EPS) (NT$)
Basic loss per share			
Net (loss) attributable to shareholders of common shares	($ 47,118)	156,156	($ 0.30)
Diluted loss per share			
Net (loss) attributable to shareholders of common shares	($ 47,118)	156,156	($ 0.30)

The new restricted employee shares of the Company had an anti-dilution effect and should not be included in the calculation of diluted earnings per share for the three-month period ended March 31, 2024.

(XXX) Additional Information on cash flows

1. Investing activities partially involving cash payments:

	For the three-month period ended March 31, 2024	For the three-month period ended March 31, 2023
Acquisition of property, plant, and equipment (including reclassification)	$ 16,113	$ 110,607
Add: Prepayments on equipment at end of period	122,603	197,707
Less: Prepayments on equipment at beginning of period	(121,453)	(274,973)
Add: Opening balance of payable on equipment	27,046	6,911
Less: Ending balance of payable on equipment	(20,386)	(19,296)
Cash paid in the current period	$ 23,928	$ 20,956

2. Financing activities without impact on cash flow

	For the three-month period ended March 31, 2024	For the three-month period ended March 31, 2023
Dividends paid	$ -	$ 156,157
Less: Dividends payable	-	(156,157)
	$ -	$ -

(XXXI) Changes in liabilities arising from financing activities

	2024		
	Guaranteed deposits	Lease liabilities	Total liabilities from financing activities
January 1	$ 346,239	$ 315,452	$ 661,691
Changes in cash flows from financing activities	(42,445)	(4,298)	(46,743)
Other non-monetary changes	-	1,990	1,990
March 31	$ 303,794	$ 313,144	$ 616,938

	2023			
	Guaranteed deposits	Lease liabilities	Dividends payable	Total liabilities from financing activities
January 1	$ 531,988	$ 320,440	$ 156,157	$ 1,008,585
Changes in cash flows from financing activities	(71,042)	(4,171)	(156,157)	(231,370)
Other non-monetary changes	-	2,951	156,157	159,108
March 31	$ 460,946	$ 319,220	$ 156,157	$ 936,323

VII. Related Party Transactions

(I) Name and relationship of related party

Name of related party	Relationship with the Group
Actron Technology Corporation (Note1)	The parent company
GlobalWafers Co., Ltd (Note2)	The subsidiary of Sino-American Silicon Product Inc.

Note1: Actron Technology Corporation obtained the control on June 2, 2023 and became the parent company of the Company.

Note2: Sino-American Silicon Product Inc. obtained the control of Actron Technology Corporation on October 2, 2023 and became the ultimate parent entity of the Company.

(II) Significant transactions with related parties

1. Operating revenue

	For the three-month period ended March 31, 2024	For the three-month period ended March 31, 2023
Operating revenue:		
Actron Technology Corporation	$ 138,330	$ 119,393

The transaction price of product sales, and the payment collection terms have no material difference from those between the Company and non-related parties.

2. Purchase

	For the three-month period ended March 31, 2024	For the three-month period ended March 31, 2023
Actron Technology Corporation	$ 19,562	$ -
GlobalWafers Co., Ltd	42,296	-
Total	$ 61,858	$ -

3. Receivables from related party

	March 31, 2024	December 31, 2023	March 31, 2023
Accounts receivable:			
Actron Technology Corporation	$ 110,863	$ 87,026	$ 41,558
Less: Allowance for bad debts.	(73)	(151)	-
Total	$ 110,790	$ 86,875	$ 41,558

The receivables from related parties are mainly from the sales, and the amounts for the sales transactions are due in 30~45 days after the sales date. Such amount of the receivables has no pledge and interest payment.

4. Payables from related party

	March 31, 2024	December 31, 2023	March 31, 2023
Accounts payable:			
GlobalWafers Co., Ltd	$ 38,808	$ 20,761	$ -
Actron Technology Corporation	21,150	-	-
Other payable:			
GlobalWafers Co., Ltd	-	$ 1,327	$ -
Total	$ 59,958	$ 22,088	$ -

The payables to related parties mainly arise from the purchase transactions and are due two months after the purchase date. The payables bear no interest.

5. Others

Guaranteed deposits (including those due in one year)

	March 31, 2024	December 31, 2023	March 31, 2023
Actron Technology Corporation	$ 27,900	$ 53,542	$ 79,646

Research and development material

	For the three-month period ended March 31, 2024	For the three-month period ended March 31, 2023
GlobalWafers Co., Ltd	$ 310	$ -

(III) Key management remuneration information

	For the three-month period ended March 31, 2024	For the three-month period ended March 31, 2023
Short-term employee benefits	$ 4,556	$ 4,804

VIII. Pledged Assets

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

	Book value			
Asset item	March 31, 2024	December 31, 2023	March 31, 2023	Purpose of collateral
Time deposits (listed in "financial assets at amortized cost - non-current")	$ 17,907	$ 17,907	$ 17,907	Customs clearance and rent guarantee

IX. Significant Contingent Liabilities and Unrecognized Contract Commitments

(I) Contingencies

None.

(II) Commitments

1. The material purchase contracts signed between the Company and the following companies are summarized as follows:

Party	Contract period	Summary
S Company	August 2008～December 2016	S Company, according to the price specified in the original contract, shall guarantee to supply solar silicon wafers of a total quantity of 121,5000 (thousand pieces) to the Company during the contract period, and the Company shall pay a certain amount as the deposit according to the original contract requirements. However, both parties have not yet reached a consensus on the alternative solution for the transaction mode up to the date of April 29, 2024. Up to the date of March 31, 2024, the Company has made prepayments of US$112 thousand (NT$3,573 thousand) and NT$54,845 thousand, and the accumulated loss recognized is NT$58,418 thousand. In addition, in view of the fact that the current condition of the solar power industry is different from the market condition at the time of contract signing, both parties have terminated the performance of relevant order placement and deposit payment.

2. The Company has signed the foundry service production capacity guarantee contracts with some of the customers, in order to provide specific production capacity to such customers according to the contract terms and conditions between both parties.

3. Up to the date of March 31, 2024, the capital expenditure amount for the contracts signed but not yet take place was NT$134,174.

X. Losses Due to Major Disasters

None.

XI. Significant Subsequent Events

None

XII. Others

(I) Capital management

There have been no significant changes as at March 31, 2024. Please refer to Note 12 in the consolidated financial statements for the year ended December 31, 2023.

(II) Financial Instruments

1. Category of financial instrument

	March 31, 2024	December 31, 2023	March 31, 2023
Financial assets			
Financial assets at fair value through other comprehensive income			
Designated investment in equity instruments selected	$ 16,162	$ 16,911	$ 29,548
Financial assets measured at amortized cost			
Cash and cash equivalents	1,486,271	988,930	1,502,288
Financial assets at amortized cost	110,901	739,240	726,499
Accounts receivable (including related party)	259,618	214,463	240,158
Other receivables	5,341	8,204	5,555
Refundable deposits	1,758	3,424	3,424
	$ 1.880,051	$ 1,971,172	$ 2,507,472

	March 31, 2024	December 31, 2023	March 31, 2023
Financial liabilities			
Financial liabilities measured at amortized cost			
Notes payable	$ 7	$ 7	$ 7
Accounts payable (including related party)	162,937	129,462	132,832
Other payables (including related party)	183,069	203,562	389,214
Guaranteed deposits (including those due in one year)	303,794	346,239	460,946
	649,807	679,270	982,999
Lease liabilities	$ 313,144	$ 315,452	$ 319,220

2. Financial risk management policies

There have been no significant changes as at March 31, 2024. Please refer to Note 12 in the consolidated financial statements for the year ended December 31, 2023.

3. Significant financial risks and degrees of financial risks

Except for the following description, there have been no significant changes as at March 31, 2024. Please refer to Note 12 in the consolidated financial statements for the year ended December 31, 2023.

(1) Market risk

Foreign exchange risk

A. The Group's businesses involve some non-functional currencies (functional currency of the Group is NTD), such that it can be affected by the exchange rate fluctuation. The information on assets and liabilities denominated in foreign currencies whose values are materially affected by the exchange rate fluctuations is as follows:

	March 31, 2024		
	Foreign currency (in thousands)	Exchange rate	Carrying amount (NTD)
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD : NTD	$ 20,655	32.000	$ 660,960
JPY : NTD	14,771	0.2115	3,124
HKD : NTD	756	4.089	3,091
Financial liabilities			
Monetary items			
USD : NTD	11,928	32.000	381,696

	December 31, 2023		
	Foreign currency (in thousands)	Exchange rate	Carrying amount (NTD)
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD : NTD	$ 30,763	30.705	$ 944,578
JPY : NTD	20,857	0.2172	4,530
HKD : NTD	756	3.929	2,970
Financial liabilities			
Monetary items			
USD : NTD	12,363	30.705	379,606

(Foreign currency: functional currency)	March 31, 2023		
	Foreign currency (in thousands)	Exchange rate	Carrying amount (NTD)
Financial assets			
Monetary items			
USD : NTD	$ 27,662	30.450	$ 842,308
JPY : NTD	36,134	0.2288	8,267
HKD : NTD	751	3.879	2,913
Financial liabilities			
Monetary items			
USD : NTD	15,998	30.450	487,139

B. The total exchange gain (loss) (including realized and unrealized) arising from significant foreign exchange variation on the monetary items held by the Group for the three-month periods ended March 31, 2024 and 2023, amounted to NT$19,404 and NT($22,475), respectively.

C. Analysis of foreign exchange risk of the Group arising from significant foreign exchange rate fluctuation is as follows:

(Foreign currency: functional currency)	For the three-month period ended March 31, 2024		
	Sensitivity analysis		
	Change percentage	Effect on profit or loss	Effect on other comprehensive income
Financial assets			
Monetary items			
USD : NTD	5%	$ 33,048	$ -
JPY : NTD	5%	156	-
HKD : NTD	5%	155	-
Financial liabilities			
Monetary items			
USD : NTD	5%	(19,085)	-

	For the three-month period ended March 31, 2023		
	Sensitivity analysis		
	Change percentage	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD : NTD	5%	$ 42,115	$ -
JPY : NTD	5%	413	-
HKD : NTD	5%	146	-
Financial liabilities			
Monetary items			
USD : NTD	5%	(24,357)	-

Price risk

A. The Group is exposed to equity instrument price risk because of the financial assets measured at fair value through other comprehensive income held. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.

B. The Group mainly invests in equity instruments issued by a domestic or foreign company. The price of such equity instruments can be affected by changes in future value of their investment targets. If the prices of these equity instruments had increased/decreased by 10% with all other variables held constant, profit or loss for the three-month periods ended March 31, 2024 and 2023 would have increased/decreased by NT$1,616 and NT$2,955, respectively, as a result of gains or losses classified as equity investment measured at fair value through other comprehensive income.

(2) Credit risk

A. The Group’s credit risk refers to the risk of financial loss to the Group arising from default by the clients or transaction counterparties of financial instruments on the contract obligations. Such risk is mainly due to the counterparties cannot repay the accounts payable according to the payment terms, and it is classified as the contract cash flows at amortized cost.

B. The Group establishes a framework for managing credit risks from a group's perspective. For corresponding banks and financial institutions, the Company set up to only accept transaction counterparties receiving the good credit raking independently. As the internal credit approval policy stipulates, an operating entity within the Group shall manage and analyze the credit risk of a new client before proposing terms and conditions pertaining to payments and delivery of goods. Internal risk control is achieved by evaluating a client’s credit quality against the client’s financial position, credit records, and other factors. Individual risk limits are set based on internal rating of the Group, and the utilization of credit limits is regularly monitored.

C. Credit risk impairment loss evaluation of financial assets measured at amortized cost:

a. The Group adopts IFRS 9 to provide preliminary assumption, and when the payment specified according to the contract term has exceeded 90 days, breach of contract is deemed to have occurred.

b. The Group applies the following presumption of IFRS 9 and deems that the credit risk of financial assets has significantly increased after initial recognition when the receivables obliged by the contractual terms are 30 days past due.

c. The Group has included future prospective considerations to adjust the historical and actual information, and also considers the credit rating of the issuance bank in order to estimate the expected credit loss.

d. The financial assets measured at amortized cost held by the Group refer to time deposits and restricted time deposits at banks, and the credit ratings of such banks are good without the occurrence of overdue in the past. In addition, based on the consideration that there is no material change to the overall economic environment, the probability of credit loss risk is evaluated to be extremely low, such that it has no material impact on the amount of the financial statements.

D. Credit risk impairment loss evaluation of accounts receivable:

a. The Group classifies accounts receivable due from clients by the characteristics of their ratings, and adopts the simplified approach that measures expected credit losses based on the preparation matrix.

b. By including the forward-looking consideration, the Group adjusts the expected credit loss rate that was established based on historical or present information, so as to estimate loss ratio method of the loss allowance for the accounts receivable, as of March 31, 2024, December 31, 2023 and March 31, 2023, as follows:

	Not past due	30 days past due	31~ 90 days past due	91~ 120 days past due	Over 120 days past due	Total
March 31, 2024						
Expected loss ratio	0%	0%	1%	1%	1%	
Total book value	$ 246,179	$ 5,119	$ 7,867	$ -	$ 538	$ 259,703
Loss allowance	$ -	$ -	$ 80	$ -	$ 5	$ 85

	Not past due	30 days past due	31~ 90 days past due	91~ 120 days past due	Over 120 days past due	Total
December 31, 2023						
Expected loss ratio	0%	0%	1%	1%	1%	
Total book value	$ 195,476	$ 1,033	$ 14,591	$ 3,081	$ 464	$ 214,645
Loss allowance	$ -	$ -	$ 146	$ 31	$ 5	$ 182

	Not past due	30 days past due	31~ 90 days past due	91~ 120 days past due	Over 120 days past due	Total
March 31, 2023						
Expected loss ratio	0%	0%	0%	0%	0%	
Total book value	$ 219,831	$ 560	$ 9,645	$ -	$ 10,122	$ 240,158
Loss allowance	$ -	$ -	$ -	$ -	$ -	$ -

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

	2024	2023
January 1	$ 182	$ -
Provision for impairment loss	(97)	-
March 31	$ 85	$ -

(3) Liquidity risk

A. Cash flow forecasting is done by each operating entity; the Financial Department of the Group is responsible only for summarizing the results. The financial department of the Group monitors rolling forecasts of the Group's liquidity requirements to ensure that it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times, in order to prevent the Group from breaching relevant borrowing limits or terms.

B. The table below listed the Group's non-derivative financial liabilities. They were analyzed for the residual duration between the balance sheet date and the contract maturity date. The table below disclosed the contractual cash flows not discounted.

Non-derivative financial liabilities:

March 31, 2024	Less than 1 year	1~2 years	2~3 years	3~5 years	Over 5 years	Total
Notes payable	$ 7	$ -	$ -	$ -	$ -	$ 7
Accounts payable (including related party)	162,937	-	-	-	-	162,937
Other payables (including related party)	183,069	-	-	-	-	183,069
Lease liabilities	17,191	17,191	16,318	32,103	347,515	430,318
Guarantee deposits	263,769	36,118	24	9	3,874	303,794

Non-derivative financial liabilities:

December 31, 2023	Less than 1 year	1~2 years	2~3 years	3~5 years	Over 5 years	Total
Notes payable	$ 7	$ -	$ -	$ -	$ -	$ 7
Accounts payable (including related party)	129,462	-	-	-	-	129,462
Other payables	203,562	-	-	-	-	203,562
Lease liabilities	17,191	17,191	16,573	32,152	351,510	434,617
Guarantee deposits	199,029	143,303	24	9	3,874	346,239

Non-derivative financial liabilities:

March 31, 2023	Less than 1 year	1~2 years	2~3 years	3~5 years	Over 5 years	Total
Notes payable	$ 7	$ -	$ -	$ -	$ -	$ 7
Accounts payable (including related party)	132,832	-	-	-	-	132,832
Other payables	389,214	-	-	-	-	389,214
Lease liabilities	16,175	16,174	16,174	32,300	363,493	444,316
Guarantee deposits	212,360	244,688	20	52	3,826	460,946

(III) Information on fair value

1. Below are the definitions assigned to each level of valuation technique used to measure the fair value of financial and non-financial assets.

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

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

   Level 3: Unobservable inputs for the asset or liability.

2. Financial instruments not measured at fair values

   The carrying amounts of the cash and cash equivalents, financial assets measured at amortized cost, accounts receivable, other receivables, refundable deposits, notes payable, accounts payable and other payables are approximate to the reasonably close values of fair values.

3. Financial and non-financial assets measured at fair value are classified by the Group according to the nature, characteristic, risk, and fair value level of the assets and liabilities, and relevant information is stated as follows:

March 31, 2024	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value				
Financial assets at fair value through other comprehensive income				
Unlisted stocks	$ -	$ -	$ 16,162	$ 16,162

December 31, 2023	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value				
Financial assets at fair value through other comprehensive income				
Unlisted stocks	$ -	$ -	$ 16,911	$ 16,911

March 31, 2023	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value				
Financial assets at fair value through other comprehensive income				
Unlisted stocks	$ -	$ -	$ 29,548	$ 29,548

4. The techniques and assumptions used by the Group to measure fair value are stated as follows:
   (1) The fair value of other financial instruments of the Group is measured by using valuation techniques or by reference to counterparty quotes. The fair value of financial instruments measured using valuation techniques can be referred to as the current fair value of instruments with similar terms and characteristics in substance, discounted cash flow method or other valuation methods, including those calculated by applying a model using market information available at the consolidated balance sheet date.
   (2) Outputs from the valuation models are estimates and valuation techniques may not be able to reflect all relevant factors of the financial and non-financial instruments held by the Group. Consequently, the estimated value of the valuation model is adjusted appropriately according to the additional parameters. In accordance with the Group's management policies and relevant control procedures relating to the valuation models used for fair value measurement, management believes adjustment to valuation is necessary in order to reasonably represent the fair value of financial and non-financial instruments in the consolidated balance sheets. The inputs and pricing information used during valuation are carefully assessed and adjusted based on current market conditions.
5. For the three-month periods ended March 31, 2023and 2024, there was no transfer between Level 1 and Level 2.

6. The following table shows the change of Level 3 equity instruments for the three-month periods ended March 31, 2023and 2024.

	2024	2023
January 1	$ 16,911	$ 29,337
Valuation adjustment	(749)	211
March 31	$ 16,162	$ 29,548

7. Valuation process regarding fair value Level 3 is conducted by the Group’s financial department, which conducts an independent fair value verification though use of independent data source in order to make the valuation results close to market conditions, and to review periodically, thereby ensuring a reasonable valuation result.

8. The significant non-observable input value quantified information and significant non-observable input value change sensitivity analysis for the valuation model used in relation to the Level 3 fair value measurements are as follows:

	Fair value at March 31, 2024	Valuation technique	Significant unobservable inputs	Range (weighted average)	Relationship between inputs and fair value
Non-derivative equity instruments:					
Unlisted stocks	$ 16,162	Market comparable companies	Discount for lack of marketability	30%	The higher the discount for lack of marketability, the lower the fair value

	Fair value at December 31, 2023	Valuation technique	Significant unobservable inputs	Range (weighted average)	Relationship between inputs and fair value
Non-derivative equity instruments:					
Unlisted stocks	$ 16,911	Market comparable companies	Discount for lack of marketability	30%	The higher the discount for lack of marketability, the lower the fair value

	Fair value at March 31, 2023	Valuation technique	Significant unobservable inputs	Range (weighted average)	Relationship between inputs and fair value
Non-derivative equity instruments:					
Unlisted stocks s	$ 29,548	Market comparable companies	Discount for lack of marketability	30%	The higher the discount for lack of marketability, the lower the fair value

9. The Group elects to adopt valuation models and valuation parameters under prudential consideration. Nonetheless, this does not preclude the differences arising from adoption of different valuation models or parameters. If valuation parameters change, financial assets

classified as Level 3 will have effects on the profit/loss or other comprehensive income, stated as follows:

			March 31, 2024			
			Recognized in profit or loss		Recognized in other comprehensive income	
	Inputs	Changes	Favorable changes	Unfavorable changes	Favorable changes	Unfavorable changes
Financial assets						
Equity instruments	Discount for lack of marketability	± 10%	$ -	$ -	$ 2,308	($ 2,308)

			December 31, 2023			
			Recognized in profit or loss		Recognized in other comprehensive income	
	Inputs	Changes	Favorable changes	Unfavorable changes	Favorable changes	Unfavorable changes
Financial assets						
Equity instruments	Discount for lack of marketability	± 10%	$ -	$ -	$ 2,415	($ 2,415)

			March 31, 2023			
			Recognized in profit or loss		Recognized in other comprehensive income	
	Inputs	Changes	Favorable changes	Unfavorable changes	Favorable changes	Unfavorable changes
Financial assets						
Equity instruments	Discount for lack of marketability	± 10%	$ -	$ -	$ 4,220	($ 4,220)

XIII. Additional Disclosures

(1) Information on Significant Transactions

1. Financing provided to others: None
2. Endorsements/guarantees provided to others: None
3. Marketable securities held at the end of the period (excluding investment in subsidiaries, affiliated companies, and the control portion in a joint venture): Please refer to Table 1.
4. Marketable securities acquired and disposed of at costs or prices of at least NT$300 million or 20% of the paid-in capital or more: None.
5. Acquisition of real estate reaching NT$300 million or 20% of paid-in capital or more: None.
6. Disposal of real estate reaching NT$300 million or 20% of paid-in capital or more: None.
7. Transaction with related party reaching NT$100 million or 20% of paid-in capital or more: Please refer to Table 2.
8. Receivables from related parties reaching $100 million or 20% of paid-in capital or more: Please refer to Table 3.
9. Trading in derivative instruments: None
10. Business relationship, significant transactions, and significant transaction amount between

parent and subsidiaries, or among subsidiaries: Please refer to Table 4.

(2) Information on Investees

Names, locations and other information of investee companies (excluding those in Mainland China): Please refer to Table 5.

(3) Information on investments in Mainland China

None.

(4) Information on major shareholders

Please refer to Table 6.

XIV. Operating Segment Information

(I) General Information

The primary operating activities of the Group include research, design, development, testing, manufacturing, sales of integrated circuits and solar power generation systems and general investments. The segments of the Group include a total of three segments required for reporting of the wafer industry, solar power industry and professional investments.

(II) Information on segment profit or loss

Information on reportable segment provided to the main operating decision makers:

For the three-month period ended March 31, 2024	Wafer industry	Solar power industry	Professional investments	Total
Segment revenue	$ 358,182	$ 46	$ -	$ 358,228
Revenue from internal segments	(6,669)	-	-	(6,669)
Revenue from external	$ 351,513	$ 46	$ -	$ 351,559
Segment profits or losses	($ 13,953)	$ 18	$ 4,138	(9,797)
Segment assets	$ 3,142,165	$ 1,005	$ 227,295	$ 3,370,465
Segment liabilities	$ 1,012,539	$ -	$ 965	$ 1,013,504

For the three-month period ended March 31, 2023	Wafer industry	Solar power industry	Professional investments	Total
Segment revenue	$ 403,315	$ 42	$ -	$ 403,357
Revenue from internal segments	(11,855)	-	-	(11,855)
Revenue from external	$ 391,460	$ 42	$ -	$ 391,502
Segment profits or losses	($ 47,617)	$ 14	$ 298	(47,305)
Segment assets	$ 3,631,127	$ 1,130	$ 221,426	$ 3,853,683
Segment liabilities	$ 1,367,226	$ -	$ 1,093	$ 1,368,319

(III) Reconciliation of segment profit or loss

Since the total segment profit or loss measured was consistent with the net Income before tax of the financial statements of the Group, no reconciliation was required.

Mosel Vitelic Inc. and Subsidiaries

Marketable Securities Held at the End of the Period (Excluding Investment in Subsidiaries, Affiliated Enterprises, and the Control Portion in a Joint Venture)

March 31, 2024

Table 1

(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Holding company name	Marketable securities type and name	Relationship with the issuer	Financial statement account	Number of shares	End of period Carrying amount	End of period Shareholding percentage	End of period Fair value	Remarks
Mosel Vitelic Inc.	ProMOS Technologies Inc. (common shares)	None	Financial assets at fair value through other comprehensive income acquired - non-current	603,326	$ 10,891	1.34	$ 10,891	
Mosel Vitelic Inc.	Aplus Flash Technology,Inc. (common shares)	None	Financial assets at fair value through other comprehensive income acquired - non-current	1,492,040	-	5.28	-	
Mosel Vitelic Inc.	Pacific Resources Corporation (common shares)	None	Financial assets at fair value through other comprehensive income acquired - non-current	36,563	3,430	4.88	3,430	
Mosel Vitelic Inc.	Soft Device Inc. (common shares)	None	Financial assets at fair value through other comprehensive income acquired - non-current	7,517,500	-	-	-	
Mosel Vitelic Inc.	Pegasus Wireless Corp. (common shares)	None	Financial assets at fair value through other comprehensive income acquired - non-current	1,814,584	-	-	-	
Mosel Vitelic Inc.	NewMedia Networking Corp. (common shares)	None	Financial assets at fair value through other comprehensive income acquired - non-current	1,600,000	-	-	-	
Mosel Vitelic Inc	Aumos Technologies Inc. (common shares)	None	Financial assets at fair value through other comprehensive income acquired - non-current	1,364,903	-	16.24	-	
Mou-Fu Investment Consultant., Ltd.	ProMOS Technologies Inc. (common shares)	None	Financial assets at fair value through other comprehensive income acquired - non-current	32,387	585	0.07	585	
Mou-Fu Investment Consultant., Ltd..	Advanced Flash Memory Card Technology Co., Ltd. (common shares)	None	Financial assets at fair value through other comprehensive income acquired - non-current	340,200	-	0.41	-	
Mou-Fu Investment Consultant., Ltd.	E-Soft Technologies Inc. (common shares)	None	Financial assets at fair value through other comprehensive income acquired - non-current	200,829	1,250	2.37	1,250	
Mou-Fu Investment Consultant., Ltd..	Harbinger III Venture Capital Corp. (common shares)	None	Financial assets at fair value through other comprehensive income acquired - non-current	560	6	0.56	6	
Mou-Fu Investment Consultant., Ltd.	Virtual Silicon Technology, Inc. (common shares)	None	Financial assets at fair value through other comprehensive income acquired - non-current	224,000	-	-	-	
Mou-Fu Investment Consultant., Ltd.	Wavesat Inc. (common shares)	None	Financial assets at fair value through other comprehensive income acquired - non-current	43,819	-	-	-	

Mosel Vitelic Inc. and Subsidiaries

Total purchases from or sales to the related party reaching NT$100 million or 20% of paid-in capital or more

For the three-month period ended March 31, 2024

Table 2

(In Thousands of New Taiwan Dollars,

Unless otherwise specified)

			Transaction Details				Abnormal Transaction and Reason		Notes, accounts receivable (payable)		
Company of purchase (sales)	Transaction party name	Relationship	Purchase (Sale)	Amount	Percentage of total purchase (sale)	Credit period	Unit price	Credit period	Balance	Percentage of total notes/ accounts receivable (payable)	Remarks
Mosel Vitelic Inc.	Actron Technology Corporation	Parent compamy	Sales	($ 138,330)	(39.35%)	Net 30 days	Not applicable	Not applicable	$ 110,790	42.67%	

Mosel Vitelic Inc. and Subsidiaries

Receivables from related parties reaching NT$100 million or 20% of paid-in capital or more

March 31, 2024

Table 3 ,

(In Thousands of New Taiwan Dollars, Unless otherwise specified)

Creditor	Counterparty	Relationship	Balance as at March 31, 2024	Turnover rate	Overdue receivables Amount	Overdue receivables Action taken	Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
Mosel Vitelic Inc.	Actron Technology Corporation	Parent compamy	$ 110,790	1.40	$ 7,352	Collection after the period	$ 109,576	$ 73

Mosel Vitelic Inc. and Subsidiaries

The Business Relationship, Significant Transactions, and Significant Transaction Amount between Parent and Subsidiaries, or among Subsidiaries

For the three-month period ended March 31, 2024

Table 4

(In Thousands of New Taiwan Dollars, Unless otherwise specified)

No. (Note 1)	Name of transaction party	Transaction party	Relationship with transaction party (Note 2)	Transaction status: Item	Amount	Transaction terms	Percentage of consolidated total revenue or total assets (Note 3)
0	Mosel Vitelic Inc.	DenMOS Technology Inc.	1	Accounts receivable	$ 3,909	According to general sales conditions	0.12%
0	Mosel Vitelic Inc.	DenMOS Technology Inc.	1	Sales revenue	6,669	According to general sales conditions	1.90%
0	Mosel Vitelic Inc.	DenMOS Technology Inc.	1	Other receivables	155	According to contract terms	0.00%
0	Mosel Vitelic Inc.	DenMOS Technology Inc.	1	Rental revenue	131	According to contract terms	0.04%
0	Mosel Vitelic Inc.	DenMOS Technology Inc.	1	Deposits received	206	According to contract terms	0.01%

Note 1: The business dealing information between the parent company and subsidiary shall be respectively indicated in the numbering column, and the number filling method is as follows:

(1) Fill in “0” for the parent company.

(2) Subsidiaries are listed in sequential order starting from Arabic number of “1”

Note 2: There are three types of relationship with the transaction counterparty as follows, and only type is required to be indicated (if it refers to the same transaction between parent company and subsidiary or between subsidiaries, repetitive disclosure is not required. For example: For a transaction of the parent company to a subsidiary, if the parent company has disclosed such transaction, then the subsidiary is not required to make repetitive disclosure. For a transaction between subsidiaries, if one of the subsidiaries has disclosed such transaction, then the other subsidiary is not required to make repetitive disclosure):

(1) Parent company to subsidiary

(2) Subsidiary to parent company.

(3) Between subsidiaries.

Note 3: For calculation of transaction amount to total sales or assets, the numerator and denominator are determined by the characteristics of the transaction. If the feature of the transaction belongs to balance sheet items, take the ending balance of the period divided by total assets; if the feature of the transaction belongs to revenue and expense items, take the accumulated balance during the interim of the period divided by total sales.

Mosel Vitelic Inc. and Subsidiaries

Names, locations and other information of investee companies (Excluding Those in Mainland China)

For the three-month period ended March 31, 2024

Table 5

(In Thousands of New Taiwan Dollars, Unless otherwise specified)

Name of investor	Name of investee	Location	Main business	Initial investment amount: End of current period	Initial investment amount: End of last year	End of term holding: Number of shares	End of term holding: Percentage	End of term holding: Carrying amount	Current profit or loss of investee	Current investment profit or loss recognized	Remarks
Mosel Vitelic Inc.	DenMOS Technology Inc.	Taiwan	Sales and manufacturing of integrated circuits	$ 291,820	$ 291,820	9,113,722	80.24	$ 103,722	$ 1,024	$ 821	
Mosel Vitelic Inc.	Mou-Fu Investment Consultant., Ltd.	Taiwan	Lease, labor dispatch and various services	2,313,124	2,313,124	12,011,900	100.00	111,180	233	233	
Mosel Vitelic Inc.	Bou-Der Investment, Ltd.	Taiwan	Investment holding	1,264,372	1,264,372	6,399,501	46.71	35,677	73	34	Note
Mosel Vitelic Inc.	Giant Haven Investments Ltd.(BVI)	British Virgin Islands	General investment	664,061	664,061	1,900	100.00	75,317	3,911	3,911	
Mosel Vitelic Inc.	Integrated Memory Technologies, Inc.	U.S.A.	Flash memory design house	44,753	44,753	2,500,000	23.00	-	-	-	
Mou-Fu Investment Consultant., Ltd	Bou-Der Investment, Ltd..	Taiwan	Investment holding	1,356,365	1,356,365	6,839,233	49.92	38,132	73	37	Note
Mou-Fu Investment Consultant., Ltd	DenMOS Technology Inc.	Taiwan	Sales and manufacturing of integrated circuits	25,863	25,863	471,281	4.15	5,518	1,024	43	
Giant Haven Investments Ltd. (BVI)	Third Dimension Semiconductor, Inc.	U.S.A.	Power IC design	314,640	314,640	49,182,884	43.00	-	4,294	-	

Note: The subsidiary Bou Der Investment Ltd executed dissolution according to the resolution of the board of directors of the Company on July 27, 2023. Subsequently, after the Company purchased all of its securities, it obtained the dissolution approval registration letter issued by competent authority on November 23, 2023, and was still in the process of liquidation.

Mosel Vitelic Inc. and Subsidiaries

Information on major shareholders

March 31, 2024

Table 6

Name of major shareholder	Shares	
	Number of shares held	Shareholding percentage
Actron Technology Corporation	46,925,459	29.85%