# REALTEK SEMICONDUCTOR CORPORATION
# AND SUBSIDIARIES
# CONSOLIDATED FINANCIAL STATEMENTS AND
# INDEPENDENT AUDITORS' REVIEW REPORT
# MARCH 31, 2024 AND 2023
# (Stock code: 2379)

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INDEPENDENT AUDITORS' REVIEW REPORT TRANSLATED FROM CHINESE

PWCR24000010

To the Board of Directors and Shareholders of Realtek Semiconductor Corporation

## *Introduction*

We have reviewed the accompanying consolidated balance sheets of Realtek Semiconductor Corporation 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) and 6(7), the consolidated financial statements of certain insignificant consolidated subsidiaries, investments accounted for under equity method and the information disclosed in Note 13 were based solely on the reports prepared by those subsidiaries and investee companies, which were not reviewed by independent auditors. Total assets of these subsidiaries amounted to NT$6,430,075 thousand and NT$6,258,112 thousand, constituting 6.43% and 5.82% of the consolidated total assets as at March 31, 2024 and 2023, respectively, total liabilities amounted to NT$1,159,680 thousand and NT$846,101 thousand, constituting 2.21% and 1.42% of the consolidated total liabilities as at March 31, 2024 and 2023, respectively, and the total comprehensive income (loss) amounted to NT$487,433 thousand and (NT$21,420) thousand, constituting 9.11% and (1.60%) of the consolidated total comprehensive income for the three-month periods then ended, respectively. Furthermore, the investments accounted for under equity method as at March 31, 2024 and 2023 amounted to NT$105,788 thousand and NT$157,123 thousand, respectively, and the related investment loss were NT$26,006 thousand and NT$12,624 thousand for the three-month periods then ended, respectively.

## *Qualified conclusion*

Except for the adjustments to the consolidated financial statements, if any, as might have been determined to be necessary had the financial statements of certain insignificant consolidated subsidiaries and investments accounted for under equity method been reviewed by independent auditors as described in the *Basis for qualified conclusion* section above, 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 Realtek Semiconductor Corporation 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.

Li, Tien-Yi　　　　Cheng, Ya-Huei

For and on behalf PricewaterhouseCoopers, Taiwan

April 19, 2024

REALTEK SEMICONDUCTOR CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
MARCH 31, 2024, DECEMBER 31, 2023 AND MARCH 31, 2023
(Expressed 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) | $ 10,167,058 | 10 | $ 10,268,291 | 11 | $ 10,321,974 | 9 |
| 1110 | Financial assets at fair value through profit or loss - current | 6(2) | 902,403 | 1 | 948,832 | 1 | 652,261 | 1 |
| 1136 | Financial assets at amortised cost - current | 6(4) | 34,977,043 | 35 | 32,373,191 | 34 | 41,951,513 | 39 |
| 1170 | Accounts receivable, net | 6(5) | 12,822,372 | 13 | 10,663,065 | 11 | 9,203,795 | 8 |
| 1180 | Accounts receivable, net - related parties | 6(5) and 7 | 2,679,515 | 3 | 2,093,922 | 2 | 1,851,841 | 2 |
| 1200 | Other receivables | | 1,025,258 | 1 | 616,624 | 1 | 907,189 | 1 |
| 130X | Inventories, net | 6(6) | 11,977,261 | 12 | 11,756,934 | 13 | 21,216,809 | 20 |
| 1410 | Prepayments | | 497,681 | - | 566,761 | 1 | 518,938 | - |
| 11XX | **Total current assets** | | 75,048,591 | 75 | 69,287,620 | 74 | 86,624,320 | 80 |
| | **Non-current assets** | | | | | | | |
| 1510 | Financial assets at fair value through profit or loss - non-current | 6(2) | 53,000 | - | 53,000 | - | 360,719 | - |
| 1517 | Financial assets at fair value through other comprehensive income - non-current | 6(3) | 3,550,443 | 4 | 3,126,098 | 3 | 3,162,070 | 3 |
| 1535 | Financial assets at amortised cost - non-current | 6(4) and 8 | 5,761,914 | 6 | 5,509,030 | 6 | 2,243,173 | 2 |
| 1550 | Investments accounted for under equity method | 6(7) | 105,788 | - | 131,794 | - | 157,123 | - |
| 1600 | Property, plant and equipment | 6(8) | 8,842,389 | 9 | 8,754,486 | 9 | 8,014,840 | 8 |
| 1755 | Right-of-use assets | 6(9) | 1,749,870 | 2 | 1,767,795 | 2 | 1,509,219 | 2 |
| 1760 | Investment property | 6(10) | 33,638 | - | 33,878 | - | 37,599 | - |
| 1780 | Intangible assets | 6(11) | 2,318,843 | 2 | 2,624,598 | 3 | 3,154,651 | 3 |
| 1840 | Deferred income tax assets | | 303,721 | - | 337,312 | 1 | 148,471 | - |
| 1900 | Other non-current assets | 9 | 2,212,878 | 2 | 2,189,659 | 2 | 2,198,433 | 2 |
| 15XX | **Total non-current assets** | | 24,932,484 | 25 | 24,527,650 | 26 | 20,986,298 | 20 |
| 1XXX | **Total assets** | | $ 99,981,075 | 100 | $ 93,815,270 | 100 | $ 107,610,618 | 100 |

(Continued)

REALTEK SEMICONDUCTOR CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
MARCH 31, 2024, DECEMBER 31, 2023 AND MARCH 31, 2023
(Expressed in thousands of New Taiwan dollars)

| | Liabilities and Equity | Notes | March 31, 2024 AMOUNT | % | December 31, 2023 AMOUNT | % | March 31, 2023 AMOUNT | % |
|---|---|---|---|---|---|---|---|---|
| | **Current liabilities** | | | | | | | |
| 2100 | Short-term borrowings | 6(12) | $ 2,400,000 | 3 | $ 4,250,000 | 5 | $ 13,649,448 | 13 |
| 2130 | Contract liabilities - current | 6(21) | 323,595 | - | 336,648 | - | 336,482 | - |
| 2170 | Accounts payable | | 8,801,511 | 9 | 6,904,009 | 7 | 4,544,970 | 4 |
| 2180 | Accounts payable - related parties | 7 | 334,636 | - | 369,104 | - | 211,988 | - |
| 2200 | Other payables | 6(13) | 24,614,513 | 25 | 24,513,037 | 26 | 26,792,208 | 25 |
| 2220 | Other payables - related parties | 7 | 79,851 | - | 60,293 | - | 58,035 | - |
| 2230 | Current income tax liabilities | | 1,957,546 | 2 | 1,764,021 | 2 | 1,447,925 | 1 |
| 2280 | Lease liabilities - current | | 135,779 | - | 139,213 | - | 85,132 | - |
| 2300 | Other current liabilities | 6(21) | 8,370,934 | 8 | 7,909,427 | 9 | 7,987,725 | 8 |
| 21XX | **Total current liabilities** | | 47,018,365 | 47 | 46,245,752 | 49 | 55,113,913 | 51 |
| | **Non-current liabilities** | | | | | | | |
| 2540 | Long-term borrowings | 6(14) | 2,229,267 | 2 | 2,227,346 | 2 | 1,712,962 | 2 |
| 2550 | Provisions - non-current | 6(16) | 1,480,517 | 2 | 1,392,138 | 2 | 1,301,531 | 1 |
| 2570 | Deferred income tax liabilities | | 167,554 | - | 203,766 | - | 77,264 | - |
| 2580 | Lease liabilities - non-current | | 1,398,004 | 1 | 1,408,856 | 2 | 1,193,445 | 1 |
| 2600 | Other non-current liabilities | | 97,599 | - | 99,250 | - | 107,293 | - |
| 25XX | **Total non-current liabilities** | | 5,372,941 | 5 | 5,331,356 | 6 | 4,392,495 | 4 |
| 2XXX | **Total liabilities** | | 52,391,306 | 52 | 51,577,108 | 55 | 59,506,408 | 55 |
| | **Equity** | | | | | | | |
| | Share capital | 6(17) | | | | | | |
| 3110 | Common shares | | 5,128,636 | 5 | 5,128,636 | 5 | 5,128,636 | 5 |
| | Capital surplus | 6(18) | | | | | | |
| 3200 | Capital surplus | | 542,048 | 1 | 542,048 | 1 | 1,044,224 | 1 |
| | Retained earnings | 6(19) | | | | | | |
| 3310 | Legal reserve | | 8,882,764 | 9 | 8,882,764 | 9 | 7,262,359 | 7 |
| 3320 | Special reserve | | - | - | - | - | 1,776,089 | 2 |
| 3350 | Undistributed earnings | | 27,716,645 | 28 | 24,845,272 | 27 | 30,664,639 | 28 |
| | Other equity | 6(20) | | | | | | |
| 3400 | Other equity interest | | 5,310,003 | 5 | 2,829,740 | 3 | 2,218,518 | 2 |
| 31XX | **Equity attributable to holders of the parent company** | | 47,580,096 | 48 | 42,228,460 | 45 | 48,094,465 | 45 |
| 36XX | Non-controlling interest | | 9,673 | - | 9,702 | - | 9,745 | - |
| 3XXX | **Total equity** | | 47,589,769 | 48 | 42,238,162 | 45 | 48,104,210 | 45 |
| | Significant contingent liabilities and unrecognized contract commitments | 9 | | | | | | |
| | Significant events after the balance sheet date | 11 | | | | | | |
| 3X2X | **Total liabilities and equity** | | $ 99,981,075 | 100 | $ 93,815,270 | 100 | $ 107,610,618 | 100 |

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

REALTEK SEMICONDUCTOR CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars, except for earnings per share amount)

| | | | Three months ended March 31 | | | |
|---|---|---|---|---|---|---|
| | | | 2024 | | 2023 | |
| | Items | Notes | AMOUNT | % | AMOUNT | % |
| 4000 | Operating revenue | 6(21) and 7 | $ 25,622,844 | 100 | $ 19,624,903 | 100 |
| 5000 | Operating costs | 6(6) and 7 | ( 12,598,418) | ( 49) | ( 11,159,345) | ( 57) |
| 5950 | Gross profit | | 13,024,426 | 51 | 8,465,558 | 43 |
| | Operating expenses | 6(26)(27) and 7 | | | | |
| 6100 | Selling expenses | | ( 1,181,035) | ( 4) | ( 782,048) | ( 4) |
| 6200 | General and administrative expenses | | ( 1,214,069) | ( 5) | ( 691,646) | ( 4) |
| 6300 | Research and development expenses | | ( 7,859,188) | ( 31) | ( 5,572,870) | ( 28) |
| 6450 | Expected credit losses | 12(2) | ( 27,044) | - | ( 4,446) | - |
| 6000 | Total operating expenses | | ( 10,281,336) | ( 40) | ( 7,051,010) | ( 36) |
| 6900 | Operating income | | 2,743,090 | 11 | 1,414,548 | 7 |
| | Non-operating income and expenses | | | | | |
| 7100 | Interest income | 6(22) | 632,584 | 2 | 530,091 | 3 |
| 7010 | Other income | 6(23) | 16,675 | - | 11,203 | - |
| 7020 | Other gains and losses | 6(24) | 11,056 | - | ( 10,844) | - |
| 7050 | Finance costs | 6(25) | ( 41,370) | - | ( 63,364) | ( 1) |
| 7060 | Share of loss of associates and joint ventures accounted for under equity method | 6(7) | ( 26,006) | - | ( 12,624) | - |
| 7000 | Total non-operating income and expenses | | 592,939 | 2 | 454,462 | 2 |
| 7900 | **Profit before income tax, net** | | 3,336,029 | 13 | 1,869,010 | 9 |
| 7950 | Income tax expense | 6(28) | ( 206,490) | ( 1) | ( 75,615) | - |
| 8200 | **Net income for the period** | | $ 3,129,539 | 12 | $ 1,793,395 | 9 |
| | **Other comprehensive income (losses), net** | 6(20) | | | | |
| | **Components of other comprehensive income (losses) that will not be reclassified to profit or loss** | | | | | |
| 8316 | Unrealised gains (losses) from investments in equity instruments measured at fair value through other comprehensive income | 6(3) | $ 393,962 | 2 | ($ 12,686) | - |
| | **Components of other comprehensive income (losses) that will be reclassified to profit or loss** | | | | | |
| 8361 | Financial statements translation differences of foreign operations | | 1,828,166 | 7 | ( 438,526) | ( 2) |
| 8300 | **Other comprehensive income(loss), net** | | $ 2,222,128 | 9 | ($ 451,212) | ( 2) |
| 8500 | **Total comprehensive income for the period** | | $ 5,351,667 | 21 | $ 1,342,183 | 7 |
| | Net income attributable to: | | | | | |
| 8610 | Equity holders of the parent company | | $ 3,129,508 | 12 | $ 1,793,368 | 9 |
| 8620 | Non-controlling interest | | 31 | - | 27 | - |
| | Net income for the period | | $ 3,129,539 | 12 | $ 1,793,395 | 9 |
| | Comprehensive income attributable to: | | | | | |
| 8710 | Equity holders of the parent company | | $ 5,351,636 | 21 | $ 1,342,156 | 7 |
| 8720 | Non-controlling interest | | 31 | - | 27 | - |
| | Total comprehensive income for the period | | $ 5,351,667 | 21 | $ 1,342,183 | 7 |
| | Earnings per share (in dollars) | | | | | |
| 9750 | Basic earnings per share | 6(29) | $ 6.10 | | $ 3.50 | |
| 9850 | Diluted earnings per share | 6(29) | $ 6.05 | | $ 3.44 | |

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

REALTEK SEMICONDUCTOR CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2024 AND 2023
(Expressed 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 | Undistributed earnings | Financial statements translation differences of foreign operations | Unrealised income (losses) from financial assets measured at fair value through other comprehensive income | Total | Non-controlling interest | Total equity |
| Three-month period ended March 31, 2023 | | | | | | | | | | | |
| Balance at January 1, 2023 | | $ 5,128,636 | $ 1,045,147 | $ 7,262,359 | $ 1,776,089 | $ 28,854,826 | $ 1,294,358 | $ 1,391,817 | $ 46,753,232 | $ 9,718 | $ 46,762,950 |
| Net income for the period | | - | - | - | - | 1,793,368 | - | - | 1,793,368 | 27 | 1,793,395 |
| Other comprehensive loss for the period | 6(20) | - | - | - | - | - | ( 438,526 ) | ( 12,686 ) | ( 451,212 ) | - | ( 451,212 ) |
| Total comprehensive income (loss) for the period | | - | - | - | - | 1,793,368 | ( 438,526 ) | ( 12,686 ) | 1,342,156 | 27 | 1,342,183 |
| Changes in equity of associates accounted for under equity method | 6(18) | - | ( 923 ) | - | - | - | - | - | ( 923 ) | - | ( 923 ) |
| Disposal of financial assets at fair value through other comprehensive income or losses | 6(20) | - | - | - | - | 16,445 | - | ( 16,445 ) | - | - | - |
| Balance at March 31, 2023 | | $ 5,128,636 | $ 1,044,224 | $ 7,262,359 | $ 1,776,089 | $ 30,664,639 | $ 855,832 | $ 1,362,686 | $ 48,094,465 | $ 9,745 | $ 48,104,210 |
| Three-month period ended March 31, 2024 | | | | | | | | | | | |
| Balance at January 1, 2024 | | $ 5,128,636 | $ 542,048 | $ 8,882,764 | $ - | $ 24,845,272 | $ 1,578,157 | $ 1,251,583 | $ 42,228,460 | $ 9,702 | $ 42,238,162 |
| Net income for the period | | - | - | - | - | 3,129,508 | - | - | 3,129,508 | 31 | 3,129,539 |
| Other comprehensive income for the period | 6(20) | - | - | - | - | - | 1,828,166 | 393,962 | 2,222,128 | - | 2,222,128 |
| Total comprehensive income for the period | | - | - | - | - | 3,129,508 | 1,828,166 | 393,962 | 5,351,636 | 31 | 5,351,667 |
| Disposal of financial assets at fair value through other comprehensive income or losses | 6(20) | - | - | - | - | ( 258,135 ) | - | 258,135 | - | - | - |
| Changes in non-controlling interest | | - | - | - | - | - | - | - | - | ( 60 ) | ( 60 ) |
| Balance at March 31, 2024 | | $ 5,128,636 | $ 542,048 | $ 8,882,764 | $ - | $ 27,716,645 | $ 3,406,323 | $ 1,903,680 | $ 47,580,096 | $ 9,673 | $ 47,589,769 |

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

REALTEK SEMICONDUCTOR CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE THREE-MONTHS PERIODS ENDED MARCH 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

| | Notes | Three-month periods ended March 31 2024 | 2023 |
|---|---|---|---|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Profit before tax | | $ 3,336,029 | $ 1,869,010 |
| Adjustments | | | |
| Adjustments to reconcile profit (loss) | | | |
| Depreciation | 6(26) | 351,431 | 310,670 |
| Amortization | 6(11)(26) | 436,978 | 463,264 |
| Expected credit losses | 12(2) | 27,044 | 4,446 |
| Interest expense | 6(25) | 41,370 | 63,364 |
| Interest income | 6(22) | ( 632,584 ) | ( 530,091 ) |
| Losses (gains) on financial assets at fair value through profit or loss | 6(2)(24) | 5,431 | ( 21,528 ) |
| Share of loss of associates and joint ventures accounted for under equity method | 6(7) | 26,006 | 12,624 |
| Losses (gains) on disposal of property, plant and equipment | 6(24) | 1 | ( 146 ) |
| Changes in operating assets and liabilities | | | |
| Changes in operating assets | | | |
| Financial assets at fair value through profit or loss - current | | 40,998 | 929,980 |
| Accounts receivable, net | | ( 2,180,400 ) | 208,118 |
| Accounts receivable, net - related parties | | ( 591,544 ) | 744,485 |
| Other receivables | | 35,252 | ( 4,718 ) |
| Inventories | | ( 220,327 ) | 4,335,734 |
| Prepayments | | 69,080 | 5,587 |
| Changes in operating liabilities | | | |
| Contract liabilities - current | | ( 13,053 ) | 218,730 |
| Accounts payable | | 1,897,502 | ( 5,795,109 ) |
| Accounts payable - related parties | | ( 34,468 ) | 55,692 |
| Other payables | | 1,179,056 | ( 1,041,936 ) |
| Other payables - related parties | | 19,558 | ( 32,366 ) |
| Other current liabilities | | 461,507 | ( 971,554 ) |
| Provisions - non-current | | 31,990 | 30,405 |
| Accrued pension obligations | | 454 | 1,053 |

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REALTEK SEMICONDUCTOR CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE THREE-MONTHS PERIODS ENDED MARCH 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

| | Notes | Three-month periods ended March 31 2024 | 2023 |
|---|---|---|---|
| Cash inflow generated from operations | | $ 4,287,311 | $ 855,714 |
| Interest received | | 188,698 | 116,389 |
| Interest paid | | ( 43,400 ) | ( 64,391 ) |
| Income tax paid | | ( 13,292 ) | ( 10,947 ) |
| Net cash flows from operating activities | | 4,419,317 | 896,765 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Acquisition of financial assets at fair value through other comprehensive income | | - | ( 28,520 ) |
| Proceeds from disposal of financial assets at fair value through other comprehensive income | | 42,727 | - |
| Acquisition of financial assets at amortised cost | | ( 4,574,252 ) | ( 4,770,403 ) |
| Proceeds from disposal of financial assets at amortised cost | | 3,251,539 | 2,446,088 |
| Acquisition of property, plant and equipment | 6(30) | ( 605,880 ) | ( 539,738 ) |
| Proceeds from disposal of property, plant and equipment | | - | 164 |
| Acquisition of intangible assets | 6(30) | ( 998,496 ) | ( 1,253,366 ) |
| Increase in refundable deposits | | ( 1,135 ) | ( 618 ) |
| Net cash flows used in investing activities | | ( 2,885,497 ) | ( 4,146,393 ) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Increase in short-term borrowings | 6(31) | 22,798,975 | 45,747,139 |
| Decrease in short-term borrowings | 6(31) | ( 24,648,975 ) | ( 45,835,685 ) |
| Repayment of principal portion of lease liabilities | 6(31) | ( 31,635 ) | ( 28,894 ) |
| Decrease in guarantee deposits | 6(31) | ( 185 ) | ( 28 ) |
| Net cash flows used in financing activities | | ( 1,881,820 ) | ( 117,468 ) |
| Effect of exchange rate | | 246,767 | ( 64,965 ) |
| Net decrease in cash and cash equivalents | | ( 101,233 ) | ( 3,432,061 ) |
| Cash and cash equivalents at beginning of period | | 10,268,291 | 13,754,035 |
| Cash and cash equivalents at end of period | | $ 10,167,058 | $ 10,321,974 |

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

REALTEK SEMICONDUCTOR CORPORATION AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

1. HISTORY AND ORGANISATION

Realtek Semiconductor Corporation (the "Company") was incorporated as a company limited by shares on October 21, 1987 and commenced commercial operations in March 1988. The Company was based in Hsinchu Science Park since October 28, 1989. The Company and its subsidiaries (collectively referred herein as the "Group") are engaged in the research, development, design, testing, and sales of ICs and application software for these products.

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

These consolidated financial statements were authorized for issuance by the Board of Directors on April 19, 2024.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

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

New standards, interpretations and amendments endorsed by FSC and became effective from 2024 are as follows:

| New Standards, Interpretations and Amendments | Effective date by International Accounting Standards Board |
|---|---|
| Amendments to IFRS 16, 'Lease liability in a 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, 'Supplier finance arrangements'' | January 1, 2024 |

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.

(2) Effect of new issuances of or amendments to IFRS Accounting Standards as endorsed by the FSC but not yet adopted by the Group

None.

(3) IFRS Accounting Standards issued by IASB but not yet endorsed by the FSC

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

| New Standards, Interpretations and Amendments | Effective date by International Accounting Standards Board |
| --- | --- |
| Amendments to IFRS 10 and IAS 28, 'Sale or contribution of assets between an investor and its associate or joint venture' | To be determined by International Accounting Standards Board |
| 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.

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The principal accounting policies adopted are consistent with Note 4 in the consolidated financial statements for the year ended December 31, 2023, except for the compliance statement, basis of preparations, basis of consolidation and interim financial statements applied as set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

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

B. These consolidated financial statements are to be read in conjunction with the consolidated financial statements for the year ended December 31, 2023.

(2) Basis of preparation

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

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

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

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

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

(3) Basis of consolidation

A. Basis for preparation of consolidated financial statements:

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

B. Subsidiaries included in the consolidated financial statements:

| | | | Ownership (%) | | | |
|---|---|---|---|---|---|---|
| Name of investor | Name of subsidiary | Main business activities | March 31, 2024 | December 31, 2023 | March 31, 2023 | Description |
| Realtek Semiconductor Corporation | Amber Universal Inc. | Investment holdings | 100% | 100% | 100% | |
| Realtek Semiconductor Corporation | Realtek Singapore Private Limited | ICs manufacturing, design, research, development, sales, and marketing | 100% | 100% | 100% | |
| Realtek Semiconductor Corporation | Realtek Investment Singapore Private Limited | Investment holdings | - | - | 100% | Note 1 |
| Realtek Semiconductor Corporation | Wise Elite Global Limited | 〃 | 100% | 100% | 100% | Note 5 |
| Realtek Semiconductor Corporation | Realsun Investments Co., Ltd. | 〃 | 100% | 100% | 100% | Note 5 |
| Realtek Semiconductor Corporation | Hung-wei Venture Capital Co., Ltd. | 〃 | 100% | 100% | 100% | Note 5 |

| Name of investor | Name of subsidiary | Main business activities | Ownership (%) March 31, 2024 | December 31, 2023 | March 31, 2023 | Description |
|---|---|---|---|---|---|---|
| Realtek Semiconductor Corporation | Realking Investments Co., Ltd. | Investment holdings | 100% | 100% | 100% | Note 5 |
| Realtek Semiconductor Corporation | Realsun Technology Corporation | ICs manufacturing, design, research, development, sales, and marketing | 100% | 100% | 100% | Note 5 |
| Realtek Semiconductor Corporation | Bobitag Inc. | Manufacture and installation of computer equipment and wholesale, retail and related service of electronic materials and information / software | 67% | 67% | 67% | Note 5 |
| Realtek Semiconductor Corporation | AICONNX Technology Corporation | ICs manufacturing, design, research, development, sales, and marketing | 100% | 100% | 100% | Note 5 |
| Leading Enterprises Limited | Realtek Semiconductor (Japan) Corp. | Information collection and technical support | 100% | 100% | 100% | Note 5 |
| Amber Universal Inc. | Realtek Semiconductor (Hong Kong) Limited | Information services and technical support | 100% | 100% | 100% | Note 5 |
| Amber Universal Inc. | Realtek Semiconductor (ShenZhen) Corp. | R&D and technical support | 100% | 100% | 100% | Note 5 |

| Name of investor | Name of subsidiary | Main business activities | Ownership (%) March 31, 2024 | December 31, 2023 | March 31, 2023 | Description |
|---|---|---|---|---|---|---|
| Empsonic Enterprises Inc. | Realsil Microelectronics (Suzhou) Co.,Ltd. | R&D and technical support | 100% | 100% | 100% | Note 5 |
| Talent Eagle Enterprise Inc. | Ubilinx Technology Inc. | 〃 | 100% | 100% | 100% | Note 5 |
| Realtek Singapore Private Limited | Cortina Access Inc. | 〃 | 100% | 100% | 100% | Note 5 |
| Realtek Singapore Private Limited | Cortina Systems Taiwan Limited | 〃 | 100% | 100% | 100% | Note 5 |
| Realtek Singapore Private Limited | Cortina Network Systems (Shanghai) Co., Ltd. | 〃 | 100% | 100% | 100% | Note 5 |
| Realtek Singapore Private Limited | Empsonic Enterprises Inc. | Investment holdings | 100% | 100% | 100% | Note 5 |
| Realtek Singapore Private Limited | Realtek Viet Nam Co., Ltd. | R&D and technical support | 100% | 100% | 100% | Note 5 |
| Realtek Singapore Private Limited | RayMX Microelectronics Corp. | ICs manufacturing, design, research, development, sales, and marketing | 19% | 19% | 19% | Note 5 |
| Realtek Singapore Private Limited | Leading Enterprises Limited | Investment holdings | 100% | 100% | 100% | |
| Realtek Singapore Private Limited | Bluocean Inc. | 〃 | 100% | 100% | 100% | |
| Realtek Singapore Private Limited | Talent Eagle Enterprise Inc. | 〃 | 100% | 100% | 100% | |

| Name of investor | Name of subsidiary | Main business activities | Ownership (%) March 31, 2024 | Ownership (%) December 31, 2023 | Ownership (%) March 31, 2023 | Description |
|---|---|---|---|---|---|---|
| Realtek Singapore Private Limited | Realtek Germany GmbH | R&D and technical support | 100% | 100% | - | Note 2 and 4 |
| Realtek Singapore Private Limited | Realtek Bangalore Private Limited | 〃 | 100% | - | - | Note 3 and 4 |
| Realsil Microelectronics (Suzhou) Co.,Ltd. | RayMX Microelectronics Corp. | ICs manufacturing, design, research, development, sales, and marketing | 81% | 81% | 81% | Note 5 |
| Realsil Microelectronics (Suzhou) Co.,Ltd. | Suzhou PanKore Integrated Circuit Technology Co. Ltd. | 〃 | 80% | 80% | 80% | Note 5 |
| Realtek Semiconductor (ShenZhen) Corp. | Suzhou PanKore Integrated Circuit Technology Co. Ltd. | 〃 | 20% | 20% | 20% | Note 5 |
| Bluocean Inc. | Realtek Semiconductor (Malaysia) Sdn. Bhd. | R&D and technical support | 100% | 100% | 100% | Note 5 |
| Bluocean Inc. | Realtek Korea Inc. | 〃 | 100% | 100% | 100% | Note 5 |
| Realsun Investments Co., Ltd. | Realtek Bangalore Private Limited | 〃 | 0% | - | - | Note 3 and 4 |

Note 1: Realtek Investment Singapore Private Limited was dissolved on October 20, 2023 by resolution of the Board of Directors.

Note 2: Realtek Germany GmbH was established on August 18, 2023.

Note 3: Realtek Bangalore Private Limited was established on December 1, 2023.

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

Note 5: 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.

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

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

E. Significant restrictions: None.

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

(4) Employee benefits

Pensions - Defined benefit plan

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

A. 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.

B. If a change in tax rate is enacted or substantively enacted in an interim period, the Group recognizes the effect of the change immediately in the interim period in which the change occurs. The effect of the change on items 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.

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

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

| | March 31, 2024 | December 31, 2023 | March 31, 2023 |
|---|---|---|---|
| Cash on hand and revolving funds | $ 1,099 | $ 841 | $ 815 |
| Checking accounts and demand deposits | 3,802,919 | 5,362,257 | 6,391,703 |
| Time deposits | 5,883,190 | 4,136,818 | 3,929,456 |
| Cash equivalents - notes issued under repurchase agreement | 479,850 | 768,375 | - |
| | $ 10,167,058 | $ 10,268,291 | $ 10,321,974 |

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

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

| | March 31, 2024 | December 31, 2023 | March 31, 2023 |
|---|---|---|---|
| Current items: | | | |
| Financial assets mandatorily measured at fair value through profit or loss | | | |
| Listed stocks | $ 213,203 | $ 221,020 | $ 170,740 |
| Beneficiary certificates | 689,200 | 727,812 | 481,521 |
| | 902,403 | 948,832 | 652,261 |
| Non-current items: | | | |
| Financial assets mandatorily measured at fair value through profit or loss | | | |
| Beneficiary certificates | $ - | $ - | $ 307,719 |
| Hybrid instruments | 53,000 | 53,000 | 53,000 |
| | 53,000 | 53,000 | 360,719 |
| | $ 955,403 | $ 1,001,832 | $ 1,012,980 |

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

| | For the three-month period ended March 31, 2024 | For the three-month period ended March 31, 2023 |
|---|---|---|
| Financial assets mandatorily measured at fair value through profit or loss | | |
| Equity instruments | ($ 7,817) | $ 10,838 |
| Beneficiary certificates | 2,386 | 10,690 |
| | ($ 5,431) | $ 21,528 |

B. The Group has no financial assets at fair value through profit or loss pledged to others.

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

| Items | March 31, 2024 | December 31, 2023 | March 31, 2023 |
|---|---|---|---|
| Non-current items: | | | |
| Equity instruments | | | |
| Listed stocks | $ 684,734 | $ 763,506 | $ 724,164 |
| Unlisted stocks | 2,865,709 | 2,362,592 | 2,437,906 |
| | $ 3,550,443 | $ 3,126,098 | $ 3,162,070 |

A. The Group has elected to classify equity instruments investments that are considered to be strategic investments as financial assets at fair value through other comprehensive income. The fair value of such investments amounted to $3,550,443, $3,126,098 and $3,162,070 on March 31, 2024, December 31, 2023, and March 31, 2023, respectively.

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

| | For the three-month period ended March 31, 2024 | For the three-month period ended March 31, 2023 |
|---|---|---|
| Equity instruments at fair value through other comprehensive income or loss | | |
| Fair value change recognised in other comprehensive income (loss) | $ 393,962 | ($ 12,686) |
| Cumulative losses (gains) reclassified to retained earnings due to disposal | $ 258,135 | ($ 16,445) |

C. The Group has no financial assets at fair value through other comprehensive income pledged to others.

(4) Financial assets at amortized cost

| Items | March 31, 2024 | December 31, 2023 | March 31, 2023 |
|---|---|---|---|
| Current items: | | | |
| Time deposits | $ 34,977,043 | $ 32,373,191 | $ 41,951,513 |
| Non-current items: | | | |
| Corporate bonds | $ 5,667,017 | $ 5,414,650 | $ 2,156,977 |
| Time deposits | 94,897 | 94,380 | 86,196 |
| | $ 5,761,914 | $ 5,509,030 | $ 2,243,173 |

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

B. Information relating to credit risk of financial assets at amortised cost is provided in Note 12(2). The counterparties of the Group’s investments in time deposits were financial institutions who have good credit quality, so it expects that the probability of counterparty default is remote.

(5) Accounts receivable

| | March 31, 2024 | December 31, 2023 | March 31, 2023 |
|---|---|---|---|
| Accounts receivable | $ 12,920,462 | $ 10,740,062 | $ 9,264,544 |
| Accounts receivable - related parties | 2,699,233 | 2,107,689 | 1,860,833 |
| Less: Loss allowance | ( 117,808) | ( 90,764) | ( 69,741) |
| | $ 15,501,887 | $ 12,756,987 | $ 11,055,636 |

A. The aging analysis of accounts receivable is as follows:

| | March 31, 2024 | December 31, 2023 | March 31, 2023 |
|---|---|---|---|
| Not past due | $ 15,248,548 | $ 12,266,292 | $ 10,800,351 |
| Up to 30 days | 367,517 | 577,646 | 324,990 |
| 31 to 90 days | - | 3,777 | - |
| Over 90 days | 3,630 | 36 | 36 |
| | $ 15,619,695 | $ 12,847,751 | $ 11,125,377 |

The above aging analysis is based on past due date.

B. As at March 31, 2024, December 31, 2023 and March 31, 2023, accounts receivable were all from contracts with customers. And as at January 1, 2023, the balance of receivables from contracts with customers amounted to $12,077,980.

C. The Group has no accounts receivable pledged to others.

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

(6) Inventories

| | March 31, 2024 | | |
|---|---|---|---|
| | Cost | Allowance for obsolescence and market value decline | Book value |
| Raw materials | $ 3,407,501 | ($ 1,130,524) | $ 2,276,977 |
| Work in process | 6,605,966 | ( 2,512,693) | 4,093,273 |
| Finished goods | 7,996,597 | ( 2,389,586) | 5,607,011 |
| | $ 18,010,064 | ($ 6,032,803) | $ 11,977,261 |

| | December 31, 2023 | | |
|---|---|---|---|
| | Cost | Allowance for obsolescence and market value decline | Book value |
| Raw materials | $ 2,647,401 | ($ 1,213,544) | $ 1,433,857 |
| Work in process | 6,290,100 | ( 3,003,060) | 3,287,040 |
| Finished goods | 9,829,180 | ( 2,793,143) | 7,036,037 |
| | $ 18,766,681 | ($ 7,009,747) | $ 11,756,934 |

| | March 31, 2023 | | |
|---|---|---|---|
| | Cost | Allowance for obsolescence and market value decline | Book value |
| Raw materials | $ 7,424,816 | ($ 1,062,677) | $ 6,362,139 |
| Work in process | 8,305,307 | ( 1,271,929) | 7,033,378 |
| Finished goods | 9,492,045 | ( 1,670,753) | 7,821,292 |
| | $ 25,222,168 | ($ 4,005,359) | $ 21,216,809 |

Operating costs incurred on inventories for the three-month periods ended March 31, 2024 and 2023 were as follows:

| | For the three-month period ended March 31, 2024 | For the three-month period ended March 31, 2023 |
|---|---|---|
| Cost of inventories sold and others | $ 13,679,297 | $ 10,302,213 |
| Inventory (gain on reversal of) loss on decline in market value, obsolete and slow-moving inventories | ( 1,099,784) | 855,310 |
| Loss on scrap inventory | 18,905 | 1,822 |
| | $ 12,598,418 | $ 11,159,345 |

(7) Investments accounted for under equity method

| | March 31, 2024 | December 31, 2023 | March 31, 2023 |
|---|---|---|---|
| Estinet Technologies Incorporation | $ - | $ - | $ 1,404 |
| Innorich Venture Capital Corp. | 92,317 | 112,797 | 126,921 |
| Starmems Semiconductor Corp. | 13,471 | 18,997 | 28,798 |
| | $ 105,788 | $ 131,794 | $ 157,123 |

The loss on investments accounted for under equity method amounted to $26,006 and $12,624 for the three-month periods ended March 31, 2024 and 2023, respectively.

(8) Property, plant and equipment

| | Land | Buildings | Machinery | Test equipment | Office equipment | Construction in progress and equipment to be inspected | Others | Total |
|---|---|---|---|---|---|---|---|---|
| At January 1, 2024 | | | | | | | | |
| Cost | $ 489,370 | $ 4,624,038 | $ 1,329,794 | $ 4,330,811 | $ 494,375 | $ 1,686,981 | $ 1,175,556 | $ 14,130,925 |
| Accumulated depreciation and impairment | - | ( 1,281,875) | ( 710,639) | ( 2,597,384) | ( 279,704) | - | ( 506,837) | ( 5,376,439) |
| | $ 489,370 | $ 3,342,163 | $ 619,155 | $ 1,733,427 | $ 214,671 | $ 1,686,981 | $ 668,719 | $ 8,754,486 |
| 2024 | | | | | | | | |
| At January 1 | $ 489,370 | $ 3,342,163 | $ 619,155 | $ 1,733,427 | $ 214,671 | $ 1,686,981 | $ 668,719 | $ 8,754,486 |
| Additions | - | 76,171 | 150 | 423 | 32,322 | 255,301 | 33,921 | 398,288 |
| Disposals | - | - | - | - | - | - | ( 1) | ( 1) |
| Reclassifications | - | - | - | - | - | ( 69,714) | 69,714 | - |
| Depreciation | - | ( 39,778) | ( 44,500) | ( 172,251) | ( 17,196) | - | ( 49,793) | ( 323,518) |
| Net exchange difference | - | 9,120 | 612 | 2,383 | 484 | 145 | 390 | 13,134 |
| At March 31 | $ 489,370 | $ 3,387,676 | $ 575,417 | $ 1,563,982 | $ 230,281 | $ 1,872,713 | $ 722,950 | $ 8,842,389 |
| At March 31, 2024 | | | | | | | | |
| Cost | $ 489,370 | $ 4,715,212 | $ 1,330,654 | $ 4,343,151 | $ 528,164 | $ 1,872,713 | $ 1,280,481 | $ 14,559,745 |
| Accumulated depreciation and impairment | - | ( 1,327,536) | ( 755,237) | ( 2,779,169) | ( 297,883) | - | ( 557,531) | ( 5,717,356) |
| | $ 489,370 | $ 3,387,676 | $ 575,417 | $ 1,563,982 | $ 230,281 | $ 1,872,713 | $ 722,950 | $ 8,842,389 |

| | Land | Buildings | Machinery | Test equipment | Office equipment | Construction in progress and equipment to be inspected | Others | Total |
|---|---|---|---|---|---|---|---|---|
| At January 1, 2023 | | | | | | | | |
| Cost | $ 489,370 | $ 3,083,025 | $ 1,292,529 | $ 3,414,364 | $ 434,731 | $ 2,346,590 | $ 738,890 | $ 11,799,499 |
| Accumulated depreciation and impairment | - | ( 1,187,897) | ( 532,861) | ( 1,960,834) | ( 215,677) | - | ( 345,594) | ( 4,242,863) |
| | $ 489,370 | $ 1,895,128 | $ 759,668 | $ 1,453,530 | $ 219,054 | $ 2,346,590 | $ 393,296 | $ 7,556,636 |
| 2023 | | | | | | | | |
| At January 1 | $ 489,370 | $ 1,895,128 | $ 759,668 | $ 1,453,530 | $ 219,054 | $ 2,346,590 | $ 393,296 | $ 7,556,636 |
| Additions | - | 3,869 | 42,135 | 361,229 | 16,020 | 193,117 | 123,138 | 739,508 |
| Disposals | - | - | - | ( 7) | ( 11) | - | - | ( 18) |
| Reclassifications | - | - | - | 1,903 | - | ( 1,903) | - | - |
| Depreciation | - | ( 20,473) | ( 51,160) | ( 150,352) | ( 16,114) | - | ( 33,824) | ( 271,923) |
| Net exchange difference | - | ( 6,885) | ( 500) | ( 671) | 7 | ( 28) | ( 1,286) | ( 9,363) |
| At March 31 | $ 489,370 | $ 1,871,639 | $ 750,143 | $ 1,665,632 | $ 218,956 | $ 2,537,776 | $ 481,324 | $ 8,014,840 |
| At March 31, 2023 | | | | | | | | |
| Cost | $ 489,370 | $ 3,086,053 | $ 1,333,971 | $ 3,777,687 | $ 450,749 | $ 2,537,776 | $ 862,836 | $ 12,538,442 |
| Accumulated depreciation and impairment | - | ( 1,214,414) | ( 583,828) | ( 2,112,055) | ( 231,793) | - | ( 381,512) | ( 4,523,602) |
| | $ 489,370 | $ 1,871,639 | $ 750,143 | $ 1,665,632 | $ 218,956 | $ 2,537,776 | $ 481,324 | $ 8,014,840 |

A. There was no capitalization of borrowing costs attributable to the property, plant and equipment.

B. The Group has no property, plant and equipment pledged to others.

(9) Leasing arrangements－lessee

A. The Group leases various assets including land, buildings and other equipment. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased assets may not be used as security for borrowing purposes.

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

| | Carrying amount | | |
|---|---|---|---|
| | March 31, 2024 | December 31, 2023 | March 31, 2023 |
| Land | $ 1,549,304 | $ 1,558,868 | $ 1,320,796 |
| Buildings | 179,853 | 185,723 | 187,303 |
| Other equipment | 20,713 | 23,204 | 1,120 |
| | $ 1,749,870 | $ 1,767,795 | $ 1,509,219 |

| | Depreciation | |
|---|---|---|
| | For the three-month period ended March 31, 2024 | For the three-month period ended March 31, 2023 |
| Land | $ 9,489 | $ 8,154 |
| Buildings | 14,962 | 29,395 |
| Other equipment | 2,491 | 211 |
| | $ 26,942 | $ 37,760 |

C. For the three-month periods ended March 31, 2024 and 2023, the additions to right-of-use assets were $9,201 and $1,181, respectively.

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

| | For the three-month period ended March 31, 2024 | For the three-month period ended March 31, 2023 |
|---|---|---|
| Items affecting profit or loss | | |
| Interest expense on lease liabilities | $ 8,376 | $ 7,017 |

E. For the three-month periods ended March 31, 2024 and 2023, the Group's total cash outflow for leases were $40,011 and $35,911, respectively.

(10) Investment property

| | Buildings | |
| --- | --- | --- |
| | 2024 | 2023 |
| At January 1 | | |
| Cost | $ 81,024 | $ 82,504 |
| Accumulated depreciation and impairment | ( 47,146) | ( 44,088) |
| | $ 33,878 | $ 38,416 |
| At January 1 | $ 33,878 | $ 38,416 |
| Depreciation | ( 971) | ( 987) |
| Net exchange difference | 731 | 170 |
| At March 31 | $ 33,638 | $ 37,599 |
| At March 31 | | |
| Cost | $ 82,801 | $ 82,862 |
| Accumulated depreciation and impairment | ( 49,163) | ( 45,263) |
| | $ 33,638 | $ 37,599 |

A. Rental income from the lease of the investment property and direct operating expenses arising from the investment property are shown below:

| | For the three-month period ended March 31, 2024 | For the three-month period ended March 31, 2023 |
| --- | --- | --- |
| Rental income from the lease of the investment property | $ 562 | $ 570 |
| Operating expenses arising from the investment property that generated rental income during the year | $ 971 | $ 987 |

B. The Group’s investment property is located in Mainland China. The fair value is based on valuation information from Information Centre of Real Estate in local governments in Mainland China and is adjusted and classified as level 3 accordingly. As at March 31, 2024, December 31, 2023 and March 31, 2023, the fair values were $153,892, $112,686, and $133,495, respectively.

## (11) Intangible assets

| | Computer software | Intellectual property | Goodwill | Others | Total |
|---|---|---|---|---|---|
| At January 1, 2024 | | | | | |
| Cost | $ 4,061,937 | $ 2,960,738 | $ 639,561 | $ 296,587 | $ 7,958,823 |
| Accumulated amortisation and impairment | ( 2,151,416) | ( 2,247,861) | ( 639,561) | ( 295,387) | ( 5,334,225) |
| | $ 1,910,521 | $ 712,877 | $ - | $ 1,200 | $ 2,624,598 |
| 2024 | | | | | |
| At January 1 | $ 1,910,521 | $ 712,877 | $ - | $ 1,200 | $ 2,624,598 |
| Additions | 117,857 | 12,225 | - | - | 130,082 |
| Amortisation | ( 310,922) | ( 126,056) | - | - | ( 436,978) |
| Net exchange difference | 397 | 744 | - | - | 1,141 |
| At March 31 | $ 1,717,853 | $ 599,790 | $ - | $ 1,200 | $ 2,318,843 |
| At March 31, 2024 | | | | | |
| Cost | $ 4,180,664 | $ 2,977,266 | $ 639,561 | $ 308,648 | $ 8,106,139 |
| Accumulated amortisation and impairment | ( 2,462,811) | ( 2,377,476) | ( 639,561) | ( 307,448) | ( 5,787,296) |
| | $ 1,717,853 | $ 599,790 | $ - | $ 1,200 | $ 2,318,843 |

| | Computer software | Intellectual property | Goodwill | Others | Total |
|---|---|---|---|---|---|
| At January 1, 2023 | | | | | |
| Cost | $ 7,099,807 | $ 6,117,679 | $ 639,561 | $ 348,766 | $ 14,205,813 |
| Accumulated amortisation and impairment | ( 5,700,830) | ( 5,162,742) | ( 639,561) | ( 289,485) | ( 11,792,618) |
| | $ 1,398,977 | $ 954,937 | $ - | $ 59,281 | $ 2,413,195 |
| 2023 | | | | | |
| At January 1 | $ 1,398,977 | $ 954,937 | $ - | $ 59,281 | $ 2,413,195 |
| Additions | 1,001,671 | 165,990 | - | 30,650 | 1,198,311 |
| Amortisation | ( 282,137) | ( 175,540) | - | ( 5,587) | ( 463,264) |
| Net exchange difference | 56 | 6,409 | - | ( 56) | 6,409 |
| At March 31 | $ 2,118,567 | $ 951,796 | $ - | $ 84,288 | $ 3,154,651 |
| At March 31, 2023 | | | | | |
| Cost | $ 3,410,971 | $ 2,809,805 | $ 639,561 | $ 376,974 | $ 7,237,311 |
| Accumulated amortisation and impairment | ( 1,292,404) | ( 1,858,009) | ( 639,561) | ( 292,686) | ( 4,082,660) |
| | $ 2,118,567 | $ 951,796 | $ - | $ 84,288 | $ 3,154,651 |

Details of amortization on intangible assets are as follows:

| | For the three-month period ended March 31, 2024 | For the three-month period ended March 31, 2023 |
|---|---|---|
| Operating costs | $ 947 | $ 1,126 |
| Operating expenses | 436,031 | 462,138 |
| | $ 436,978 | $ 463,264 |

(12) Short-term borrowings

| Type of borrowings | March 31, 2024 | Interest rate range | Collateral |
|---|---|---|---|
| Bank borrowings | | | |
| Unsecured borrowings | $ 2,400,000 | 1.35% | None |

| Type of borrowings | December 31, 2023 | Interest rate range | Collateral |
|---|---|---|---|
| Bank borrowings | | | |
| Unsecured borrowings | $ 4,250,000 | 1.31%~1.35% | None |

| Type of borrowings | March 31, 2023 | Interest rate range | Collateral |
|---|---|---|---|
| Bank borrowings | | | |
| Unsecured borrowings | $ 13,649,448 | 1.20%~3.39% | None |

Interest expense of bank borrowings recognized in profit or loss amounted to $32,994 and $56,347 for the three-month periods ended March 31, 2024 and 2023, respectively.

(13) Other payables

| | March 31, 2024 | December 31, 2023 | March 31, 2023 |
|---|---|---|---|
| Accrued salaries and bonus | $ 9,290,175 | $ 9,186,342 | $ 8,521,257 |
| Payable for employees' compensation | 11,450,270 | 10,527,846 | 12,566,642 |
| Other accrued expenses | 2,690,420 | 2,579,852 | 3,325,185 |
| Payables on equipment | 123,766 | 331,358 | 314,284 |
| Payables on software and intellectual property | 882,941 | 1,751,355 | 1,237,252 |
| Others | 176,941 | 136,284 | 827,588 |
| | $ 24,614,513 | $ 24,513,037 | $ 26,792,208 |

(14) Long-term borrowings

| Type of borrowings | Borrowing period | Repayment term | Interest rate range | Collateral | March 31, 2024 |
|---|---|---|---|---|---|
| Loan for Accelerated Investment by Domestic Corporations (Note) | 2021/11/8 ~2028/11/22 | Repayable in instalment over the agreed period | 1.175%～1.375% | None | $ 2,229,267 |

| Type of borrowings | Borrowing period | Repayment term | Interest rate range | Collateral | December 31, 2023 |
|---|---|---|---|---|---|
| Loan for Accelerated Investment by Domestic Corporations (Note) | 2021/11/8 ~2028/11/22 | Repayable in instalment over the agreed period | 1.050%～1.250% | None | $ 2,227,346 |

| Type of borrowings | Borrowing period | Repayment term | Interest rate range | Collateral | March 31, 2023 |
|---|---|---|---|---|---|
| Loan for Accelerated Investment by Domestic Corporations (Note) | 2021/11/8 ~2027/12/15 | Repayable in instalment over the agreed period | 1.050%～1.250% | None | $ 1,712,962 |

Note: The Ministry of Economic Affairs implemented the "Action Plan for Accelerated Investment by Domestic Corporations" on July 1, 2019. An entity can apply for a subsidized loan for an eligible investment project from financial institutions at a preferential interest rate. The Group is qualified for the loan as approved by the Ministry of Economic Affairs and entered into a loan contract with a financial institution with a credit period of 5 years. The loan is used for construction of plant and related facilities.

(15) Pension

A. (a) The Company has a defined benefit pension plan in accordance with the Labor Standards Law, covering all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Law. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company contributes monthly an amount equal to 2% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. Also, the Company would assess the balance in the aforementioned labor pension reserve account by December 31, every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method to the employees expected to qualify for retirement in the following year, the Company will make contributions for the deficit by next March.

(b) The pension costs under the defined benefit pension plans of the Group for the three-month periods ended March 31, 2024 and 2023 were $593 and $508, respectively.

(c) Expected contributions to the defined benefit pension plans of the Company for the year ending December 31, 2024 amount to $6,000.

B. (a) Effective July 1, 2005, the Company and domestic subsidiaries have established a defined contribution pension plan (the "New Plan") under the Labor Pension Act (the "Act"), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company and its domestic subsidiaries contribute 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. Employees may receive the payment of the pension every month or on a lump-sum basis depending on the accumulated earnings in the personal pension account.

(b) The Company’s mainland China subsidiaries, Realsil Microelectronics (Suzhou) Co.,Ltd., Realtek Semiconductor (Shen Zhen) Corp., Cortina Network Systems (Shanghai) Co., Ltd., RayMX Microelectronics Corp. and Suzhou PanKore Integrated Circuit Technology Co. Ltd. have a defined contribution plan. Monthly contributions to an independent fund administered by the government in accordance with the pension regulations in the People’s Republic of China (PRC) are based on certain percentage of employees’ monthly salaries and wages. Monthly contributions to an independent fund are administered by the government. Other than the monthly contributions, the Group has no further obligations.

(c) The pension costs under the defined contribution pension plans of the Group for the three-month periods ended March 31, 2024 and 2023 were $114,560 and $107,578, respectively.

(16) Provision

| | 2024 | 2023 |
|---|---|---|
| At January 1 | $ 1,392,138 | $ 1,287,710 |
| Increase in provision | 31,990 | 30,405 |
| Effect of exchange rate | 56,389 | ( 16,584) |
| At March 31 | $ 1,480,517 | $ 1,301,531 |

As at March 31, 2024, provisions were estimated for potential infringement litigations, please refer to Note 9.

(17) Share capital

A. As at March 31, 2024, the Company’s authority capital was $8,900,000, consisting of 890 million shares of common stock (including 80 million shares reserved for employee stock options), and the paid-in capital was $5,128,636 with a par value of $10 (in dollars) per share. All proceeds from shares issued have been collected.

Movements in the number (thousands of shares) of the Company's common shares outstanding are as follows:

| | 2024 | 2023 |
|---|---|---|
| At January 1 and March 31 | 512,863 | 512,863 |

B. On January 24, 2002, the Company increased its new common stock and sold its old common stock by issuing 13,924 thousand units of GDRs for cash. Each GDR unit represents 4 common stocks, so the total common stocks issued were 55,694 thousand shares. The Company’s GDRs are traded in the Luxembourg Stock Exchange. As at March 31, 2024, the outstanding GDRs were 408 thousand units, or 1,633 thousand shares of common stock, representing 0.31% of the Company’s total common stocks.

(18) Capital surplus

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

| | 2024 | | | |
|---|---|---|---|---|
| | Share premium | Change in equity of associates accounted for under equity method | Others | Total |
| At January 1 and March 31 | $ 469,966 | $ 70,810 | $ 1,272 | $ 542,048 |

| | 2023 | | | |
|---|---|---|---|---|
| | Share premium | Change in equity of associates accounted for under equity method | Others | Total |
| At January 1 | $ 982,830 | $ 61,261 | $ 1,056 | $ 1,045,147 |
| Changes in equity of associates accounted for under equity method | - | ( 923) | - | ( 923) |
| At March 31 | $ 982,830 | $ 60,338 | $ 1,056 | $ 1,044,224 |

(19) Retained earnings

A. Under the Company's Articles of Incorporation, the current year's earnings, if any, shall first be used to pay all taxes and offset prior years' operating losses and then 10% of the remaining amount shall be set aside as legal reserve, if legal reserve has accumulated to an amount equal to the paid-in capital, then legal reserve is not required to be set aside any more. After that, special reserve shall be set aside or reversed in accordance with the related laws or the regulations made by the Competent Authority. The remainder, if any, along with prior year's accumulated undistributed earnings shall be proposed by the Board of Directors. However, the appropriation of earnings shall be resolved by the shareholders if earnings are distributed by issuing new shares, or the appropriation of earnings shall be resolved by the Board of Directors, if earnings are distributed in the form of cash. The Company should consider factors affecting finance, business and operations to appropriate distributable earnings for the period, and appropriate all or partial reserve in accordance with regulations of the Competent Authority. Dividends shall account for at least 50% of the distributable earnings added in the current year.

The Company's dividend policy takes into consideration the Company's future expansion plans and future cash flows. In accordance with the Company's dividend policy, cash dividends shall account for at least 10% of the total dividends distributed.

In accordance with Company Act Article 240, Item 5 and Article 241, Item 2, the resolution, for all or partial of distributable dividends, legal reserve and capital surplus are distributed in the form of cash, will be adopted by a majority vote at a meeting of the Board of Directors attended by at least two-thirds of the total number of directors, and will be reported to the shareholders.

B. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the distribution of the reserve is limited to the portion in excess of 25% of the Company's paid-in capital.

C. In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.

D. The appropriation of 2023 earnings had been proposed by the Board of Directors' meeting on April 19, 2024 and the appropriation of 2022 earnings had been resolved at the stockholders' meeting on June 6, 2023. Details are summarized below:

| | 2023 | | 2022 | |
|---|---|---|---|---|
| | Amount | Dividends per share (in dollars) | Amount | Dividends per share (in dollars) |
| Legal reserve | $ - | $ - | $ 1,620,405 | $ - |
| Special reserve | - | - | ( 1,776,089) | - |
| Cash dividends | 7,692,955 | 15.00 | 13,334,455 | 26.00 |
| Total | $ 7,692,955 | $ 15.00 | $ 13,178,771 | $ 26.00 |

E. On April 19, 2024, the Board of Directors of the Company proposed to distribute cash dividends from capital surplus to shareholders in the amount of $256,432 (NT$0.5 per share). The aforementioned cash dividends of distribution of 2023 earnings and cash dividends from capital surplus have been resolved by the Board of Directors on April 19, 2024.

F. On April 21, 2023, the Board of Directors of the Company proposed to distribute cash dividends from capital surplus to shareholders in the amount of $512,864 (NT$1 per share).

(20) Other equity items

| | 2024 | | |
|---|---|---|---|
| | Unrealised gains (losses) on valuation | Currency translation difference | Total |
| At January 1 | $ 1,251,583 | $ 1,578,157 | $ 2,829,740 |
| Revaluation: | | | |
| –Group | 393,962 | - | 393,962 |
| Revaluation transferred to retained earnings: | | | |
| –Group | 258,135 | - | 258,135 |
| Currency translation differences: | | | |
| –Group | - | 1,828,166 | 1,828,166 |
| At March 31 | $ 1,903,680 | $ 3,406,323 | $ 5,310,003 |

| | 2023 | | |
|---|---|---|---|
| | Unrealised gains (losses) on valuation | Currency translation difference | Total |
| At January 1 | $ 1,391,817 | $ 1,294,358 | $ 2,686,175 |
| Revaluation: | | | |
| –Group | ( 12,686) | - | ( 12,686) |
| Revaluation transferred to retained earnings: | | | |
| –Group | ( 16,445) | - | ( 16,445) |
| Currency translation differences: | | | |
| –Group | - | ( 438,526) | ( 438,526) |
| At March 31 | $ 1,362,686 | $ 855,832 | $ 2,218,518 |

(21) 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 | $ 25,622,844 | $ 19,624,903 |

A. Disaggregation of revenue from contracts with customers

The Group derives revenue from the transfer of goods and services at a point in time in the following major product lines:

| For the three-month period ended March 31, 2024 | Integrated circuit products | Others | Total |
|---|---|---|---|
| Revenue from external customer contracts | $ 25,583,407 | $ 39,437 | $ 25,622,844 |
| Timing of revenue recognition | | | |
| At a point in time | $ 25,583,407 | $ 39,437 | $ 25,622,844 |

| For the three-month period ended March 31, 2023 | Integrated circuit products | Others | Total |
|---|---|---|---|
| Revenue from external customer contracts | $ 19,578,518 | $ 46,385 | $ 19,624,903 |
| Timing of revenue recognition | | | |
| At a point in time | $ 19,578,518 | $ 46,385 | $ 19,624,903 |

B. Contract liabilities

The Group has recognized the following revenue-related contract liabilities:

| | March 31, 2024 | December 31, 2023 | March 31, 2023 | January 1,2023 |
|---|---|---|---|---|
| Contract liabilities - advance sales receipts | $ 323,595 | $ 336,648 | $ 336,482 | $ 117,752 |

Revenue recognized that was included in the contract liability balance at the beginning of the period:

| | For the three-month period ended March 31, 2024 | For the three-month period ended March 31, 2023 |
|---|---|---|
| Contract liabilities – advance sales receipts | $ 258,682 | $ 70,748 |

C. Refund liabilities (shown in other current liabilities)

The Group estimates the discounts based on accumulated experience. The estimation is subject to an assessment at each reporting date.

The following refund liabilities:

| | March 31, 2024 | December 31, 2023 | March 31, 2023 |
|---|---|---|---|
| Refund liabilities – current | $ 8,370,161 | $ 7,908,929 | $ 7,985,408 |

(22) 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 and corporate bonds | $ 632,584 | $ 530,091 |

(23) Other income

| | For the three-month period ended March 31, 2024 | For the three-month period ended March 31, 2023 |
|---|---|---|
| Other income | $ 16,675 | $ 11,203 |

(24) Other gains and losses

| | For the three-month period ended March 31, 2024 | For the three-month period ended March 31, 2023 |
|---|---|---|
| (Losses) gains on disposal of property, plant and equipment | ($ 1) | $ 146 |
| Net currency exchange gains (losses) | 34,085 | ( 40,456) |
| (Losses) gains on financial assets at fair value through profit or loss | ( 5,431) | 21,528 |
| Other (losses) income | ( 17,597) | 7,938 |
| | $ 11,056 | ($ 10,844) |

(25) Finance costs

| | For the three-month period ended March 31, 2024 | | For the three-month period ended March 31, 2023 | |
|---|---|---|---|---|
| Interest expense | | | | |
| Bank borrowings | $ | 32,994 | $ | 56,347 |
| Lease liabilities | | 8,376 | | 7,017 |
| | $ | 41,370 | $ | 63,364 |

(26) Expenses by nature

| | For the three-month period ended March 31, 2024 | | For the three-month period ended March 31, 2023 | |
|---|---|---|---|---|
| Employee benefit expenses | $ | 7,589,742 | $ | 4,798,079 |
| Depreciation | | 351,431 | | 310,670 |
| Amortisation | | 436,978 | | 463,264 |

(27) Employee benefit expenses

| | For the three-month period ended March 31, 2024 | | For the three-month period ended March 31, 2023 | |
|---|---|---|---|---|
| Wages and salaries | $ | 7,024,597 | $ | 4,388,105 |
| Labor and health insurance fees | | 306,258 | | 215,042 |
| Pension costs | | 115,153 | | 108,086 |
| Other personnel expenses | | 143,734 | | 86,846 |
| Total | $ | 7,589,742 | $ | 4,798,079 |

A. In accordance with the Company's Articles of Incorporation, the Company shall appropriate no higher than 3% for directors' remuneration and no less than 1% for employees' compensation, if the Company generates profit. If the Company has accumulated deficit, earnings should be reserved to cover losses before the appropriation of directors' remuneration and employees' compensation.

Aforementioned employees' compensation could be distributed by cash or stocks. Specifics of the compensation are to be determined by a majority vote at a meeting of the Board of Directors attended by at least two-thirds of the total number of directors. The resolution should be reported to the shareholders during the shareholders' meeting.

B. For the three-month periods ended March 31, 2024 and 2023, employees' compensation was accrued at $916,410 and $524,037, respectively; directors' remuneration was accrued at $61,094 and $ 34,936, respectively. The amounts were estimated as operating cost or operating expense in accordance with the Company's Articles of Incorporation.

On April 19, 2024, employees' compensation was $2,696,047, and directors' remuneration was $90,000 for 2023 resolved at the meeting of the Board of Directors, both distributed in cash and agreed with those amounts recognized in the 2023 financial statements.

Information about employees' compensation and directors' remuneration of the Company as resolved by the Board of Directors will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(28) Income tax

A. Income tax expense

| | For the three-month period ended March 31, 2024 | For the three-month period ended March 31, 2023 |
|---|---|---|
| Current income tax: | | |
| Current income tax on profit for the period | $ 209,112 | $ 76,569 |
| Deferred income tax: | | |
| Origination and reversal of temporary differences | ( 2,622) | ( 954) |
| Income tax expense | $ 206,490 | $ 75,615 |

B. As at March 31, 2024, the Company's income tax returns through 2021 have been assessed and approved by the Tax Authority.

(29) Earnings per share

| | For the three-month period ended March 31, 2024 | | |
|---|---|---|---|
| | Amount after tax | Weighted average number of common shares outstanding (shares in thousands) | Earnings per share (in dollars) |
| Basic earnings per share | | | |
| Profit attributable to common shareholders of the parent company | $ 3,129,508 | 512,863 | $ 6.10 |
| Diluted earnings per share | | | |
| Profit attributable to common shareholders of the parent company | $ 3,129,508 | 512,863 | |
| Assumed conversion of all dilutive potential common shares | | | |
| Employees' compensation | - | 4,701 | |
| Profit attributable to common shareholders of the parent company plus assumed conversion of all dilutive potential common shares | $ 3,129,508 | 517,564 | $ 6.05 |

| | For the three-month period ended March 31, 2023 | | |
|---|---|---|---|
| | Amount after tax | Weighted average number of common shares outstanding (shares in thousands) | Earnings per share (in dollars) |
| Basic earnings per share | | | |
| Profit attributable to common shareholders of the parent company | $ 1,793,368 | 512,863 | $ 3.50 |
| Diluted earnings per share | | | |
| Profit attributable to common shareholders of the parent company | $ 1,793,368 | 512,863 | |
| Assumed conversion of all dilutive potential common shares | | | |
| Employees' compensation | - | 8,828 | |
| Profit attributable to common shareholders of the parent company plus assumed conversion of all dilutive potential common shares | $ 1,793,368 | 521,691 | $ 3.44 |

(30) Supplemental cash flow information

Investing activities with partial cash payments

| | For the three-month period ended March 31, 2024 | For the three-month period ended March 31, 2023 |
|---|---|---|
| Purchase of property, plant and equipment | $ 398,288 | $ 739,508 |
| Add: Opening balance of payable on equipment | 331,358 | 114,514 |
| Less: Ending balance of payable on equipment | ( 123,766) | ( 314,284) |
| Cash paid during the year | $ 605,880 | $ 539,738 |

| | For the three-month period ended March 31, 2024 | For the three-month period ended March 31, 2023 |
|---|---|---|
| Purchase of intangible assets | $ 130,082 | $ 1,198,311 |
| Add: Opening balance of payable on software and intellectual property | 1,751,355 | 1,292,307 |
| Less: Ending balance of payable on software and intellectual property | ( 882,941) | ( 1,237,252) |
| Cash paid during the year | $ 998,496 | $ 1,253,366 |

(31) Changes in liabilities from financing activities

| | Short-term borrowings | Guarantee deposits | Lease liabilities | Long-term borrowings | Liabilities from financing activities-total |
|---|---|---|---|---|---|
| At January 1, 2024 | $ 4,250,000 | $ 464 | $ 1,548,069 | $ 2,227,346 | $ 8,025,879 |
| Changes in cash flow from financing activities | ( 1,850,000) | ( 185) | ( 31,635) | - | ( 1,881,820) |
| Interest paid | - | - | ( 8,376) | - | ( 8,376) |
| Interest of lease liabilities | - | - | 8,376 | - | 8,376 |
| Impact of changes in foreign exchange | - | - | 8,148 | - | 8,148 |
| Changes in other non-cash items | - | - | 9,201 | 1,921 | 11,122 |
| At March 31, 2024 | $ 2,400,000 | $ 279 | $ 1,533,783 | $ 2,229,267 | $ 6,163,329 |

| | Short-term borrowings | Guarantee deposits | Lease liabilities | Long-term borrowings | Liabilities from financing activities-total |
|---|---|---|---|---|---|
| At January 1, 2023 | $ 13,737,994 | $ 556 | $ 1,301,631 | $ 1,713,316 | $ 16,753,497 |
| Changes in cash flow from financing activities | ( 88,546) | ( 28) | ( 28,894) | - | ( 117,468) |
| Interest paid | - | - | ( 7,017) | - | ( 7,017) |
| Interest of lease liabilities | - | - | 7,017 | - | 7,017 |
| Impact of changes in foreign exchange | - | - | 4,659 | - | 4,659 |
| Changes in other non-cash items | - | - | 1,181 | ( 354) | 827 |
| At March 31, 2023 | $ 13,649,448 | $ 528 | $ 1,278,577 | $ 1,712,962 | $ 16,641,515 |

7. RELATED PARTY TRANSACTIONS

(1) Parent and ultimate controlling party

The ultimate controlling party of the Group is the Company.

(2) Names of related parties and relationship

| Names of related parties | Relationship with the Company |
|---|---|
| G.M.I Technology Inc. | Other related party |
| Actions Technology (HK) Company Limited | Other related party |
| C-Media Electronics Inc. | Other related party |
| Greatek Electronics Inc. | Other related party |

(3) Significant related party transactions and balances

A. Operating revenue

| | For the three-month period ended March 31, 2024 | For the three-month period ended March 31, 2023 |
|---|---|---|
| Sales of goods： | | |
| G.M.I Technology Inc. | $ 3,640,949 | $ 2,533,122 |
| Others | 2,444 | 18,643 |
| | $ 3,643,393 | $ 2,551,765 |

Goods are sold based on the price lists in force and terms that would be available to third parties, and the general collection term was 30 ~ 60 days after monthly billings.

B. Processing cost

| | For the three-month period ended March 31, 2024 | For the three-month period ended March 31, 2023 |
|---|---|---|
| Greatek Electronics Inc. | $ 300,387 | $ 211,458 |
| Others | 26,193 | 5,166 |
| | $ 326,580 | $ 216,624 |

Processing cost is paid to related parties on normal commercial terms and conditions, and the general payment term was 69 days after monthly billings.

C. Receivables from related parties

| | March 31, 2024 | December 31, 2023 | March 31, 2023 |
|---|---|---|---|
| Accounts receivable： | | | |
| G.M.I Technology Inc. | $ 2,677,871 | $ 2,083,442 | $ 1,835,616 |
| Others | 1,644 | 10,480 | 16,225 |
| | $ 2,679,515 | $ 2,093,922 | $ 1,851,841 |

Aforementioned receivables were 30 ~ 60 days after monthly billings. The receivables from related parties arise mainly from sale transactions. The receivables are unsecured in nature and bear no interest.

D. Payables to related parties

| | March 31, 2024 | December 31, 2023 | March 31, 2023 |
|---|---|---|---|
| Accounts payable： | | | |
| Greatek Electronics Inc. | $ 317,596 | $ 362,074 | $ 206,564 |
| Others | 17,040 | 7,030 | 5,424 |
| | $ 334,636 | $ 369,104 | $ 211,988 |

The payment term above was 69 days after monthly billings. The payables to related parties arise mainly from processing cost. The payables bear no interest.

E. Other transactions and other payables (receivables):

| | For the three-month period ended March 31, 2024 | | For the three-month period ended March 31, 2023 | |
|---|---|---|---|---|
| | Amount | Ending balance | Amount | Ending balance |
| Other related parties- | | | | |
| Sales commissions | $ 148,578 | $ 79,382 | $ 105,727 | $ 58,035 |
| Technical royalty revenue | $ 235 | $ - | $ 233 | $ - |
| Others | $ 1,438 | $ 469 | $ - | $ - |

The payment term above was 49 days after monthly billings; the collection term was 30 ~ 60 days after monthly billings.

(4) Key management compensation

| | For the three-month period ended March 31, 2024 | For the three-month period ended March 31, 2023 |
|---|---|---|
| Salaries and other short-term employee benefits | $ 79,365 | $ 161,315 |
| Post-employment benefits | 1,005 | 1,005 |
| Total | $ 80,370 | $ 162,320 |

## 8. PLEDGED ASSETS

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

| | Book value | | | |
|---|---|---|---|---|
| Pledged asset | March 31, 2024 | December 31, 2023 | March 31, 2023 | Purposes |
| Time deposits (shown in financial assets at amortised cost non-current) | $ 31,782 | $ 31,779 | $ 31,348 | Guarantee for the importation customs duties of materials |
| " | 63,115 | 62,601 | 54,848 | Guarantee for leasing land in science park and office. |
| | $ 94,897 | $ 94,380 | $ 86,196 | |

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED CONTRACT COMMITMENTS

(1) Contingencies

A. In 2020, DivX, LLC brought actions for patent infringement in United States International Trade Commission ("ITC") and United States District Court of Delaware against the Company's IC products. On July 4, 2021, DivX terminated the investigation against the Company in ITC. The case in the United States District Court of Delaware is still pending, and the Company is unable to reliably determine the outcome of the case.

B. In 2020, KONINKLIJKE PHILIPS N.V. and PHILIPS NORTH AMERICA LLC brought actions for patent infringement in United States International Trade Commission ("ITC") and United States District Court of Delaware against the Company's IC products. On March 23, 2022, ITC issued the final determination finding non-infringement for the accused Company's IC products and non-existence of the required domestic industry. The case in the United States District Court of Delaware is still pending, and the Company is unable to reliably determine the outcome of the case.

C. In 2022, Advanced Micro Devices, Inc./ ATI Technologies ULC brought an action for patent infringement in United States International Trade Commission ("ITC") and United States District Court for the Eastern District of Texas against the Company's IC products. The Company are seeking all remedies available regarding the final determination issued by ITC on January 25, 2024 including but not limited to appeal and other available procedures. Additionally, the Company already made the design around available. The related procedures are under process pursuant to the procedural schedule, and the Company is unable to reliably determine the outcome of such procedures.

D. In 2022, ParkerVision, Inc. brought an action for patent infringement in United States District Court for the Western District of Texas against the Company's IC products. The case is still pending, and the Company is unable to reliably determine the outcome of the case.

E. In 2023, Monterey Research, LLC brought an action for patent infringement in the Tokyo District Court against the Company and its subsidiary, Realtek Semiconductor (Japan) Corp. The case is still pending, and the Company is unable to reliably determine the outcome of the case.

F. In 2023, the Company filed a complaint in the Northern District of California against MediaTek Inc., Future Link Systems LLC, and IPValue Management (Future Link's parent company) for violation of, including but not limited to, US anti-trust and unfair competition laws. The case is still pending, and the Company is unable to reliably determine the outcome of the case.

G. In 2023, ParkerVision, Inc. brought another action for patent infringement in United States District Court for the Western District of Texas against the Company's IC products. The case is still pending, and the Company is unable to reliably determine the outcome of the case.

(2) Commitments

The Company entered into a contract with a supplier. According to the contract, the supplier provided agreed production capacity to the Company after the Company paid the guarantee deposits. The abovementioned payment was shown in other non-current assets.

## 10. SIGNIFICANT DISASTER LOSS

None.

## 11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

Information on the cash dividends from 2023 earnings distribution and capital surplus as resolved by the Board of Directors on April 19, 2024 is provided in Note 6(19).

## 12. OTHERS

(1) 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.

(2) Financial instruments

A. Financial instruments by category

| | March 31, 2024 | December 31, 2023 | March 31, 2023 |
|---|---|---|---|
| Financial assets | | | |
| Financial assets at fair value through profit or loss | | | |
| Financial assets mandatorily measured at fair value through profit or loss | $ 955,403 | $ 1,001,832 | $ 1,012,980 |
| Financial assets at fair value through other comprehensive income | | | |
| Designation of equity instrument | $ 3,550,443 | $ 3,126,098 | $ 3,162,070 |
| Financial assets at amortised cost/ Receivables | | | |
| Cash and cash equivalents | $ 10,167,058 | $ 10,268,291 | $ 10,321,974 |
| Financial assets at amortised cost | 40,738,957 | 37,882,221 | 44,194,686 |
| Accounts receivable (including related parties) | 15,501,887 | 12,756,987 | 11,055,636 |
| Other receivables | 1,025,258 | 616,624 | 907,189 |
| Refundable deposits | 2,192,974 | 2,191,080 | 2,192,527 |
| | $ 69,626,134 | $ 63,715,203 | $ 68,672,012 |

| | March 31, 2024 | December 31, 2023 | March 31, 2023 |
|---|---|---|---|
| Financial liabilities | | | |
| Financial liabilities at amortised cost | | | |
| Short-term borrowings | $ 2,400,000 | $ 4,250,000 | $ 13,649,448 |
| Accounts payable (including related parties) | 9,136,147 | 7,273,113 | 4,756,958 |
| Other payables (including related parties) | 24,694,364 | 24,573,330 | 26,850,243 |
| Long-term borrowings | 2,229,267 | 2,227,346 | 1,712,962 |
| Guarantee deposits | 279 | 464 | 528 |
| Other financial liabilities | 8,370,161 | 7,908,929 | 7,985,408 |
| | $ 46,830,218 | $ 46,233,182 | $ 54,955,547 |
| Lease liabilities | $ 1,533,783 | $ 1,548,069 | $ 1,278,577 |

B. Financial risk management policies

(a) The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk.

(b) Risk management is carried out by a Group finance under policies approved by the Board of Directors. Group finance identifies, evaluates, and hedges financial risks in close cooperation with the Group's operating units.

C. Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

i. The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to USD and CNY. Foreign exchange risk arises from future commercial transactions, recognized assets, and liabilities.

ii. Management has set up a policy to require the Group to manage its foreign exchange risk against its functional currency. The Group is required to hedge its entire foreign exchange risk exposure with the Group finance.

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

| | March 31, 2024 | | | |
|---|---|---|---|---|
| | Foreign currency amount (In thousands) | | Exchange rate | Book value (NTD) |
| (Foreign currency: functional currency) | | | | |
| Financial assets | | | | |
| Monetary items | | | | |
| USD:NTD | $ | 461,644 | 31.99 | $ 14,767,992 |
| Non-monetary items | | | | |
| USD:NTD | | 1,556,253 | 31.99 | 49,784,533 |
| Financial liabilities | | | | |
| Monetary items | | | | |
| USD:NTD | | 395,340 | 31.99 | 12,646,927 |

| | December 31, 2023 | | | |
|---|---|---|---|---|
| | Foreign currency amount (In thousands) | | Exchange rate | Book value (NTD) |
| (Foreign currency: functional currency) | | | | |
| Financial assets | | | | |
| Monetary items | | | | |
| USD:NTD | $ | 319,882 | 30.735 | $ 9,831,573 |
| Non-monetary items | | | | |
| USD:NTD | | 1,473,227 | 30.735 | 45,279,632 |
| Financial liabilities | | | | |
| Monetary items | | | | |
| USD:NTD | | 340,095 | 30.735 | 10,452,820 |

| | March 31, 2023 | | |
|---|---|---|---|
| | Foreign currency amount (In thousands) | Exchange rate | Book value (NTD) |
| (Foreign currency: functional currency) | | | |
| Financial assets | | | |
| Monetary items | | | |
| USD:NTD | $ 262,983 | 30.454 | $ 8,008,884 |
| Non-monetary items | | | |
| USD:NTD | 1,959,199 | 30.454 | 59,665,446 |
| Financial liabilities | | | |
| Monetary items | | | |
| USD:NTD | 284,422 | 30.454 | 8,661,788 |

The exchange gains (losses), 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 $34,085 and ($40,456), respectively.

Analysis of foreign currency market risk arising from significant foreign exchange variation:

| | For the three-month period ended March 31, 2024 | | |
|---|---|---|---|
| | Sensitivity analysis | | |
| | Degree of variation | Effect on profit or loss | Effect on other comprehensive income |
| (Foreign currency: functional currency) | | | |
| Financial assets | | | |
| Monetary items | | | |
| USD:NTD | 5% | $ 738,400 | $ - |
| Non-monetary items | | | |
| USD:NTD | 5% | - | 2,489,227 |
| Financial liabilities | | | |
| Monetary items | | | |
| USD:NTD | 5% | ( 632,346) | - |

| | For the three-month period ended March 31, 2023 | | |
|---|---|---|---|
| | Sensitivity analysis | | |
| | Degree of variation | Effect on profit or loss | Effect on other comprehensive income |
| (Foreign currency: functional currency) | | | |
| Financial assets | | | |
| Monetary items | | | |
| USD:NTD | 5% | $ 400,444 | $ - |
| Non-monetary items | | | |
| USD:NTD | 5% | - | 2,983,272 |
| Financial liabilities | | | |
| Monetary items | | | |
| USD:NTD | 5% | ( 433,089) | - |

Price risk

i. The Group's equity securities, which are exposed to price risk, are the held financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income.

ii. The Group's investments in equity securities comprise shares and open-end funds issued by the domestic and foreign companies. The prices of equity securities would change due to the change of the future value of investee companies. If the prices of these equity securities had increased/decreased by 10% with all other variables held constant, post-tax profit for the three-month periods ended March 31, 2024 and 2023 would have increased/decreased by $95,540 and $101,298, respectively, as a result of gains/losses on equity securities classified as at fair value through profit or loss. Other comprehensive income would have increased/decreased by $355,044 and $316,207, respectively, as a result of gains/losses on equity securities classified as at fair value through other comprehensive income.

Cash flow and fair value interest rate risk

i. The Group's interest rate risk arises from bank time deposits, time deposits with maturity over three months and long-term and short-term borrowings with variable rates. Borrowings with variable rates expose the Group to cash flow interest rate risk which is partially offset by cash and cash equivalents held at variable rates. For the three-month periods ended March 31, 2024 and 2023, the Group's borrowings at variable rate were mainly denominated in New Taiwan dollars and US Dollars.

ii. If the borrowing interest rate had increased/decreased by 0.25% with all other variables held constant, profit before tax for the three-month periods ended March 31, 2024 and 2023 would have decreased/increased by $13,883 and $38,517, respectively. If the time deposits interest rate had increased/decreased by 0.25% with all other variables held constant, profit before tax for the three-month periods ended March 31, 2024 and 2023 would have increased/decreased by $96,949 and $114,251, respectively. The main factor is that increase or decrease in interest expense and interest income result in floating-rate.

(b) Credit risk

i. Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms, and the contract cash flows of financial assets at amortized cost.

ii. The Group manages their credit risk taking into consideration the entire Group's concern. According to the Group's credit policy, each local entity in the Group is responsible for managing and analyzing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors.

iii. The Group adopts the assumption under IFRS 9, that is, the default occurs when the contract payments are past due over 90 days.

iv. The Group adopts the following assumption under IFRS 9 to assess whether there has been a significant increase in credit risk on that instrument since initial recognition: If the contract payments were past due over 30 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.

v. The following indicators are used to determine whether the credit impairment of debt instruments has occurred:

(i) It becomes probable that the issuer will enter bankruptcy or other financial reorganization due to their financial difficulties;

(ii) The disappearance of an active market for that financial asset because of financial difficulties;

(iii) Default or delinquency in interest or principal repayments;

(iv) Adverse changes in national or regional economic conditions that are expected to cause a default.

vi. The Group classifies customers' accounts receivable in accordance with customer types. The Group applies the modified approach using provision matrix to estimate expected credit loss under the provision matrix basis.

vii. The Group wrote-off the financial assets, which cannot be reasonably expected to be recovered, after initiating recourse procedures. However, the Group will continue executing the recourse procedures to secure their rights.

viii. The Group used the forecast ability of semiconductor industry research report to adjust historical and timely information to assess the default possibility of accounts receivable. As at March 31, 2024, December 31, 2023 and March 31, 2023, the provision matrix are as follows:

| | Not past due | 1~90 days past due | Over 90 days past due | Total |
|---|---|---|---|---|
| At March 31, 2024 | | | | |
| Expected loss rate | 0%~1% | 0%~1% | 100% | |
| Total book value | $ 15,248,548 | $ 367,517 | $ 3,630 | $ 15,619,695 |
| Loss allowance | $ 110,503 | $ 3,675 | $ 3,630 | $ 117,808 |

| | Not past due | 1~90 days past due | Over 90 days past due | Total |
|---|---|---|---|---|
| At December 31, 2023 | | | | |
| Expected loss rate | 0%~1% | 0%~1% | 100% | |
| Total book value | $ 12,266,292 | $ 581,423 | $ 36 | $ 12,847,751 |
| Loss allowance | $ 84,914 | $ 5,814 | $ 36 | $ 90,764 |

| | Not past due | 1~90 days past due | Over 90 days past due | Total |
|---|---|---|---|---|
| At March 31, 2023 | | | | |
| Expected loss rate | 0%~1% | 0%~1% | 100% | |
| Total book value | $ 10,800,351 | $ 324,990 | $ 36 | $ 11,125,377 |
| Loss allowance | $ 66,455 | $ 3,250 | $ 36 | $ 69,741 |

ix. Movements in relation to the Group applying the modified approach to provide loss allowance for accounts receivable are as follows:

| | 2024 |
|---|---|
| | Loss allowance for accounts receivable |
| At January 1 | $ 90,764 |
| Provision for impairment loss | 27,044 |
| At March 31 | $ 117,808 |

| | 2023 |
|---|---|
| | Loss allowance for accounts receivable |
| At January 1 | $ 65,295 |
| Provision for impairment loss | 4,446 |
| At March 31 | $ 69,741 |

x. For investments in debt instruments at amortised cost, the credit rating levels are presented below:

| | March 31, 2024 | | | |
|---|---|---|---|---|
| | | Lifetime | | |
| | 12 months | Significant increase in credit risk | Impairment of credit | Total |
| Financial assets at amortised cost | | | | |
| Group 1 | $ 35,071,940 | $ - | $ - | $35,071,940 |
| Group 2 | 5,667,017 | - | - | 5,667,017 |
| | $ 40,738,957 | $ - | $ - | $40,738,957 |

| | December 31, 2023 | | | |
|---|---|---|---|---|
| | | Lifetime | | |
| | 12 months | Significant increase in credit risk | Impairment of credit | Total |
| Financial assets at amortised cost | | | | |
| Group 1 | $ 32,467,571 | $ - | $ - | $32,467,571 |
| Group 2 | 5,414,650 | - | - | 5,414,650 |
| | $ 37,882,221 | $ - | $ - | $37,882,221 |

| | March 31, 2023 | | | |
|---|---|---|---|---|
| | | Lifetime | | |
| | 12 months | Significant increase in credit risk | Impairment of credit | Total |
| Financial assets at amortised cost | | | | |
| Group 1 | $ 42,037,709 | $ - | $ - | $42,037,709 |
| Group 2 | 2,156,977 | - | - | 2,156,977 |
| | $ 44,194,686 | $ - | $ - | $44,194,686 |

Group 1: Time deposits with original maturity over three months deposited in financial institutions having good credit quality.

Group 2: Standard Poor's, Fitch's, or Moody's rating of A-level.

(c) Liquidity risk

i. Cash flow forecasting is performed in the operating entities of the Group and aggregated by Group finance. Group finance monitors forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities.

ii. Group finance invests surplus cash in interest bearing demand deposits, time deposits, money market deposits and marketable securities, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient headroom as determined by the above-mentioned forecasts.

iii. The table below analyses the Group's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date for non-derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows.

Non-derivative financial liabilities:

| March 31, 2024 | Less than 1 year | Between 1 and 5 years | Over 5 years |
|---|---|---|---|
| Short-term borrowings | $ 2,400,000 | $ - | $ - |
| Accounts payable (including related parties) | 9,136,147 | - | - |
| Other payables (including related parties) | 24,694,364 | - | - |
| Lease liabilities | 139,927 | 292,619 | 1,616,042 |
| Long-term borrowings | - | 2,229,267 | - |
| Guarantee deposits | - | - | 279 |
| Other financial liabilities | 8,370,161 | - | - |

Non-derivative financial liabilities:

| December 31, 2023 | Less than 1 year | Between 1 and 5 years | Over 5 years |
|---|---|---|---|
| Short-term borrowings | $ 4,250,000 | $ - | $ - |
| Accounts payable (including related parties) | 7,273,113 | - | - |
| Other payables (including related parties) | 24,573,330 | - | - |
| Lease liabilities | 137,620 | 305,571 | 1,627,457 |
| Long-term borrowings | - | 2,227,346 | - |
| Guarantee deposits | - | - | 464 |
| Other financial liabilities | 7,908,929 | - | - |

Non-derivative financial liabilities:

| March 31, 2023 | Less than 1 year | Between 1 and 5 years | Over 5 years |
|---|---|---|---|
| Short-term borrowings | $ 13,649,448 | $ - | $ - |
| Accounts payable (including related parties) | 4,756,958 | - | - |
| Other payables (including related parties) | 26,850,243 | - | - |
| Lease liabilities | 115,509 | 288,916 | 1,295,786 |
| Long-term borrowings | - | 1,712,962 | - |
| Guarantee deposits | - | - | 528 |
| Other financial liabilities | 7,985,408 | - | - |

iv. The Group does not expect the timing of occurrence of the cash flows estimated through the maturity date analysis will be significantly earlier, nor expect the actual cash flow amount will be significantly different.

(3) Fair value information

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

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

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

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

B. Fair value information of investment property at cost is provided in Note 6(10).

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

(a) The related information of nature of the assets is as follows:

| March 31, 2024 | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| Assets | | | | |
| Recurring fair value measurement | | | | |
| Financial assets at fair value through profit or loss | | | | |
| Equity securities | $ 902,403 | $ - | $ - | $ 902,403 |
| Hybrid instrument | - | - | 53,000 | 53,000 |
| Financial assets at fair value through other comprehensive income | | | | |
| Equity securities | 684,734 | - | 2,865,709 | 3,550,443 |
| Total | $ 1,587,137 | $ - | $ 2,918,709 | $ 4,505,846 |

| December 31, 2023 | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| Assets | | | | |
| Recurring fair value measurement | | | | |
| Financial assets at fair value through profit or loss | | | | |
| Equity securities | $ 948,832 | $ - | $ - | $ 948,832 |
| Hybrid instrument | - | - | 53,000 | 53,000 |
| Financial assets at fair value through other comprehensive income | | | | |
| Equity securities | 763,506 | - | 2,362,592 | 3,126,098 |
| Total | $ 1,712,338 | $ - | $ 2,415,592 | $ 4,127,930 |

| March 31, 2023 | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| Assets | | | | |
| Recurring fair value measurement | | | | |
| Financial assets at fair value through profit or loss | | | | |
| Equity securities | $ 959,980 | $ - | $ - | $ 959,980 |
| Hybrid instrument | - | - | 53,000 | 53,000 |
| Financial assets at fair value through other comprehensive income | | | | |
| Equity securities | 724,164 | - | 2,437,906 | 3,162,070 |
| Total | $ 1,684,144 | $ - | $ 2,490,906 | $ 4,175,050 |

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

i. The instruments the Group used market quoted prices as their fair values (that is, Level 1) are listed below by characteristics:

| | Listed shares | Closed-end fund | Open-end fund | Government bond | Corporate bond | Convertible (exchangeable) bond |
|---|---|---|---|---|---|---|
| Market quoted price | Closing price | Closing price | Net asset value | Translation price | Weighted average quoted price | Closing price |

ii. Except for financial instruments with active markets, the fair value of other financial instruments is measured by using valuation techniques. The fair value of financial instruments measured by using valuation techniques can be referred to current fair value of instruments with similar terms and characteristics in substance, discounted cash flow method or other valuation methods, including calculated by applying model using market information available at the consolidated balance sheet date.

iii. The output of valuation model is an estimated value and the valuation technique may not be able to capture all relevant factors of the Group's financial and non-financial instruments. Therefore, the estimated value derived using valuation model is adjusted accordingly with additional inputs.

D. For the three-month periods ended March 31, 2024 and 2023, there was no transfer between Level 1 and Level 2.

E. The following chart is the movement of Level 3 for the three-month periods ended March 31, 2024 and 2023:

| | 2024 | 2023 |
|---|---|---|
| | Non-derivative equity instrument | Non-derivative equity instrument |
| At January 1 | $ 2,415,592 | $ 2,405,561 |
| Gains recognized in other comprehensive income | 503,117 | 25,541 |
| Acquisition during the period | - | 59,804 |
| At March 31 | $ 2,918,709 | $ 2,490,906 |

F. For the three-month periods ended March 31, 2024 and 2023, there was no transfer into or out from Level 3.

G. The finance division is in charge of valuation procedures for fair value measurements being categorized within Level 3, which is to verify independent fair value of financial instruments. Such assessment is to ensure the valuation results are reasonable by applying independent information to make results close to current market conditions, confirming the resource of information is independent, reliable and in line with other resources and represented as the exercisable price, updating inputs used to the valuation model and making any other necessary adjustments to the fair value.

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

| | Fair value at March 31, 2024 | Valuation technique | Significant unobservable input | Range (weighted average) | Relationship of inputs to fair value |
|---|---|---|---|---|---|
| Non-derivative equity instrument: | | | | | |
| Unlisted shares | $ 123,772 | Market comparable companies | Price to book ratio multiple | 3.18 | The higher the multiple, the higher the fair value |
| 〃 | 116,867 | Net asset value | Not applicable | - | Not applicable |
| Private equity fund investment | 2,625,070 | Net asset value | Not applicable | - | Not applicable |
| Hybrid instrument: | | | | | |
| Convertible notes | 53,000 | Binomial model | Not applicable | - | Not applicable |

| | Fair value at December 31, 2023 | Valuation technique | Significant unobservable input | Range (weighted average) | Relationship of inputs to fair value |
|---|---|---|---|---|---|
| Non-derivative equity instrument: | | | | | |
| Unlisted shares | $ 118,916 | Market comparable companies | Price to book ratio multiple | 3.40 | The higher the multiple, the higher the fair value |
| 〃 | 113,921 | Net asset value | Not applicable | - | Not applicable |
| Private equity fund investment | 2,129,755 | Net asset value | Not applicable | - | Not applicable |
| Hybrid instrument: | | | | | |
| Convertible notes | 53,000 | Binomial model | Not applicable | - | Not applicable |

| | Fair value at March 31, 2023 | | Valuation technique | Significant unobservable input | Range (weighted average) | Relationship of inputs to fair value |
|---|---|---|---|---|---|---|
| Non-derivative equity instrument: | | | | | | |
| Unlisted shares | $ | 177,633 | Market comparable companies | Price to book ratio multiple | 3.99 | The higher the multiple, the higher the fair value |
| 〃 | | 40,996 | Net asset value | Not applicable | - | Not applicable |
| Private equity fund investment | | 2,219,277 | Net asset value | Not applicable | - | Not applicable |
| Hybrid instrument: | | | | | | |
| Convertible notes | | 53,000 | Binomial model | Not applicable | - | Not applicable |

13. SUPPLEMENTARY DISCLOSURES

(1) Significant transactions information

A. Loans to others: Please refer to table 1.

B. Provision of endorsements and guarantees to others: Please refer to table 2.

C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Please refer to table 3.

D. Acquisition or sale of the same security with the accumulated cost exceeding $300 million or 20% of the Company’s paid-in capital: None.

E. Acquisition of real estate reaching $300 million or 20% of paid-in capital or more: None.

F. Disposal of real estate reaching $300 million or 20% of paid-in capital or more: None.

G. Purchases or sales of goods from or to related parties reaching $100 million or 20% of paid-in capital or more: Please refer to table 4.

H. Receivables from related parties reaching $100 million or 20% of paid-in capital or more: Please refer to table 5.

I. Trading in derivative instruments undertaken during the reporting periods: None.

J. Significant inter-company transactions during the reporting periods: Please refer to table 6.

(2) Information on investees

Names, locations, and other information of investee companies (not including investees in Mainland China): Please refer to table 7.

(3) Information on investments in Mainland China

A. Basic information: Please refer to table 8.

B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: Please refer to tables 1, 2 and 6.

(4) Major shareholders information

Please refer to table 9.

## 14. SEGMENT INFORMATION

(1) General information

The Group operates business only in a single industry. The Chief Operating Decision-Maker, who allocates resources and assesses performance of the Group as a whole, has identified that the Group has only one reportable operating segment.

(2) Measurement of segment information

The Chief Operating Decision-Maker assesses the performance of the operating segments based on the consolidated financial statements. The accounting policy of operating segments is the same as that described in Note 4.

(3) Information on segment profit (loss), assets and liabilities

The revenue from external customers and segment financial information reported to the Chief Operating Decision-Maker is measured in a manner consistent with that in the consolidated statement of comprehensive income.

(4) Reconciliation for segment profit (loss)

The segment assets, liabilities and profit before income tax reported to the Chief Operating Decision-Maker is measured in a manner consistent with that in the consolidated balance sheet and consolidated statement of comprehensive income. As a result, no reconciliation was reported.

REALTEK SEMICONDUCTOR CORPORATION AND SUBSIDIARIES

Loans to others

For the three-month period ended March 31, 2024

Table 1

Expressed in thousands of NTD

(Except as otherwise indicated)

| No (Note 1) | Creditor | Borrower | General ledger account | Is a related party | Maximum outstanding balance during the three-month period ended March 31, 2024 (Note 3) | Balance at March 31, 2024 | Actual amount drawn down (Note 4) | Interest rate(%) | Nature of loan | Amount of transactions with the borrower | Reason for short-term financing | Allowance for doubtful accounts | Collateral Item | Collateral Value | Limit on loans granted to a single party | Ceiling on total loans granted (Note 2) | Footnote |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 0 | Realtek Semiconductor Corporation | RayMX Microelectronics Corp. | Other receivables-related parties | Y | $ 63,980 | $ 63,980 | $ - | - | Short-term financing | $ - | Operations | $ - | None | $ - | $ 4,758,010 | $ 19,032,039 | None |
| 0 | Realtek Semiconductor Corporation | Bluocean Inc. | Other receivables-related parties | Y | 3,199,000 | 3,199,000 | - | - | Short-term financing | - | Operations | - | None | - | 4,758,010 | 19,032,039 | None |
| 0 | Realtek Semiconductor Corporation | Amber Universal Inc. | Other receivables-related parties | Y | 959,700 | 959,700 | - | - | Short-term financing | - | Operations | - | None | - | 4,758,010 | 19,032,039 | None |
| 0 | Realtek Semiconductor Corporation | Leading Enterprises Limited | Other receivables-related parties | Y | 3,199,000 | 3,199,000 | - | - | Short-term financing | - | Operations | - | None | - | 4,758,010 | 19,032,039 | None |
| 1 | Leading Enterprises Limited | Talent Eagle Enterprise Inc. | Other receivables-related parties | Y | 1,919,400 | 1,919,400 | - | - | Short-term financing | - | Operations | - | None | - | 19,032,039 | 19,032,039 | None |
| 2 | Amber Universal Inc. | Blueocean Inc. | Other receivables-related parties | Y | 1,599,500 | 1,599,500 | 1,061,451 | 5.83 | Short-term financing | - | Operations | - | None | - | 19,032,039 | 19,032,039 | None |
| 2 | Amber Universal Inc. | Talent Eagle Enterprise Inc. | Other receivables-related parties | Y | 3,199,000 | 3,199,000 | - | - | Short-term financing | - | Operations | - | None | - | 19,032,039 | 19,032,039 | None |
| 3 | Cortina Access, Inc. | Leading Enterprises Limited | Other receivables-related parties | Y | 959,700 | 959,700 | 911,715 | 5.43 | Short-term financing | - | Operations | - | None | - | 19,032,039 | 19,032,039 | None |
| 4 | Realtek Singapore Private Limited | Leading Enterprises Limited | Other receivables-related parties | Y | 3,199,000 | 3,199,000 | 1,839,425 | 5.83 | Short-term financing | - | Operations | - | None | - | 19,032,039 | 19,032,039 | None |
| 4 | Realtek Singapore Private Limited | RayMX Microelectronics Corp. | Other receivables-related parties | Y | 63,980 | 63,980 | - | - | Short-term financing | - | Operations | - | None | - | 19,032,039 | 19,032,039 | None |

REALTEK SEMICONDUCTOR CORPORATION AND SUBSIDIARIES

Loans to others

For the three-month period ended March 31, 2024

Table 1

Expressed in thousands of NTD

(Except as otherwise indicated)

| No (Note 1) | Creditor | Borrower | General ledger account | Is a related party | Maximum outstanding balance during the three-month period ended March 31, 2024 (Note 3) | Balance at March 31, 2024 | Actual amount drawn down (Note 4) | Interest rate(%) | Nature of loan | Amount of transactions with the borrower | Reason for short-term financing | Allowance for doubtful accounts | Collateral | | Limit on loans granted to a single party | Ceiling on total loans granted (Note 2) | Footnote |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | | | | | Item | Value | | | |
| 4 | Realtek Singapore Private Limited | Bluocean Inc. | Other receivables-related parties | Y | $ 3,199,000 | $ 3,199,000 | $ 3,074,239 | 5.83 | Short-term financing | $ – | Operations | $ – | None | $ - | $ 19,032,039 | $ 19,032,039 | None |
| 4 | Realtek Singapore Private Limited | Talent Eagle Enterprise Inc. | Other receivables-related parties | Y | 3,199,000 | 3,199,000 | 1,791,440 | 5.83 | Short-term financing | – | Operations | - | None | - | 19,032,039 | 19,032,039 | None |
| 4 | Realtek Singapore Private Limited | Amber Universal Inc. | Other receivables-related parties | Y | 3,199,000 | 3,199,000 | 1,279,600 | 5.83 | Short-term financing | – | Operations | - | None | - | 19,032,039 | 19,032,039 | None |
| 5 | Realsil Microelectronics (Suzhou) Co., Ltd. | Suzhou Pankore Integrated Circuit Technology Co. Ltd | Other receivables-related parties | Y | 354,303 | 354,303 | 149,029 | 4.35 | Short-term financing | – | Operations | - | None | - | 19,032,039 | 19,032,039 | None |
| 5 | Realsil Microelectronics (Suzhou) Co., Ltd. | RayMX Microelectronics Corp. | Other receivables-related parties | Y | 354,303 | 354,303 | 163,865 | 4.35 | Short-term financing | – | Operations | - | None | - | 19,032,039 | 19,032,039 | None |
| 6 | Cortina Network Systems (Shanghai) Co., Ltd. | Suzhou Pankore Integrated Circuit Technology Co. Ltd | Other receivables-related parties | Y | 132,864 | 132,864 | – | – | Short-term financing | – | Operations | - | None | - | 19,032,039 | 19,032,039 | None |
| 7 | Realtek Investment Singapore Private Limited | Leading Enterprises Limited | Other receivables-related parties | Y | 3,199,000 | 3,199,000 | – | – | Short-term financing | – | Operations | - | None | - | 19,032,039 | 19,032,039 | None |
| 7 | Realtek Investment Singapore Private Limited | Realtek Singapore Private Limited | Other receivables-related parties | Y | 3,199,000 | 3,199,000 | – | – | Short-term financing | – | Operations | - | None | - | 19,032,039 | 19,032,039 | None |
| 8 | Realsun Investments Co., Ltd. | Hung-wei Venture Capital Co., Ltd. | Other receivables-related parties | Y | 25,000 | 25,000 | 16,500 | 1.70 | Short-term financing | – | Operations | - | None | - | 4,758,010 | 19,032,039 | None |

Note 1: The numbers filled in for the loans provided by the Company or subsidiaries are as follows:

(1) The Company is '0'.

(2) The subsidiaries are numbered in order starting from '1'.

Note 2: The Company's "Procedures for Provision of Loans" are as follows:

(1) Ceiling on total loans granted by the Company to all parties is 40% of the Company's net assets value as per its most recent financial statements.

(2) Limit on loans to a single party with business transactions is the business transactions occurred between the creditor and borrower in the current year. The business transaction amount is the higher of purchasing and selling during current year on the year of financing.

(3) For companies needing for short-term financing, the cumulative lending amount may not exceed 40% of the borrowing company's net assets based on its latest financial statements audited or reviewed by independent auditors.

The amount the Company or its subsidiaries lend to an individual entity may not exceed 10% of the Company's or subsidiary's net assets based on its latest financial statements audited or reviewed by independent auditors.

For the foreign companies which the Company holds 100% of the voting rights directly or indirectly, limit on loans is not restricted as stipulated in the above item (3). However, the ceiling on total loans and limit on loans to a single party may not exceed 40% of the Company's net assets based on its latest financial statements audited or reviewed by independent auditors.

Note 3: Acccumulated maximum outstandings balance of loans to others as at the reporting month of the current period.

Note 4: Fill in the actual amount of loans to others used by the borrowing company.

REALTEK SEMICONDUCTOR CORPORATION AND SUBSIDIARIES

Provision of endorsements and guarantees to others

For the three-month period ended March 31, 2024

Table 2

Expressed in thousands of NTD

(Except as otherwise indicated)

| Number (Note 1) | Endorser/ guarantor | Party being endorsed/guaranteed: Company name | Party being endorsed/guaranteed: Relationship with the endorser/ guarantor (Note 2) | Limited on endorsements/ guarantees provided for a single party (Note 3) | Maximum outstanding endorsement/ amount as at March 31, 2024 (Note 4) | Outstanding endorsement/ guarantee amount at March 31, 2024 (Note 5) | Actual amont drawn down (Note 6) | Amount of endorsements/gurantees secured with collateral | Ratio of accumulated endorsement/ guarantee amount to net asset value of the endorser/ guarantor company | Ceiling on total amount of endorsements/ guarantees provided (Note 3) | Provision of endorsements/ guarantees by parent company to subsidiary (Note 7) | Provision of endorsements/ guarantees by subsidiary to parent company (Note 7) | Provision of endorsements/ guarantees to the party in Mainland China (Note 7) | Footnote |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 0 | Realtek Semiconductor Corporation | Realsil Microelectronics (Suzhou) Co., Ltd. | 2 | $ 23,790,048 | $ 798,918 | $ 798,918 | $ - | $ - | 1.68% | $ 23,790,048 | Y | N | Y | |
| 0 | Realtek Semiconductor Corporation | RayMX Microelectronics Corp. | 2 | 23,790,048 | 758,238 | 758,238 | 325 | - | 1.59% | 23,790,048 | Y | N | Y | |
| 0 | Realtek Semiconductor Corporation | AICONNX Technology Corp. | 2 | 23,790,048 | 778,853 | 778,853 | - | - | 1.64% | 23,790,048 | Y | N | N | |

Note 1: The numbers filled in for the endorsements/guarantees provided by the Company or subsidiaries are as follows:

(1)The Company is '0'.

(2)The subsidiaries are numbered in order starting from '1'.

Note 2: Relationship between the endorser/guarantor and the party being endorsed/guaranteed is classified into the following seven categories:

(1) Having business relationship.

(2) The endorser/guarantor parent company owns directly and indirectly more than 50% voting shares of the endorsed/guaranteed subsidiary.

(3) The endorser/guarantor company owns directly and indirectly more than 50% voting shares of the endorser/guarantor parent company.

(4) The endorser/guarantor parent company owns directly or indirectly owns more than 50% voting shares of the endorsed/guaranteed subsidiary.

(5) Mutual guarantee of the trade as required by the construction contract.

(6) Due to joint venture, each shareholder provides endorsements/guarantees to the endorsed/guaranteed company in proportion to its ownership.

(7) Joint guarantee of the performance guarantee for pre-sold home sales contract as required under the Consumer Protection Act.

Note 3: Ceiling on total endorsements/guarantees granted by the Company and subsidiaries is 50% of the Company's net asset based on the latest financial statements audited or reviewed by independent auditors, and limit on endorsements/guarantees to a single party is 50% of the Company's net asset based on the latest financial statements audited or reviewed by independent auditors.

Note 4: Fill in the year-to-date maximum outstanding balance of endorsements/guarantees provided as at the reporting period.

Note 5: Fill in the amount approved by the Board of Directors or the chairman has been authorised by the Board of Directors based on subparagraph 8, Article 12 of the Regulations Gorverning Loaning of Funds and Making of Endorsements/Guarantees by Public Companies.

Note 6: Fill in the actual amount of endorsements/guarantees used by the endorsed/guaranteed company.

Note 7: Fill in 'Y' for those cases of provision of endorsements/guarantees by listed parent company to subsidiary and provision by subsidiary to listed parent company, and provision to the party in Mainland China.

REALTEK SEMICONDUCTOR CORPORATION AND SUBSIDIARIES

Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)

March 31, 2024

Table 3

Expressed in thousands of NTD
(Except as otherwise indicated)

| Securities held by | Marketable securities (Note 1) | Relationship with the securities issuer(Note 2) | General ledger account | As at March 31, 2024 Number of shares | Book value (Note 3) | Ownership (%) | Fair value | Footnote (Note 4) |
|---|---|---|---|---|---|---|---|---|
| Realtek Semiconductor Corporation | C-media Electronics Inc. - Common stock | Other related parties | Financial assets at fair value through profit or loss | 1,278,501 | $ 76,710 | 1.63% | $ 76,710 | |
| Realtek Semiconductor Corporation | Yuanta U.S. Treasury 20+ Year Bond ETF | None | Financial assets at fair value through profit or loss | 2,500,000 | 73,840 | - | 73,840 | |
| Realtek Semiconductor Corporation | Nuheara Limited - Convertible notes | Other related parties | Financial assets at fair value through profit or loss | - | 53,000 | - | 53,000 | |
| Realtek Semiconductor Corporation | Nuheara Limited - Common stock | Other related parties | Financial assets at fair value through other comprehensive income | 45,396,172 | 76,560 | 19.25% | 76,560 | |
| Realtek Semiconductor Corporation | GT Booster Corp.-Preferred stock | Other related parties | Financial assets at fair value through other comprehensive income | 63,158 | 63,980 | 8.00% | 63,980 | |
| Realtek Semiconductor Corporation | Golden Smart Home Technology Corp.-Common stock | None | Financial assets at fair value through other comprehensive income | 1,700,000 | 9,733 | 2.75% | 9,733 | |
| Realking Investments Co., Ltd. | Compal broadband networks Inc. - Common stock | Other related parties | Financial assets at fair value through other comprehensive income | 3,575,000 | 92,771 | 5.29% | 92,771 | |
| Realsun Investments Co., Ltd. | Shieh-Yong Investment Co., Ltd. - Common stock | None | Financial assets at fair value through other comprehensive income | 65,013,874 | 637,183 | 3.03% | 637,183 | |
| Realsun Investments Co., Ltd. | Compal broadband networks Inc. - Common stock | Other related parties | Financial assets at fair value through other comprehensive income | 3,575,000 | 92,771 | 5.29% | 92,771 | |
| Leading Enterprises Limited | Fortemedia Inc. - Common stock | Other related parties | Financial assets at fair value through other comprehensive income | 8,873,301 | 104,578 | 6.61% | 104,578 | |
| Leading Enterprises Limited | Starix Technology, Inc.-Preferred stock | None | Financial assets at fair value through other comprehensive income | 5,000,000 | 19,194 | - | 19,194 | |
| Leading Enterprises Limited | Octtasia Investment Holding Inc. - Common stock | None | Financial assets at fair value through other comprehensive income | 9,000,000 | 1,303,358 | 12.49% | 1,303,358 | |
| Leading Enterprises Limited | Apple Inc. - Corporate bond | None | Financial assets at amortized cost | - | 2,636,589 | - | 2,636,589 | |
| Leading Enterprises Limited | Qualcomm Inc. - Corporate bond | None | Financial assets at amortized cost | - | 530,330 | - | 530,330 | |
| Leading Enterprises Limited | Microsoft Corp. - Corporate bond | None | Financial assets at amortized cost | - | 273,854 | - | 273,854 | |
| Amber Universal Inc. | Octtasia Investment Holding Inc. - Common stock | None | Financial assets at fair value through other comprehensive income | 4,726,836 | 684,529 | 6.56% | 684,529 | |
| Hung-wei Venture Capital Co., Ltd. | United Microelectronics Corporation - Common stock | None | Financial assets at fair value through other comprehensive income | 336,346 | 17,557 | - | 17,557 | |
| Hung-wei Venture Capital Co., Ltd. | C-media Electronics Inc.- Common stock | Other related parties | Financial assets at fair value through profit or loss | 2,274,875 | 136,493 | 2.89% | 136,493 | |
| Hung-wei Venture Capital Co., Ltd. | Greatek Electroninc Inc. - Common stock | Other related parties | Financial assets at fair value through other comprehensive income | 5,823,602 | 359,316 | 1.02% | 359,316 | |
| Hung-wei Venture Capital Co., Ltd. | Unimicron Technology Corp. - Common stock | None | Financial assets at fair value through other comprehensive income | 239,578 | 45,759 | 0.02% | 45,759 | |

REALTEK SEMICONDUCTOR CORPORATION AND SUBSIDIARIES

Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)

March 31, 2024

Table 3

Expressed in thousands of NTD
(Except as otherwise indicated)

| Securities held by | Marketable securities (Note 1) | Relationship with the securities issuer(Note 2) | General ledger account | As at March 31, 2024 | | | | Footnote (Note 4) |
|---|---|---|---|---|---|---|---|---|
| | | | | Number of shares | Book value (Note 3) | Ownership (%) | Fair value | |
| Hung-wei Venture Capital Co., Ltd. | Embestor Technology Inc. - Common stock | Other related parties | Financial assets at fair value through other comprehensive income | 2,800,000 | $ 43,154 | 10.77% | $ 43,154 | |
| Blueocean Inc. | CyWeeMotion Group Limited | None | Financial assets at fair value through other comprehensive income | 8,422,256 | - | 7.01% | - | |
| Blueocean Inc. | Apple Inc. - Corporate bond | None | Financial assets at amortized cost | - | 2,226,244 | - | 2,226,244 | |
| Realsil Microelectronics (Suzhou) Co., Ltd. | Cuam Money Fund | None | Financial assets at fair value through profit or loss | 29,490,793 | 130,608 | - | 130,608 | |
| Realsil Microelectronics (Suzhou) Co., Ltd. | Guang-Fa Demand Policy Loan Fund | None | Financial assets at fair value through profit or loss | 266,200 | 1,179 | - | 1,179 | |
| Realsil Microelectronics (Suzhou) Co., Ltd. | Jian-Xin Monetary Fund | None | Financial assets at fair value through profit or loss | 231,932 | 1,027 | - | 1,027 | |
| Realsil Microelectronics (Suzhou) Co., Ltd. | JIA SHI Monetary Fund | None | Financial assets at fair value through profit or loss | 35,836 | 159 | - | 159 | |
| Realsil Microelectronics (Suzhou) Co., Ltd. | BOC Monetary Fund | None | Financial assets at fair value through profit or loss | 95,410 | 423 | - | 423 | |
| Realsil Microelectronics (Suzhou) Co., Ltd. | Guang-Fa Currency Fund | None | Financial assets at fair value through profit or loss | 19,830,654 | 87,826 | - | 87,826 | |
| Realsil Microelectronics (Suzhou) Co., Ltd. | WAN JIA Monetary Fund | None | Financial assets at fair value through profit or loss | 1,820 | 8 | - | 8 | |
| Realsil Microelectronics (Suzhou) Co., Ltd. | Pu-Yin Monetary Fund | None | Financial assets at fair value through profit or loss | 757 | 3 | - | 3 | |
| Realtek Semiconductor (ShenZhen) Corp. | Ri-Ri-Xin Fund | None | Financial assets at fair value through profit or loss | 42,318,788 | 187,421 | - | 187,421 | |
| Realtek Semiconductor (ShenZhen) Corp. | Jhao-Jhao-Jin Fund | None | Financial assets at fair value through profit or loss | 35,258,305 | 156,151 | - | 156,151 | |
| Realtek Semiconductor (ShenZhen) Corp. | China Merchants Zhaoxibao Money Market Fund | None | Financial assets at fair value through profit or loss | 100,006 | 443 | - | 443 | |
| Cortina Network Systems (Shanghai) Co., Ltd. | Cuam Money Fund | None | Financial assets at fair value through profit or loss | 6,192,340 | 27,425 | - | 27,425 | |
| Cortina Network Systems (Shanghai) Co., Ltd. | JIA SHI Monetary Fund | None | Financial assets at fair value through profit or loss | 5,122,810 | 22,687 | - | 22,687 | |

Note 1: Marketable securities in the table refer to stocks, bonds, beneficiary certificates and other related derivative securities within the scope of IFRS 9 'Financial instruments'.

Note 2: Leave the column blank if the issuer of marketable securities is non-related party.

Note 3: Fill in the amount after adjusted at fair value and deducted by accumulated impairment for the marketable securities measured at fair value; fill in the acquisition cost for the marketable securities not measured at fair value.

Note 4: The number of shares of securities and their amounts pledged as security or pledged for loans and their restrictions on use under some agreements should be stated in the footnote if the securities presented herein have such conditions.

REALTEK SEMICONDUCTOR CORPORATION AND SUBSIDIARIES

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

For the three-month period ended March 31, 2024

Table 4

Expressed in thousands of NTD

(Except as otherwise indicated)

| Purchase/seller | Counterparty | Relationship with the counterparty | Transaction | | | | Differences in transaction terms compared to third party transactions | | Notes/accounts receivable(payable) | | Footnote |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | Purchase (sales) | Amount | Percentage of total purchase (sales) | Credit term | Unit price | Credit term | Balance | Percentage of total notes/accounts receivable (payable) | |
| Realtek Semiconductor Corporation | G.M.I Technology Inc. | Other related parties | (Sales) | ($ 2,604,622) | (10%) | Approximately the same with third party transactions | Approximately the same with third party transactions | Approximately the same with third party transactions | $ 1,946,315 | 13% | |
| RayMX Microelectronics Corp. | G.M.I Technology Inc. | Other related parties | (Sales) | ( 47,023) | 0% | Approximately the same with third party transactions | Approximately the same with third party transactions | Approximately the same with third party transactions | 27,896 | 0% | |
| Realtek Singapore Private Limited | G.M.I Technology Inc. | Other related parties | (Sales) | ( 989,304) | (4%) | Approximately the same with third party transactions | Approximately the same with third party transactions | Approximately the same with third party transactions | 703,660 | 5% | |
| Realtek Semiconductor Corporation | Greatek Electronics Inc. | Other related parties | Purchase | 216,448 | 2% | Approximately the same with third party transactions | Approximately the same with third party transactions | Approximately the same with third party transactions | ( 231,719) | 3% | |
| Realtek Singapore Private Limited | Greatek Electronics Inc. | Other related parties | Purchase | 81,651 | 1% | Approximately the same with third party transactions | Approximately the same with third party transactions | Approximately the same with third party transactions | ( 84,928) | 1% | |

REALTEK SEMICONDUCTOR CORPORATION AND SUBSIDIARIES

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

March 31, 2024

Table 5

Expressed in thousands of NTD

(Except as otherwise indicated)

| Creditor | Counterparty | Relationship with the counterparty | 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 |
|---|---|---|---|---|---|---|---|---|
| Realtek Semiconductor Corporation | G.M.I Technology Inc. | Other related parties | $ 1,946,315 | 6.32 | $ - | - | $ 462,433 | $ 19,660 |
| Realtek Singapore Private Limited | G.M.I Technology Inc. | Other related parties | 703,660 | 5.67 | - | - | - | - |

REALTEK SEMICONDUCTOR CORPORATION AND SUBSIDIARIES
Significant inter-company transactions during the reporting period
For the three-month period ended March 31, 2024

Table 6

Expressed in thousands of NTD
(Except as otherwise indicated)

| Number (Note 1) | Company name | Counterparty | Relationship (Note 2) | Transaction: General ledger account | Transaction: Amount | Transaction: Transaction terms | Transaction: Percentage of consolidated total operating revenues or total assets (Note 3) |
|---|---|---|---|---|---|---|---|
| 0 | Realtek Semiconductor Corporation | RayMX Microelectronics Corp. | 1 | Other receivables | $ 52,045 | No similar transaction can be compared with. Transaction prices and terms are determined in accordance with mutual agreement. | 0.05% |
| 0 | Realtek Semiconductor Corporation | Realtek Korea Inc. | 1 | Technical service fees | 46,945 | No similar transaction can be compared with. Transaction prices and terms are determined in accordance with mutual agreement. | 0.180% |
| 0 | Realtek Semiconductor Corporation | Realtek Korea Inc. | 1 | Other payables | 46,050 | No similar transaction can be compared with. Transaction prices and terms are determined in accordance with mutual agreement. | 0.05% |
| 0 | Realtek Semiconductor Corporation | Ubilinx Technology Inc. | 1 | Technical service fees | 251,048 | No similar transaction can be compared with. Transaction prices and terms are determined in accordance with mutual agreement. | 0.98% |
| 0 | Realtek Semiconductor Corporation | Ubilinx Technology Inc. | 1 | Other payables | 255,550 | No similar transaction can be compared with. Transaction prices and terms are determined in accordance with mutual agreement. | 0.26% |
| 1 | Realtek Singapore Private Limited | Realsil Microelectronics (Suzhou) Co., Ltd. | 3 | Technical service fees | 716,974 | No similar transaction can be compared with. Transaction prices and terms are determined in accordance with mutual agreement. | 2.80% |
| 1 | Realtek Singapore Private Limited | Realsil Microelectronics (Suzhou) Co., Ltd. | 3 | Prepaid account | 882,924 | No similar transaction can be compared with. Transaction prices and terms are determined in accordance with mutual agreement. | 0.88% |
| 1 | Realtek Singapore Private Limited | Realtek Semiconductor(ShenZhen) Corp. | 3 | Technical service fees | 141,508 | No similar transaction can be compared with. Transaction prices and terms are determined in accordance with mutual agreement. | 0.55% |
| 1 | Realtek Singapore Private Limited | Realtek Semiconductor(ShenZhen) Corp. | 3 | Prepaid account | 143,955 | No similar transaction can be compared with. Transaction prices and terms are determined in accordance with mutual agreement. | 0.14% |
| 1 | Realtek Singapore Private Limited | Cortina Access, Inc. | 3 | Technical service fees | 62,611 | No similar transaction can be compared with. Transaction prices and terms are determined in accordance with mutual agreement. | 0.24% |
| 1 | Realtek Singapore Private Limited | Cortina Access, Inc. | 3 | Other payables | 13,489 | No similar transaction can be compared with. Transaction prices and terms are determined in accordance with mutual agreement. | 0.01% |
| 1 | Realtek Singapore Private Limited | Cortina Network Systems (Shanghai) Co., Ltd. | 3 | Technical service fees | 45,532 | No similar transaction can be compared with. Transaction prices and terms are determined in accordance with mutual agreement. | 0.18% |
| 1 | Realtek Singapore Private Limited | Cortina Network Systems (Shanghai) Co., Ltd. | 3 | Other payables | 46,319 | No similar transaction can be compared with. Transaction prices and terms are determined in accordance with mutual agreement. | 0.05% |
| 1 | Realtek Singapore Private Limited | Cortina Systems Taiwan Limited | 3 | Technical service fees | 54,382 | No similar transaction can be compared with. Transaction prices and terms are determined in accordance with mutual agreement. | 0.21% |
| 1 | Realtek Singapore Private Limited | Cortina Systems Taiwan Limited | 3 | Other payables | 16,793 | No similar transaction can be compared with. Transaction prices and terms are determined in accordance with mutual agreement. | 0.02% |
| 1 | Realtek Singapore Private Limited | Realtek Semiconductor (Japan) Corp. | 3 | Technical service fees | 18,986 | No similar transaction can be compared with. Transaction prices and terms are determined in accordance with mutual agreement. | 0.07% |
| 1 | Realtek Singapore Private Limited | Realtek Viet Nam Co., Ltd. | 3 | Technical service fees | 14,294 | No similar transaction can be compared with. Transaction prices and terms are determined in accordance with mutual agreement. | 0.06% |
| 1 | Realtek Singapore Private Limited | RayMX Microelectronics Corp. | 3 | Other receivables | 52,045 | No similar transaction can be compared with. Transaction prices and terms are determined in accordance with mutual agreement. | 0.05% |

Note 1: The numbers filled in for the transaction company in respect of inter-company transactions are as follows:
(1) Parent company is '0'.
(2) The subsidiaries are numbered in order starting from '1'.
Note 2: Relationship between transaction company and counterparty is classified into the following three categories; fill in the number of category each case belongs to (If transactions between parent company and subsidiaries or between subsidiaries refer to the same transaction, it is not required to disclose twice. For example, if the parent company has already disclosed its transaction with a subsidiary, then the subsidiary is not required to disclose the transaction; for transactions between two subsidiaries, if one of the subsidiaries has disclosed the transaction, then the other is not required to disclose the transaction.):
(1) Parent company to subsidiary.
(2) Subsidiary to parent company.
(3) Subsidiary to subsidiary
Note 3: Regarding percentage of transaction amount to consolidated total operating revenues or total assets, it is computed based on period-end balance of transaction to consolidated total assets for balance sheet accounts and based on accumulated transaction amount for the period to consolidated total operating revenues for income statement accounts.
Note 4: Only transactions above NT$10 million are disclosed. Transactions of related parties are not further disclosed here.

REALTEK SEMICONDUCTOR CORPORATION AND SUBSIDIARIES

Information on investees

For the three-month period ended March 31, 2024

Table 7

Expressed in thousands of NTD

(Except as otherwise indicated)

| Investor | Investee | Location | Main business activities | Initial investment amount | | Shares held as at March 31, 2024 | | | Net profit (loss) of the investee for the three-month period ended March 31, 2024 | Investment income (loss) recognised by the Company for the three-month period ended March 31, 2024 | Footnote |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | Balance as at March 31, 2024 | Balance as at December 31, 2023 | Number of shares | Ownership (%) | Book value | | | |
| Realtek Semiconductor Corporation | Amber Universal Inc. | British Virgin Islands | Investment holdings | $ 1,836,686 | $ 1,764,641 | 41,432 | 100% | $ 840,550 | ($ 4,054) | ($ 4,054) | Subsidiary |
| Realtek Semiconductor Corporation | Realtek Singapore Private Limited | Singapore | ICs manufacturing, design, research, development, sales, and marketing | 4,538,904 | 4,360,838 | 116,059,638 | 100% | 48,906,458 | 2,253,058 | 2,253,473 | Subsidiary |
| Realtek Semiconductor Corporation | Realsun Investments Co., Ltd. | Taiwan | Investment holdings | 280,000 | 280,000 | 28,000,000 | 100% | 772,004 | ( 2,732) | ( 2,732) | Subsidiary |
| Realtek Semiconductor Corporation | Hung-wei Venture Capital Co., Ltd. | Taiwan | Investment holdings | 250,000 | 250,000 | 25,000,000 | 100% | 589,240 | ( 6,624) | ( 6,624) | Subsidiary |
| Realtek Semiconductor Corporation | Realking Investments Co., Ltd. | Taiwan | Investment holdings | 293,930 | 293,930 | 29,392,985 | 100% | 215,610 | ( 21,623) | ( 21,623) | Subsidiary |
| Realtek Semiconductor Corporation | Realsun Technology Corporatioin | Taiwan | ICs manufacturing, design, research, development, sales, and marketing | 5,000 | 5,000 | 500,000 | 100% | 4,973 | ( 10) | ( 10) | Subsidiary |
| Realtek Semiconductor Corporation | Bobitag Inc. | Taiwan | Manufacturing and installation of computer equipment and wholesasle, retail and related services of electronic materials and information/software | 19,189 | 19,189 | 1,918,910 | 66.67% | 19,347 | 94 | 63 | Subsidiary |
| Realtek Semiconductor Corporation | AICONNX Technology Corporation | Taiwan | ICs manufacturing, design, research, development, sales, and marketing | 20,000 | 20,000 | 2,000,000 | 100% | 26,955 | 17,152 | 17,509 | Subsidiary |
| Realtek Semiconductor Corporation | Wise Elite Global Limited | British Virgin Islands | Investment holdings | 31,990 | 30,735 | 1,000 | 100% | 33,106 | - | - | Subsidiary |

REALTEK SEMICONDUCTOR CORPORATION AND SUBSIDIARIES

Information on investees

For the three-month period ended March 31, 2024

Table 7

Expressed in thousands of NTD

(Except as otherwise indicated)

| | | | | Initial investment amount | | Shares held as at March 31, 2024 | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Investor | Investee | Location | Main business activities | Balance as at March 31, 2024 | Balance as at December 31, 2023 | Number of shares | Ownership (%) | Book value | Net profit (loss) of the investee for the three-month period ended March 31, 2024 | Investment income (loss) recognised by the Company for the three-month period ended March 31, 2024 | Footnote |
| Realking Investments Co., Ltd. | Innorich Venture Capital Corp. | Taiwan | Venture capital activities | $ 200,000 | $ 200,000 | 20,000,000 | 37.38% | $ 92,317 | ($ 2,651) | ($ 20,481) | Investments accounted for under equity method |
| Realking Investments Co., Ltd. | Starmems Semiconductor Corporation | Taiwan | Research and development, design, manufacturing, sales and other services of electronic components, information/Software and integrated circuits. | 10,000 | 10,000 | 1,000,000 | 10% | 2,994 | ( 6,003) | ( 1,228) | Investments accounted for under equity method |
| Realsun Investments Co., Ltd. | Starmems Semiconductor Corporation | Taiwan | Research and development, design, manufacturing, sales and other services of electronic components, information/Software and integrated circuits. | 23,000 | 23,000 | 2,300,000 | 23% | 6,885 | ( 6,003) | ( 2,824) | Investments accounted for under equity method |
| Hung-wei Venture Capital Co., Ltd. | Starmems Semiconductor Corporation | Taiwan | Research and development, design, manufacturing, sales and other services of electronic components, information/Software and integrated circuits. | 12,000 | 12,000 | 1,200,000 | 12% | 3,592 | ( 6,003) | ( 1,473) | Investments accounted for under equity method |
| Leading Enterprises Limited | Realtek Semiconductor (Japan) Corp. | Japan | Information collection and technical support | 4,228 | 4,347 | 400 | 100% | 5,575 | 3,643 | 3,643 | Sub-Subsidiary |
| Amber Universal Inc. | Realtek Semiconductor (Hong Kong) Limited | Hong Kong | Information services and technical support | 6,132 | 5,901 | - | 100% | 1,144 | ( 20) | ( 20) | Sub-Subsidiary |
| Realtek Singapore Private Limited | Empsonic Enterprises Inc. | Mauritius | Investment holdings | 903,718 | 868,264 | 2,825,000 | 100% | 2,241,715 | ( 84,775) | ( 84,775) | Sub-Subsidiary |
| Realtek Singapore Private Limited | Cortina Access Inc. | U.S.A | R&D and technical support | 1,306,664 | 1,255,402 | 16,892 | 100% | 1,024,261 | 13,640 | 13,640 | Sub-Subsidiary |

REALTEK SEMICONDUCTOR CORPORATION AND SUBSIDIARIES

Information on investees

For the three-month period ended March 31, 2024

Table 7

Expressed in thousands of NTD

(Except as otherwise indicated)

| Investor | Investee | Location | Main business activities | Initial investment amount: Balance as at March 31, 2024 | Initial investment amount: Balance as at December 31, 2023 | Shares held as at March 31, 2024: Number of shares | Shares held as at March 31, 2024: Ownership (%) | Shares held as at March 31, 2024: Book value | Net profit (loss) of the investee for the three-month period ended March 31, 2024 | Investment income (loss) recognised by the Company for the three-month period ended March 31, 2024 | Footnote |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Realtek Singapore Private Limited | Cortina Systems Taiwan Limited | Taiwan | R&D and technical support | $ 63,980 | $ 61,470 | 21,130,000 | 100% | $ 93,930 | $ 9,085 | $ 9,085 | Sub-Subsidiary |
| Realtek Singapore Private Limited | Realtek Viet Nam Co., Ltd. | Vietnam | R&D and technical support | 127,960 | 122,940 | 4,000,000 | 100% | 90,579 | 2,729 | 2,729 | Sub-Subsidiary |
| Realtek Singapore Private Limited | Leading Enterprises Limited | British Virgin Islands | Investment holdings | 15,800,821 | 15,180,939 | 34,630 | 100% | 15,904,217 | 174,299 | 174,299 | Sub-Subsidiary |
| Realtek Singapore Private Limited | Bluocean Inc. | Cayman Islands | Investment holdings | 3,520,500 | 3,382,387 | 110,050,000 | 100% | 3,736,053 | 44,040 | 44,040 | Sub-Subsidiary |
| Realtek Singapore Private Limited | Talent Eagle Enterprise Inc. | Cayman Islands | Investment holdings | 3,650,059 | 3,506,864 | 114,100,000 | 100% | 2,660,476 | 41,805 | 41,805 | Sub-Subsidiary |
| Realtek Singapore Private Limited | Realtek Germany GmbH. | Germany | R&D and technical support | 17,225 | 17,006 | 500,000 | 100% | 17,682 | 59 | 59 | Sub-Subsidiary |
| Realtek Singapore Private Limited | Realtek Bangalore Private Limited | India | R&D and technical support | 4,989 | - | 1,299,999 | 100% | 3,733 | ( 1,239) | ( 1,239) | Sub-Subsidiary |
| Talent Eagle Enterprise Inc. | Ubilinx Technology Inc. | U.S.A | R&D and technical support | 1,919,400 | 1,844,100 | 60,000,000 | 100% | 389,655 | 17,656 | 17,656 | Sub-Subsidiary |
| Bluocean Inc. | Realtek Semiconductor (Malaysia) Sdn.Bhd. | Malaysia | R&D and technical support | 70,788 | 69,989 | 10,450,000 | 100% | 73,635 | 4,618 | 4,618 | Sub-Subsidiary |
| Bluocean Inc. | Realtek Korea Inc. | South Korea | R&D and technical support | 47,491 | 47,420 | 200,000 | 100% | 67,863 | 5,726 | 5,726 | Sub-Subsidiary |
| Realsun Investments Co., Ltd. | Realtek Bangalore Private Limited | India | R&D and technical support | - | - | 1 | 0.00% | - | ( 1,239) | - | Sub-Subsidiary |

Note：The amount of foreign currencies denominated in New Taiwan dollars in this table, which relates to income and expenses which were re-translated at the average exchange rate from January 1, 2024 to March 31, 2024, others were re-translated at the exchange rate prevailing at the end of the financial reporting period.

REALTEK SEMICONDUCTOR CORPORATION AND SUBSIDIARIES

Information on investments in Mainland China

For the three-month period ended March 31, 2024

Table 8

Expressed in thousands of NTD

(Except as otherwise indicated)

| Investee in Mainland China | Main business activities | Paid-in Capital | Investment method (Note1) | Accumulated amount of remittance from Taiwan to Mainland China as at January 1, 2024 | Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the three-month period ended March 31, 2024 | | Accumulated amount of remittance from Taiwan to Mainland China as at March 31, 2024 | Net income of investee for the three-month period ended March 31, 2024 | Ownership held by the Company (direct or indirect) | Investment income (loss) recognised by the Company for the three-month period ended March 31, 2024 (Note2) | Book value of investment in Mainland China as at March 31, 2024 | Accumulated amount of investment income remitted back to Taiwan as at March 31, 2024 | Footnote |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | Remitted to Mainland China | Remitted back to Taiwan | | | | | | | |
| Cortina Network Systems (Shanghai) Co., Ltd. | R&D and technical support | $ 155,164 | 2 | $ 155,164 | $ - | $ - | $ 155,164 | $ 3,167 | 100% | $ 3,167 | $ 128,873 | $ - | |
| Realsil Microelectronics (Suzhou) Co., Ltd. | R&D and technical support | 895,720 | 2 | 895,720 | - | - | 895,720 | ( 84,715) | 100% | ( 84,715) | 2,237,163 | - | |
| Realtek Semiconductor (ShenZhen) Corp. | R&D and technical support | 159,950 | 2 | 159,950 | - | - | 159,950 | 2,626 | 100% | 2,626 | 354,955 | - | |
| RayMX Microelectronics Corp. | ICs manufacturing, design, research, development, sales, and marketing | 116,256 | 2 | 116,256 | - | - | 116,256 | ( 53,792) | 100% | ( 53,792) | 214,893 | - | |
| Suzhou Pankore Integrated Circuit Technology Co. Ltd. | ICs manufacturing, design, research, development, sales, and marketing | 44,288 | 2 | 44,288 | - | - | 44,288 | ( 1,490) | 100% | ( 1,490) | ( 154,207) | - | |

| Company name | Accumulated amount of remittance from Taiwan to Mainland China as at March 31, 2024 | Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA) | Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA |
|---|---|---|---|
| Cortina Network Systems (Shanghai) Co., Ltd. | $ 155,164 | $ 155,164 | $ 28,548,058 |
| Realsil Microelectronics (Suzhou) Co., Ltd. | 895,720 | 895,720 | |
| Realtek Semiconductor (ShenZhen) Corp. | 159,950 | 159,950 | |
| RayMX Microelectronics Corp. | 116,256 | 116,256 | |
| Suzhou Pankore Integrated Circuit Technology Co. Ltd. | 44,288 | 44,288 | |

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

(1) Directly invest in a company in Mainland China.

(2) Through investing in an existing company in the third area, which then invested in the investee in Mainland China.

(3) Others.

Note 2: In the Investment income (loss) recognised by the Company for the three-month period ended March 31, 2024 column pertained to obtaining the company's self-contained financial statements.

Note 3: The amount of foreign currencies denominated in New Taiwan dollars in this table, which relates to income and expenses which were re-translated at the average exchange rate from January 1, 2024 to March 31, 2024, others were re-translated at the exchange rate prevailing at the end of the financial reporting period.

REALTEK SEMICONDUCTOR CORPORATION AND SUBSIDIARIES

Major shareholders information

March 31, 2024

Table 9

| Name of major shareholders | Shares | |
|---|---|---|
| | Name of shares held | Ownership (%) |
| Capital Tip Customized Taiwan Select High Dividend Exchange Traded Fund | 32,992,000 | 6.43% |